



# Corporate Responsibility 2009



## DAVID ATKINS CHIEF EXECUTIVE



Our CR objectives support long-term growth, helping us build better relationships with our customers and local communities and adding value across the business.

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**This is your first year as Hammerson's Chief Executive. What changes can we expect to see in the Company's sustainability strategy?**

You cannot separate sustainability from wider business strategy. When I took over as Chief Executive in October 2009 I made it clear that we would continue to focus on providing exceptional buildings, managing those buildings extremely well, and building relationships with our stakeholders. What I am changing is our approach: I want us to focus much more on our customers, and I want our reputation for property management to equal our reputation for development. These objectives are designed to support long-term business growth. They are inherently supported by our CR objectives: our focus on reducing energy consumption, for example, is simply good property management as it reduces costs for ourselves and our customers. Similarly, our engagement with local communities; our retail skills training programmes; our work with retailers in designing low-energy stores: all of these initiatives help us to build strong relationships with our customers, and allow us to add value so we become more than just a property supplier.

**When did you personally become involved in Hammerson's sustainability activity?**

I have been a member of the CR Group, which sets and monitors Hammerson's sustainability strategy and targets, since 2007. Before this, I was involved in CR implementation, approving and monitoring capital expenditure for sustainability initiatives as part of my role as UK Retail Managing Director. I now chair the CR Group, and as Chief Executive have ultimate responsibility at Board level for ensuring CR policies are upheld.

**2009 was a year of intense activity for the Company, with significant change in the composition of your investment portfolio. How do you deal with the sustainability challenges posed by a high level of trading activity?**

In 2009 we sold eight assets. We also opened a major shopping centre development in Aberdeen and an office building in the City of London; acquired a prime shopping centre in Glasgow and a retail development in Marseille. Both developments completed in 2009 were designed and built according to our strict internal sustainability guidelines, and have been awarded good environmental ratings.

When we acquire a building, we include sustainability criteria as part of our due diligence process, and when we have completed our purchase, we start to put in place the programmes we run elsewhere in our portfolio. In this way, we reduce the impact of acquisitions on Group environmental performance. This is particularly important in the context of the introduction of the Carbon Reduction Commitments Energy Efficiency Scheme (CRCEES) in the UK and a Carbon Tax in France. At the same time, we are setting up tenant "Green Groups" at our offices and shopping centres so that if we sell an asset, there is a mechanism in place so that sustainability initiatives continue to be implemented.

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**Which external stakeholders help shape your approach?**

We engage with a large number of external stakeholders, the most important groups being investors, occupiers, local communities and suppliers. I would highlight investors as a group where we have really made progress in the past 12 months, as we have focused on improving our disclosure.

Our sustainability performance has improved consistently over the past three years and I am delighted that these efforts have been recognised by investors and industry specialists: Hammerson became a sustainability leader in 2009, ranking first among the real estate major European companies in both the Carbon Disclosure Project (CDP7) and APG/PGGM/USS investor surveys.

Increasingly, we are also turning our attention to our supply chain as we recognise that our suppliers have the potential to affect significantly our sustainability performance. From 2010 we will be asking suppliers to complete sustainability questionnaires and setting a minimum standard for a supplier to work with us. Ensuring suppliers comply with this standard, and helping them to do so, will be an important focus over the next three years.

**What are you doing to engage with staff, and what role do Hammerson employees play in your overall CR strategy?**

For the second year running, we ran an all-staff survey, this year selecting the Great Place to Work survey. We were pleased with the response rate which, at 79%, provided a comprehensive picture of staff attitudes across the business. The survey painted a largely positive picture, although we have identified areas for improvement. For example we are introducing a revised Performance and Development Review process; improving internal communication and introducing some business improvements, which will benefit employees. I think it's vital staff understand how their work fits into the wider aims of the organisation and how they're performing as well as how they can develop and how the Company can support them. I'm also committed to continually engaging with staff as a way to identify future business improvements.

**2009 saw a reduced emphasis on property development for Hammerson: How did this affect the Company's sustainability performance?**

I think it's important to put development in context: Even two years ago, when we had five major schemes under construction, development only constituted around 15% of our total portfolio. Efficiency in the investment portfolio has therefore been the focus for a number of years, even if our most newsworthy achievements came from new developments. One effect of the slowdown in development activity in 2009 was, however, that some of our targets relating to development were not met or became non-applicable. A return to a more benign economic climate means we can plan more effectively. We have reviewed our approach to setting targets for 2010 and I am confident that the targets we have set ourselves are fully aligned to the business strategy for the forthcoming three-year period.

**What sustainability challenges does Hammerson face in the coming years and how do you plan to deal with these?**

The sheer volume of environmental legislation that will come into effect in the UK and France over the next ten years poses significant challenges for any large business, particularly in the real estate sector. We began making changes to the way we approach design and construction several years ago, and are ahead of the industry: of the five major developments we have completed in the UK in the last two years, three received BREEAM Very Good ratings and two, BREEAM Excellent ratings. Our most recent design for an extension to our Italie 2 shopping centre in Paris received an Haute Qualité Environnementale rating, one of the first to do so in France. But we still have a long way to go and will need to work hard to ensure we remain at the forefront of best practice. The other challenge in the medium-term is building on the good progress we have made to date. Much of our activity has been focused on changing shop fittings from high-energy to low-energy alternatives, resulting in large reductions in energy consumption. In order to continue to improve our energy efficiency we need to influence the behaviour of our customers, our suppliers and our employees. In 2008 we began engaging with our customers through our Green Leases, and now have nearly 700 of these leases across the portfolio. In 2009 we began a programme of environmental training for all our operational staff. I am keen to continue this work and will continue to emphasise the importance of sustainability to our business through our internal and external communications programme.

**David Atkins**  
Chief Executive  
March 2010

## PAUL EDWARDS HEAD OF SUSTAINABILITY



Sustainability is just good business sense. We continue to implement programmes which reduce costs and improve efficiency for our customers and other stakeholders, so ensuring the longevity of our operations.

Last year the question on many people's lips was: would sustainability survive a major economic downturn? At Hammerson, our sustainability initiatives not only survived 2009, but made a major contribution to the business as we sought to both reduce costs and position ourselves to take advantage of opportunities as we emerged from the downturn.

Adhering to our long-held belief that sustainability is just good business sense, we continued to achieve long-term cost reductions for ourselves and our occupiers by implementing programmes which are focused on reducing energy and water use and increasing waste recycling across our portfolio. Our energy reductions also mean that Hammerson is relatively well placed ahead of the introduction of the Carbon Reduction Commitments Energy Efficiency Scheme (CRCEES) in the UK and the anticipated Carbon Tax in France. Our award-winning skills and training programmes benefit both unemployed people living near our shopping centres, who gain access to jobs, and our retailer customers, who do not suffer wage inflation as a result of local skills shortages. Further details of these major initiatives, and specific case studies, can be found in this report. We have two overarching commitments: to reduce costs for the benefit of our customers and shareholders and to be at the forefront of environmental and social sustainability to ensure the longevity of our business operations.

Over the past two years we have worked to demonstrate the value of this approach in our reporting. Our Connected Reporting Framework, introduced in 2008, helped us and our investors to evaluate the financial benefit of sustainability to the business. This year we have continued to develop this successful approach to reporting, improving the link between CR strategy and financial performance. We are also reporting for the second year using Global Reporting Initiative guidelines, to allow comparison with companies in other sectors. For specialist investors, we held our second Socially Responsible Investment (SRI) tour in London and, for the first time, Holland, and have used the feedback from these tours to compile this report. We will also be publishing our responses to investor questionnaires on our corporate website.

I have continued to work with industry bodies to develop a common approach to the problems we face. We worked with Business in the Community and several other industry bodies to create the Carbon Consensus, designed to provide a practical approach towards setting carbon targets for developments. I also chair the Green Property Alliance sub-working group on measurement and reporting. One of the less desirable consequences of the growth in interest in sustainability in recent years has been a proliferation of questionnaires: the GPA's aim is to simplify reporting, establishing common metrics for the real estate industry which will reduce the number of individual surveys.

We continue to increase our own employees' awareness and understanding of sustainability issues, and what is required of them in their individual roles, through an awareness and training programme. This year, we ran a programme of presentations on our sustainability results and initiatives for staff across the business in the UK and France; ran a second Hammerson in the Community Day for staff at our head office in London; implemented environmental training for our employees in Paris and 85 employees at WestQuay, Southampton; and ran Sustainability Awareness Days for our staff in London and Paris. We have also committed to introducing sustainability KPIs for all staff as part of a wider review of staff role profiles and responsibilities.

Like most people, I enjoy talking about our successes but it is important to recognise the areas where we continue to struggle. One of these is supply chain. With a reduced focus on development in 2009 and tighter resourcing, our initiatives in this area have taken a little longer to bring forward than anticipated and many of our targets in this area were not met. However I am pleased to say we have now completed and issued a trial online Sustainability Questionnaire which we will be issuing to all suppliers. Responses will be reviewed and suppliers will be given a three-year window to meet a standard set by Hammerson. In doing so, we aim to give underperforming suppliers the opportunity to learn from us and each other, while making it clear that over the medium term we will not work with suppliers who do not meet our own stringent sustainability standards.

While the asset portfolio remained the primary focus of initiatives, we nevertheless achieved strong results in the development activity we pursued. An emphasis on cost reduction pushed us to review the design of Union Square, Aberdeen, which opened in October 2009. Initiatives implemented at the scheme, including natural light and ventilation and a green roof and wall, are expected to result in reduced occupational costs for retailers. We again ran our pioneering skills training programme for the 1,000 jobs created at the scheme, with the result that 56% of new jobs were awarded to people who were previously unemployed.

We continue to incorporate best practise into our designs for future developments through the creation, review and updating of Sustainability Implementation Plans (SIPs). Notable successes in 2009 include the award of an HQE rating for our proposed extension to Italie 2 shopping centre in Paris and the creation of a SIP in France.

**Paul Edwards**  
Head of Sustainability  
March 2010

## CR MANAGEMENT

The Board agrees overall CR strategy, with the CR Group monitoring progress against targets. CR targets are grouped around our five material areas and are delivered by working groups representing the three principal areas of Hammerson's business: Operations; Development; and Corporate.

### How we manage CR

#### » Set and monitor targets and policies

##### CR Group

<b>David Atkins</b> Chief Executive, Hammerson plc	<b>Paul Edwards</b> Head of Sustainability
<b>Jean-Philippe Mouton</b> Managing Director, France	<b>Philippe Bouveret</b> Sustainability Director, France
<b>Robin Dobson</b> Director, UK Retail Development	<b>Andrea Cockram</b> Corporate Communications Manager
<b>Andrew Thomson</b> Director, UK Operations	

#### » Deliver against targets and implement policies

##### CR Working Groups

###### Operations

<b>UK</b> <b>Andrew Thomson</b> Director, UK Operations	<b>France</b> <b>Marc Valente</b> Retail Property Deputy Director
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###### Development

<b>UK</b> <b>Robin Dobson</b> Director, UK Retail Development	<b>France</b> <b>Eymeric de Montauzon</b> Development Director
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###### Corporate

<b>UK</b> <b>Paul Edwards</b> Head of Sustainability	<b>France</b> <b>Thomas Havas</b> Director, Marketing & Communication
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We adopt a common approach in the UK and France.

- The CR Group meets quarterly. Working groups meet at least every two months.
- Our knowledge, education and communication programmes span our five material areas. They focus on sharing sustainability knowledge with our occupiers and visitors to our shopping centres, and on ensuring that our employees and suppliers fully understand our objectives and the reasons for them.
- A major focus since 2006 has been the improvement of measuring and monitoring systems, both at the point of data collection and in its subsequent analysis. This is fundamental to our approach.
- This is our second year of reporting using the Global Reporting Initiative (GRI) guidelines. As in 2008, we are targeting level B. We also participate in recognised indices such as DJSI and FTSE4Good, and publish our response to the Carbon Disclosure Project. Responses to investor questionnaires are available on our website [www.hammerson.com](http://www.hammerson.com).

# MATERIAL AREAS AND STAKEHOLDERS

Hammerson focuses its sustainability initiatives on five key areas identified through a materiality study. These areas, around which we group our initiatives and annual targets, encompass a number of more specific issues, as set out below.



## Stakeholders

Hammerson engages with a number of stakeholders as part of its activities. These include: investors; office occupiers; retailers; visitors to its shopping centres; Government (local and national); community organisations; suppliers; our employees; leaders in sustainability; and peers.



## TRAINING AND DEVELOPMENT

Our people are key to building and enhancing our reputation. Hammerson invests in its people with the goal of enabling them to maximise their potential and their contribution to the business.

### Our Commitments

Communicate our vision and values	Deliver business process improvements	Conduct group-wide review of internal communications
Introduce a clear system of rewards	<b>Conduct an annual staff survey</b>	Implement a clear and consistent flexible working policy
Invest in leadership development	launch a management training curriculum	Roll-out new skills & development frameworks

Our training programmes are designed to ensure that staff have the right level of knowledge to be able to carry out their jobs effectively, to comply with legislation and, to enable them to develop their skills and progress through the organisation.

#### Statutory training

Health and Safety training was a primary focus during the year, aimed at ensuring that the implications of the Corporate Manslaughter Act (March 2009) were fully understood. We have always maintained high standards of Health and Safety training for employees with direct property responsibility. However, beginning in 2008, we increased the scope of our awareness training for head office staff, including our development team, asset managers, senior management and executive directors. With an increase in both the volume and complexity of environmental legislation, we are introducing environmental awareness training for a similar group of employees, having run successful programmes for shopping centre staff in 2009, 92 of our French staff, including those based in shopping centres, underwent environmental training in 2009, and it is intended that the remainder will complete it in 2010.

We also updated our training matrix for all UK operational employees and have started to audit its implementation. This matrix covers around 95 people, including employees based at shopping centres, and our operational staff based in Reading. Training is managed by two internal trainers who deliver some training themselves and outsource more specialist needs.



### **Personal development**

In 2009 we revised how individuals contribute to, and are supported by the organisation. We targeted specific areas including job descriptions; team responsibilities; the appraisal process; and career development. The initiatives which came out of this, and which are informed by our annual staff survey, will be implemented over the medium-term.

Our aim is for employees to clearly understand how they fit into the organisation; how their work contributes to wider Company aims; how they are performing and what opportunities they have to develop and progress.

In the UK we are drafting role profiles for all UK employees which clearly define areas of accountability and the behaviours and skill sets required to achieve objectives. We will use these to create a career framework which will help employees identify development and career progression opportunities.

We are making improvements to the appraisal systems we use across all areas of the Company. Through these changes we will assess not only what people do, but also how they do it, ensuring adherence to corporate values and effective deployment of skills and knowledge. As part of this review of appraisals, we are incorporating sustainability objectives into each employee's role profile.

We already train line managers in how to lead effective performance development review discussions and in 2010 we will introduce leadership development programmes in the UK and France, to ensure key people managers are given the opportunity to develop all the skills they need to lead a team effectively.

In 2009, 34 people, or 10% of staff across the Group, moved into new roles. Of these, 15 represented promotions and the remainder were to similar-level positions to broaden their experience and skills either in a different department or geographical location.

Further details of Hammerson's HR policies and progress can be found in our Annual Report and on the corporate website: [www.hammerson.com](http://www.hammerson.com)

## ASSURANCE

Hammerson uses third parties - Upstream Sustainability Services, part of Jones Lang LaSalle and Bureau Veritas - to provide external evaluation of progress and data quality. As both these organisations provide consultancy advice to Hammerson, statements provided should not be interpreted as a fully independent verification or assurance statement.

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### Advisors' Statement

For Hammerson's CR Report 2009, Upstream Sustainability Services, Jones Lang LaSalle has been involved in three main capacities – undertaking an assessment of Hammerson's progress against the 2009 targets; providing assistance on achieving Global Reporting Initiative Level B; and validating data for the performance indicators. Given that Upstream Sustainability Services is Hammerson's long-term strategic advisor on corporate responsibility (CR), this statement does not represent a fully independent verification statement but intends to provide an external evaluation of progress achieved during the year.

### Target assessment

Upstream Sustainability Services performed the target assessment on the basis of telephone interviews and face-to-face meetings with those responsible for CR targets, as well as a detailed review of documentation and data submitted as evidence of action against each target. This year Hammerson set itself 64 targets - 37 for the UK business and 27 for the French business; as the scope for these targets varied for the UK and France, they were assessed separately.

In 2009, 72% of Hammerson's targets were either fully achieved or in progress (41% achieved; 31% in progress). This target achievement rate is low in comparison to 2008 performance; this in part reflects the fact that the company continued to set ambitious targets in very difficult market conditions. Note that 8% of the targets set in 2009 are not applicable mainly due to Hammerson's limited development activities in 2009.

Notable target achievements during 2009 include:

- A sea-change in the capture of community investment data through the roll-out of the LBG toolkit
- Creation of sustainability training programmes in the UK and France to embed sustainability skills and knowledge in more business functions
- Further progress towards achieving the rolling energy target for the consistent portfolio, with reductions of 15.9% for UK shopping centres, 17.3% for French shopping centres and 19.6% for UK offices against the 2006 baseline
- Completing the biodiversity programme to identify opportunities for ecological enhancement in the existing assets
- Progress towards understanding the water baseline in the shopping centres, although metering arrangements remain problematic in some assets

In terms of the 20% of targets not achieved, we reiterate our comment from 2008 regarding the need to implement Hammerson's responsible procurement policy in a systematic fashion across all operational and development activities. Progress has been made in 2009 but there remains a lot more to be done in 2010.

### Target assessment

As in last year's report, Upstream Sustainability Services has provided guidance to enable the CR Report 2009 to meet the GRI principles defining report content and quality. As this is a self-declared GRI report, we recommended the inclusion of a self-assessment against these GRI principles to enable greater transparency for the report reader. A checklist of the required profile disclosures, management disclosures and indicators to meet GRI Level B is provided here. Data Validation

For the reporting year 2009, we were responsible for aggregating and validating environmental, socio-economic and financial data. This validation is limited to checking performance trends against historical data, analysing cost per unit for utilities and analysing monthly environmental data reports for the French assets. For this report, we also undertook site visits to 4 assets and checking of source data for some indicators. We have also been involved in the validation of historical data but our review of the financial information (climate change and energy and resource use - cost, savings, income, investment) is limited to 2009 performance only.

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#### **Advisors' review**

From our perspective, 2009 was a year of intense consolidation by Hammerson of its sustainability strategy and management system in challenging market conditions. As a result of this consolidation, Hammerson is now reaping the benefits of its Sustainability Forum for Innovation and better integration of financial and non-financial data through the Connected Reporting Framework. These two initiatives provide a clear, compelling link to the core business strategy, with Hammerson's sustainability actions and disclosure increasingly seen as improving management of operational costs, enabling access to new sources of SRI capital and preventing asset obsolescence.

Hammerson's overall environmental data quality and processes continue to improve significantly, in particular for those assets which it has been holding for a number of years. In terms of disclosure, challenges remain in reporting appropriately on the French portfolio with its complex co-ownership structures, in gathering high quality data for the UK retail park portfolio and for this year in particular, in reporting on dynamic investment and development portfolios. In meeting these challenges, the CR Performance Indicator manual is assisting with clarifying the scope and the consistent calculation of the KPIs, and improved government guidance on voluntary data disclosure is to be welcomed.

Hammerson also made a significant step forward in providing a much more comprehensive and transparent disclosure on its Human Resources performance, and in recognising the extent to which staff sustainability knowledge and enthusiasm is critical to embedding strong environmental and social performance in all business functions.

The key challenge for Hammerson in 2010 relates to the fact that government sustainability policy is evolving extremely quickly, and occasionally in different directions, in the UK and France. This means that the company needs to maximise successful initiatives across the UK and French portfolios in a proactive manner and will need to allocate significant resources to meet compliance-driven requirements. Furthermore, the changing legislation is tying together landlord and tenant responsibility much more tightly and this will require the company to engage with all retail and office tenants to help them improve their own occupational performance significantly in 2010 and beyond.

2009 was the year in which Hammerson's ten year long commitment to sustainable development and corporate responsibility was formally recognised in a number of key indices, including The Sunday Times Best Green Companies Award, the Carbon Disclosure Leadership Index (for the 2nd year) and the Global Perspective on Sustainable Real Estate index (by Maastricht University). The company now takes its place as global leader in sustainable real estate and is on track to cement and strengthen that position in 2010.

#### **Sophie Walker**

Senior Consultant  
Upstream Sustainability  
Services  
Jones Lang LaSalle

#### **Anne-Sophie Blin**

Consultant  
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#### **Nick Hogg**

Consultant  
Upstream Sustainability  
Services  
Jones Lang LaSalle

## STAKEHOLDER ENGAGEMENT TABLE

» Stakeholder	» Type of engagement	» What they said	» How we're responding
<b>Investors</b>	<ul style="list-style-type: none"> <li>• SRI investor tour</li> <li>• SRI investor questionnaires</li> <li>• Teleconferences</li> </ul>	<ul style="list-style-type: none"> <li>• Want to see increased disclosure on climate change, biodiversity</li> <li>• Human resources</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change and carbon management policy published on website</li> <li>• Biodiversity audit completed and details included in online and summary CR report</li> <li>• New HR section in Annual Report with further information on training published in online CR report</li> </ul>
<b>Office occupiers</b>	<ul style="list-style-type: none"> <li>• Green Lease</li> <li>• Creation of Green Groups</li> <li>• Office occupier survey</li> <li>• Sustainability information in leasing materials for new offices</li> <li>• Sustainability information on display screens in existing offices</li> </ul>	<ul style="list-style-type: none"> <li>• Want to see increased engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Green Groups created</li> <li>• Tenant Sustainability Guides issued to all new tenants</li> <li>• Green events held in assets</li> <li>• Information boards created at assets. We continue to demonstrate the payback of initiatives. Results of the occupier survey will be published in May 2010</li> </ul>
<b>Retailers</b>	<ul style="list-style-type: none"> <li>• Green Lease</li> <li>• Creation of Green Groups</li> <li>• Retailer survey</li> </ul>	<ul style="list-style-type: none"> <li>• Concern over cost</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communication with retailers; creation of Store Lab in partnership with De Montfort university, which will allow retailers to test sustainable solutions</li> <li>• Issued Tenant Sustainability Guide</li> <li>• Developed energy management plan template</li> <li>• Ongoing engagement with tenants</li> </ul>
<b>Visitors to shopping centres</b>	<ul style="list-style-type: none"> <li>• Sustainability awareness exhibitions in the UK and France</li> </ul>	<ul style="list-style-type: none"> <li>• Concern over climate change, but limited understanding of how individual behaviour can make a difference</li> </ul>	<ul style="list-style-type: none"> <li>• Increased awareness campaigns including Green Weeks and the introduction of recycling bins in the malls</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>• Founder member of the National Skills Academy for Retail</li> <li>• Regular meetings with regional government, local authorities and public sector organisations to support core business activities</li> <li>• Work with Local Education Business Partnerships</li> <li>• Sit on Board of industry working groups including the UK Green Building Council</li> <li>• The CNCC Sustainability Working Group (France)</li> <li>• The FSIF (France)</li> </ul>	<ul style="list-style-type: none"> <li>• The UK government has launched CRC EES and EPC and issued several consultations ranging from CRC to Heat Incentives. CNCC is engaged in two Plan Batiment Grenelle Working Groups and members of the CNCC Sustainability Working Group are regularly asked to give an advice</li> </ul>	<ul style="list-style-type: none"> <li>• Working with Communities and Local Government on the expansion of the Display Energy Certificates scheme and with the British Property Federation to respond to consultations with Government on CRC EES. Engaged with local authorities to deliver jobs, skills and training programmes in Union Square. Working with London First and Government on decentralised energy solutions</li> </ul>



## STAKEHOLDER ENGAGEMENT TABLE CONTINUED

» Stakeholder	» Type of engagement	» What they said	» How we're responding
<b>Community organisations</b>	<ul style="list-style-type: none"> <li>• Statement of Community Involvement to support planning applications for Bishops Place and Brent Cross Cricklewood, London</li> <li>• Public consultation to support Bishops Place application</li> </ul>	<ul style="list-style-type: none"> <li>• Concerns over waste disposal proposals in Cricklewood</li> <li>• Local opposition to demolition of a building included in initial plans for Bishops Place</li> </ul>	<ul style="list-style-type: none"> <li>• Further explanation of MRF facility in Cricklewood</li> <li>• Retention of 233 Shoreditch High Street as part of Bishops Place proposals, resulting in number of objections being reduced from over 3,000 to just 17</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Sustainable procurement policy</li> <li>• Trial sustainability questionnaire, UK</li> <li>• Supplier questionnaire issued as part of tender process in France</li> </ul>	<ul style="list-style-type: none"> <li>• Expressed the need for clear metrics</li> </ul>	<ul style="list-style-type: none"> <li>• Founding member of construction forum to set common metrics for measurement of emissions. Roll out of suppliers sustainability questionnaire in 2010</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Staff survey</li> <li>• Staff workshops</li> <li>• Sustainability awareness day</li> <li>• Hammerson in the Community Day</li> </ul>	<ul style="list-style-type: none"> <li>• Internal communication</li> <li>• Flexible working (UK)</li> </ul>	<ul style="list-style-type: none"> <li>• Staff survey to be carried out annually</li> <li>• Improved internal communications strategy put in place following internal consultation</li> </ul>
<b>Peers</b>	<ul style="list-style-type: none"> <li>• Representation on several industry bodies, including: Board member Better Building Partnership</li> <li>• Board member National Skills Academy</li> <li>• Member of UKGBC STEP working group</li> <li>• Chair metrics working group of Green Porperty Alliance</li> <li>• Chair BCO Environmental Sustainability Group</li> </ul>	<ul style="list-style-type: none"> <li>• No issues raised</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to share knowledge and create best practice case studies and tool kits</li> </ul>
<b>Co-owners of French shopping centres</b>	<ul style="list-style-type: none"> <li>• Capital expenditure projects in France require the support of co-owners and are decided by vote. We therefore engage with co-owners on sustainability issues in order to improve energy and resource use efficiency in our French portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• No issues raised</li> </ul>	<ul style="list-style-type: none"> <li>• Approval gained for lighting change project at Espace Saint Quentin car park, and replacement of one air conditioning system at Bercy 2 in 2009; Further efficiency programmes to be introduced as part of our refurbishment programmes, in line with Grenelle legislation</li> </ul>

# 1. CLIMATE CHANGE AND ENERGY



We made substantial progress in 2009 in reducing the carbon footprint of our existing properties against our 2006 baseline.

## Objectives

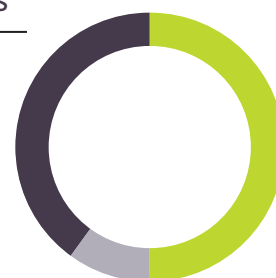
- » To reduce the carbon footprint of each of our properties.
- » To adapt our buildings to minimise the impact of climate change.

## Performance against targets

**50%** Achieved

**10%** In progress

**40%** Not achieved



We have two principal objectives relating to climate change and energy. First, we seek to reduce the carbon footprint of each of our properties, ensuring we meet, and preferably exceed, government targets relating to energy consumption. Equally, in our development activities, we seek to design buildings which minimise energy consumption in their construction, and are designed to be efficient in their operation. Second, over the longer-term, we are adapting our buildings where necessary to mitigate the effects of climate change, and ensure our investment strategy takes into account the possible negative impact of changes in weather patterns.

We made substantial progress in 2009 in reducing the carbon footprint of our existing properties against our 2006 baseline. Since 2006, we have reduced our carbon emissions at our UK shopping centres by 15.9%, UK offices by 19.6% and French shopping centres by 17.3%. Overall in 2009, our carbon emissions fell, despite the fact we included energy consumption at the two major shopping centre extensions completed in 2008 (Highcross, Leicester and O'Parinor, near Paris). We also started reporting on two additional assets in the office portfolio.

**GRI** Our success in this area is dependent on rigorous measurement and reporting in both the UK and France, where we have continued our programme of installing meters in anticipation of the Carbon Reduction Commitments Energy Efficiency Scheme (CRCEES) in the UK and Carbon Tax in France. We also embarked on a process of understanding the carbon footprint of our managed properties. We met our target to measure the carbon footprint of six managed assets in the UK, and gathered carbon data for most of our UK retail properties as part of an assessment for the Carbon Trust Standard, including transport data. We will continue this project in 2010 to complete our Carbon Trust Certificate for the CRCEES. For the second year running, we also measured the carbon footprint of our head office in London, recording a reduction in emissions of 7%.

Although development activity was lower in 2009, we continued to refine our approach to future development. In 2009 we developed a standard monitoring and reporting template for the measurement of energy, water, waste and timber during construction. This work grew out of a construction leadership forum jointly created by Hammerson and Skanska, facilitated by Forum for the Future. We will introduce the use of this reporting template on all construction sites. In France, we created a blueprint Sustainability Implementation Plan (SIP), which will form the basis of a SIP for Les Terrasses du Port, a major retail development in Marseille, where construction is scheduled to start towards the end of 2010. We were also pleased to be awarded an HQE rating for the proposed extension to our Italie2 shopping centre in Paris.

**GRI** As part of our ongoing management of environmental impacts, a focus in 2009 was on environmental training. We developed our own training course, externally certified by the Institute of Environmental Management and Assessment (IEMA), which we used to train 85 people at WestQuay, Southampton. The aim was to ensure that the Environmental Management System (EMS) we have put in place is successfully followed. We plan to roll out this initiative across the portfolio as part of our aim to achieve ISO 14001 for each of our properties. In France, where our operations are more centralised, all 92 of our head office staff at Washington Plaza and our French shopping centre portfolio underwent environmental training.

Expenditure on sustainability initiatives in 2009 totalled £540,000 (UK and France), a proportion of which is rechargeable to occupiers or joint venture partners. Initiatives in both countries focused on the installation of low-energy lights in shopping centres and more energy efficient air conditioning. These programmes have demonstrated consistent success: at The Oracle, one of the first shopping centres to change lighting systems, carbon emissions have fallen 27% since the programme was implemented in 2006. Initiatives in the UK were assessed by our Sustainability Programme for Innovation, which reviews social and environmental initiatives against economic criteria. These initiatives will be of additional benefit in 2010 as reductions in carbon emissions equate to savings in CRC tax. For 2010, we have identified new initiatives for our UK shopping centre portfolio which will cost around £2 million to implement, save in the region of £650,000 per annum. and equate to a reduction of around 20% in carbon.

Targets relating to our longer-term objective to minimise the impacts of climate change were deemed in progress. Following a report commissioned in 2008 into climate change mitigation and adaptation for managed assets and developments in the UK and France, we developed an action plan to implement the findings at a number of properties and will use the findings when designing future developments and their related SIPs.

## TARGETS 2009

### Our progress

- UK
- France

	ACHIEVED	IN PROGRESS	NOT ACHIEVED
<b>1. ROLLING TARGET ENERGY REDUCTION BY END 2010 AGAINST 2006 BASELINE:</b> <ul style="list-style-type: none"> <li>• 19% for UK shopping centres</li> <li>• 19% for UK offices</li> <li>• 11% for France shopping centres.</li> </ul>		<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> </ul>	
<b>2. Measure the carbon footprint including energy and transport emissions of six UK managed properties.</b>	●		
<b>3. Deliver Diagnostic of Energy Performance to all assets that legally require them.</b>	●		
<b>4. Complete the following transport-related initiatives in France:</b> <ul style="list-style-type: none"> <li>• investigate how people travel to our centres</li> <li>• research which opportunities and technologies could reduce our environmental impact</li> <li>• review the implications of these opportunities and technologies.</li> </ul>		●	
<b>5. Develop a corporate climate change and carbon management policy.</b>	●		
<b>6. Investigate the design of car parks and the appropriateness of including adaptable and flexible design components in order to facilitate potential changes of use.</b>	●		
<b>7. Investigate and report on the impact of updating the 'Cahier Des Charges' (Project Scope Statement) to include sustainability and to anticipate future legislation.</b>			●
<b>8. Based on the 2008 climate change mitigation and adaptation report develop an action plan to implement SIPs for developments.</b>			<ul style="list-style-type: none"> <li>●</li> <li>●</li> </ul>
<b>9. Based on the 2008 climate change mitigation and adaptation report develop an action plan to implement the findings within the existing portfolio.</b>	●		●



# CONNECTED REPORTING FRAMEWORK

## CLIMATE CHANGE AND ENERGY

### Strategic Objectives

- To reduce the carbon footprint of each of our properties
- To adapt our buildings to minimise the impact of climate change

### Action

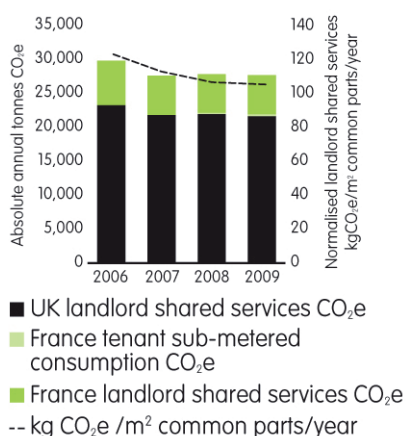
Our focus is to reduce energy consumption and greenhouse gas emissions on a like-for-like basis in our investment portfolio in line with our 2010 target. In order to do this we have taken a series of actions in 2009:

- Careful monitoring of energy use and continued efforts to improve the reliability of our carbon data in all portfolios. This is particularly important in preparing for the CRC Energy Efficiency scheme as accurate reporting becomes a legal requirement.
- Implemented measures ranging from investment in low-energy technologies from voltage optimisation to providing train tickets for staff to travel to meetings.
- Investigated how carbon is generated at each asset through the use of a bespoke carbon footprinting tool and the Carbon Trust Standard tool.
- Recognising the potential impacts of climate change, we have conducted a detailed climate change study in both the UK and France, looking at three key areas: subsidence, rainfall and flooding.

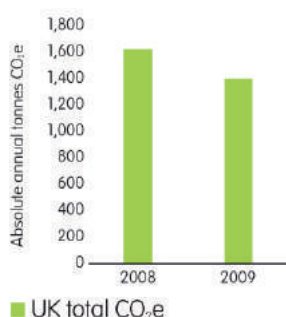
### Performance

#### Retail

Shopping Centres (UK & France) – CO<sub>2</sub>e from building energy consumption – all properties

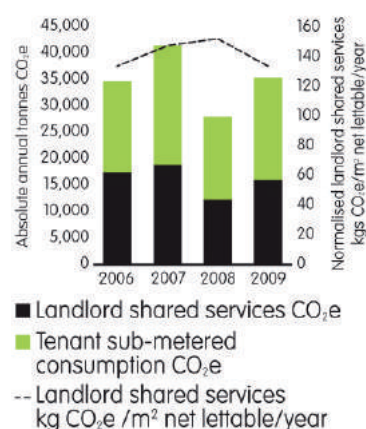


Retail Parks (UK) – CO<sub>2</sub>e from building energy consumption

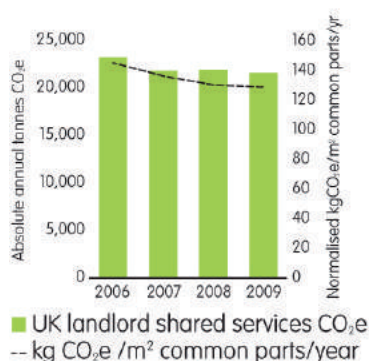


#### Office

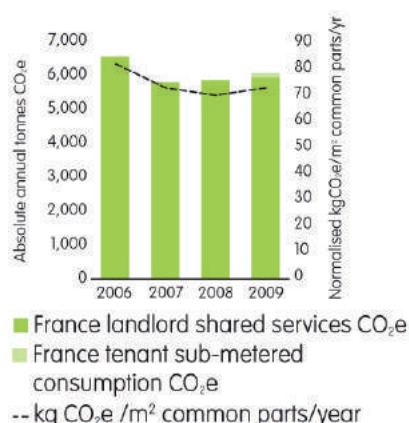
Offices (UK) – CO<sub>2</sub>e from building energy consumption – all properties



Shopping Centres (UK) – CO<sub>2</sub>e from building energy consumption



Shopping Centres (France) – CO<sub>2</sub>e from building energy consumption



## Financial indicators

	2007	2008	2009
<b>Cost of energy</b>			
UK	£6,223,627	£7,555,502	£10,465,671
France	Not recorded	Not recorded	£2,637,408
<b>Total</b>	<b>£6,223,627</b>	<b>£7,555,502</b>	<b>£13,103,079</b>
<b>Energy efficiency investment</b>			
UK	£282,659	£854,879	£53,000
France	Not recorded	£590,000	£487,048
<b>Total</b>	<b>£282,659</b>	<b>£1,444,879</b>	<b>£540,048</b>
<b>Estimated energy savings</b>			
UK	£131,671	£335,200	£979,452
France	Not recorded	Not recorded	Not recorded
<b>Total</b>	<b>£131,671</b>	<b>£335,200</b>	<b>£979,452</b>
Expenditure in carbon offset (UK only)	£13,611	£11,003	£11,834
Climate Change Levy Expenditure (UK only)	£182,609	£71,513	£202,373

## Commentary

- Since our baseline year of 2006, we have reduced our carbon emissions (expressed in CO<sub>2</sub>e) from landlord shared services by 15.9% for UK shopping centres, 17.3% for French shopping centres and by 19.6% for UK offices, when normalised by m<sup>2</sup> for a like-for-like set of buildings.
- Despite this reduction in consumption, our overall energy costs have risen. This is due to two factors – the inclusion of two new assets in our reported UK office investment portfolio and rising energy costs. Until now, energy prices in France have been regulated by the Government. This will stop in 2010, with a potential impact on costs. This rise in energy spending reinforces our aim to further reduce energy consumption; it also means that the payback periods for investments in energy efficiency technologies will become increasingly attractive in future years.
- For the latter part of 2009 we were unable to purchase green energy in our UK shopping centre portfolio due to a significant lack of availability in the market.
- In 2009, the majority of investment (£487,000) in energy efficiency was in France. A change in lighting systems at Italie 2 shopping centre in Paris represented just over half this investment, which has an anticipated payback period of around 12 years. Hammerson France has 10-year plans in place at all assets, which include prospective budgets for energy efficiency investment. The fact that these plans and budgets have to be approved by co-owners demonstrates the importance of Hammerson France's continued engagement with its co-owners on sustainability issues, particularly in the context of legislative requirements of the Grenelle relating to the refurbishment of existing assets between 2012 and 2020.

# HAMMERSON CR TARGETS 2010

## 1. CLIMATE CHANGE AND ENERGY

<b>UK/France</b>	ROLLING TARGET FOR 2010: Reduce carbon emissions associated with landlord-provided energy for shared services in the managed portfolio by 2010 against a 2006 baseline, by the following: <ul style="list-style-type: none"><li>• 19% for UK shopping centres</li><li>• 19% for UK offices</li><li>• 11% for French shopping centres.</li></ul>
<b>France</b>	Measure the carbon footprint including both energy and transport emissions of our French head office.
<b>UK/France</b>	Refine and agree the Hammerson Master Sustainable Implementation Plan to be used as a minimum standard for all projects.
<b>UK</b>	Based on the 2009 investigation into adapting car parks to different uses, develop an approach for future developments and implement this on one development in the UK at design stage.
<b>France</b>	Investigate and report on the impact of updating the 'Cahier Des Charges' (Project Scope Statement) to include sustainability and to anticipate future legislation.
<b>UK/France</b>	Develop a strategy for meeting legislative requirements with regard to high energy efficiency standards for new developments and trial this strategy on one UK and French development (including the forthcoming Code for Non Domestic Buildings and the Grenelle target of 50 kWh/m <sup>2</sup> ).
<b>France</b>	Identify appropriate energy efficiency plans for the refurbishment of all assets between 2012 and 2020 in line with the Grenelle laws.
<b>UK</b>	Revise Hammerson's reporting boundaries and scope three emissions' reporting in line with UK government guidance on greenhouse gas emissions reporting.
<b>France</b>	Following the roll-out of the climate change adaptation questionnaires for property managers, develop an appropriate action plans for all French managed assets.
<b>UK</b>	Obtain Display Energy Certificates for managed assets.
<b>UK</b>	Obtain a Carbon Trust Certificate for the Hammerson portfolio.
<b>UK</b>	Develop a strategy to manage and mitigate the impact of the CRC Energy Efficiency Scheme on Hammerson's operations.
<b>UK</b>	Commence implementation of the Green IT Strategy developed in 2009.

## 2. RESOURCE USE



Our focus is on reducing waste sent to landfill by increasing recycling, and improving water efficiency in our managed properties. In our development activities, we seek to incorporate the efficient use of resources into our design of buildings, and minimise resource use during construction.

### Objectives

- » To maximise the efficiency of our use of natural resources.
- » To reduce waste and re-use where viable.

### Performance against targets

**46%** Achieved  
**46%** In progress  
**8%** Not achieved



In 2009, the proportion of waste recycled, reused or composted (through onsite and offsite segregation) reached 53% for UK shopping centres, 28% for French shopping centres and 40% for UK offices. Our target is that by 2013, this proportion will be at least 75% for UK shopping centres, 75% for UK offices and 50% for France.

A starting point for increasing our recycling rates was a waste audit programme which allowed us to identify issues and ways to resolve them. At the Oracle shopping centre, for example, we identified food waste to be a major issue as it contaminates material which could otherwise be recycled easily. We reviewed five solutions taking into account space, energy, water, cost and time. We have set up a new waste programme and in the first three months have been able to divert almost 70 tonnes of food waste from landfill.

We also improved our understanding of our water consumption over the year, carrying out an audit of our managed properties (see case study). Following this study, we have set ourselves a long-term target to reduce water consumption. In France, where we have completed water audits, we aim to reduce landlord and tenant consumption of water by 10% by 2015 against a 2010 baseline. In the UK office portfolio we have identified a benchmark based on consumption per worker (Chartered Institute of Buildings Services Engineers Guide L) and are targeting best practice against this benchmark, also by 2015. We have not set a target for the UK shopping centre portfolio as no benchmark is available, and will be investigating an appropriate target during 2010.

**GRI** A number of targets related to the achievement of external benchmarks, including BREEAM, HQE and Part L building regulations. These are annual targets, some of which were deemed not applicable during the year, as no developments entered design stage. Going forward, we have decided to no longer include these benchmarks as annual targets, instead creating a separate "Hammerson Design Standard", which we have published as part of this report. This sets out standards we intend to achieve for all our developments, alongside scheme-specific requirements set out in our internal Sustainability Implementation Plans. In the managed portfolio, we are rolling out ISO 14001 (see case study) and have set ourselves a target for 2010 to achieve this rating in 2010 for one UK shopping centre. We also achieved BREEAM ratings for existing assets, including our head office at 10 Grosvenor Street which gained an Excellent rating. Our retail park portfolio is managed by Workman, an external company, in accordance with ISO 14001.



## TARGETS 2009

### Our progress

- UK
- France

	ACHIEVED	IN PROGRESS	NOT ACHIEVED
<b>1. ROLLING TARGET FOR 2013:</b> Increase the proportion of waste diverted from landfill through recycling across the managed portfolio by 2013 to the following amounts: <ul style="list-style-type: none"> <li>• 75% for UK shopping centres</li> <li>• 75% for UK offices</li> <li>• 50% for France shopping centres.</li> </ul>		● UK ● France	
<b>2. Apply for environmental ratings for projects at design stage:</b> <ul style="list-style-type: none"> <li>• BREEAM Excellent</li> <li>• BREEAM Very Good for Retail Parks</li> <li>• HQE in France.</li> </ul>	● France		
<b>3. Complete a BREEAM Europe rating for one project in France and compare the result with the HQE standard methodology.</b>		● France	
<b>4. Reuse or recycle 80% of waste produced during developments and refurbishments in the UK.</b>			● UK
<b>5. Develop a programme for existing assets to identify opportunities for improvement to biodiversity.</b>	● UK		
<b>6. Investigate the feasibility of offsite logistics centres for deliveries and recycling activities during both construction and operation phases to inform the design of future developments.</b>	● France		
<b>7. Carry out the following water use initiatives:</b> <ul style="list-style-type: none"> <li>• undertake an audit of water consumption throughout the managed portfolio</li> <li>• use this information to set a medium-term target from the 2008 baseline</li> <li>• develop a plan to reduce consumption.</li> </ul>		● France ● UK	
<b>8. Evaluate the impact of ISO 14001 certification in selected assets with a view to implementing a more structured environmental risk management programme.</b>		● UK ● France	
<b>9. Obtain a BREEAM rating for management and operations.</b>	● UK		
<b>10. Establish appropriate sustainability implementation plans for the design and construction of retail parks and refurbishment activities.</b>		● UK	
<b>11. Establish appropriate sustainability implementation plans for the design and construction of all new developments in France.</b>		● France	

# CONNECTED REPORTING FRAMEWORK

## RESOURCE USE

### Strategic Objectives

- To maximise the efficiency of our use of natural resources
- To reduce waste and reuse where viable

### Action

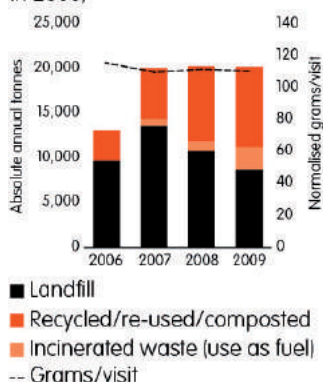
- In 2009 we continued to engage with our construction and architect suppliers to consider resource use in their designs, thereby helping us reduce our future impacts. We have now extended Sustainability Implementation Plans (SIPs) to UK Retail Parks and future developments in France. The SIP, which goes beyond recognised standards such as BREEAM and HQE, contains strict targets for recycled content, timber, paint and other materials, and also encompasses water, waste and biodiversity criteria
- At our managed assets, we continue to focus our teams' efforts on increasing reuse and recycling. In order to understand the issues and set comprehensive plans for each asset, we are also rolling out waste audits at all assets.

We commissioned water audits for both common areas and occupier space across the shopping centre portfolio.

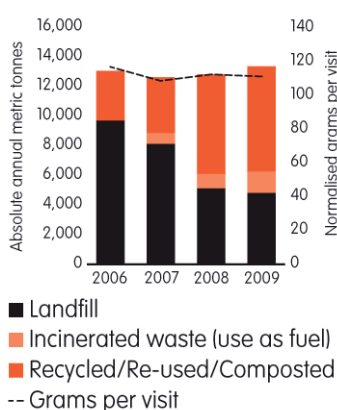
### Performance

#### Retail

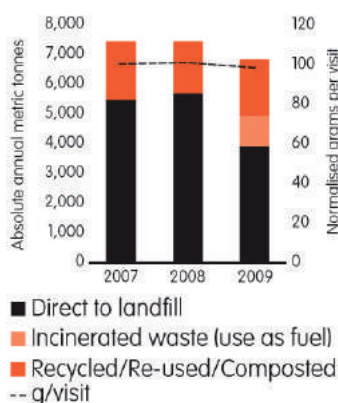
Shopping Centres (UK & France)  
Annual waste production (absolute  
by final disposal route) (UK only  
in 2006)



Shopping Centres (UK) –  
Annual waste production  
(absolute by final disposal route)

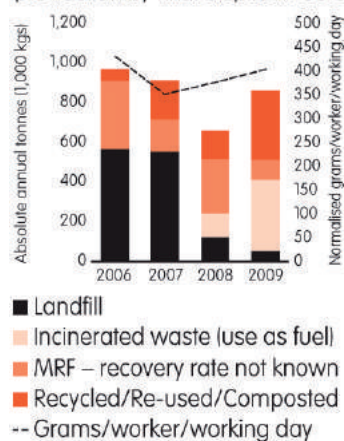


Shopping Centres (France) –  
Annual waste production  
(absolute by final disposal route)



#### Office

Offices (UK) – Annual waste  
production by final disposal route



## Waste

### Financial indicators

	2007	2008	2009
<b>Cost of waste</b>			
UK	£1,476,922	£1,719,476	£1,473,306
France	Not recorded	Not recorded	£641,261
<b>Total</b>	<b>£1,476,922</b>	<b>£1,719,476</b>	<b>£2,114,567</b>

### Investment in waste management improvements

UK	Not recorded	£32,504	£6,000
France	Not recorded		£9,126
<b>Total</b>	<b>£0</b>	<b>£32,504</b>	<b>£15,146</b>

### Estimated savings from landfill aversion

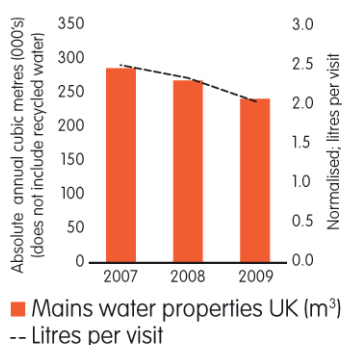
UK	£116,488	£254,364	£369,634
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### Income from sale of waste

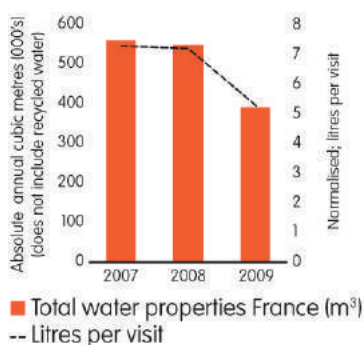
UK	£34,639	£55,155	£44,489
France	Not recorded	Not recorded	£14,218
<b>Total</b>	<b>£34,639</b>	<b>£55,155</b>	<b>£58,708</b>

## Retail

Shopping Centres (UK) – Annual water consumption from all sources (landlord & tenant) – all properties

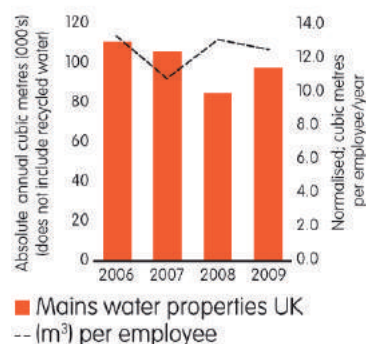


Shopping Centres (France) – Annual water consumption from all sources (landlord & tenant)

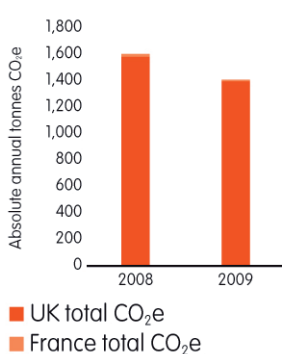


## Office

Offices (UK) – Annual water consumption from all sources (landlord & tenant)



Like for like Retail Parks (UK & France) – CO<sub>2</sub>e from building energy consumption



## Water & others

### Financial indicators

	2007	2008	2009
<b>Cost of water</b>			
UK	£599,873	£552,646	£772,983
France	Not recorded	Not recorded	£855,191
<b>Total</b>	<b>£599,873</b>	<b>£552,646</b>	<b>£1,628,173</b>

### Investment in water management improvements

UK	Not recorded	Not recorded	£13,000
France	Not recorded	Not recorded	£1,126
<b>Total</b>	<b>£0</b>	<b>£0</b>	<b>£14,126</b>

### Estimated water savings

UK	Not recorded	Not recorded	£33,172
France	Not recorded	Not recorded	£33,172
<b>Total</b>	<b>£0</b>	<b>£0</b>	<b>£419,628</b>

### Other investments including biodiversity audits

UK	Not recorded	Not recorded	£11,000
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### Commentary

- **Waste:** in 2009, the proportion of waste recycled, reused or composted (through onsite and offsite segregation) reached 53% for UK shopping centres, 28% for French shopping centres and 40% for UK offices. Our target is that by 2013, this proportion will be at least 75% for UK shopping centres, 75% for UK offices and 50% for France. Intelligent waste management is a significant financial opportunity for us, in particular with rises in UK landfill tax and the French equivalent, TGAP (Taxe Générale sur les Activités Polluantes). For this reason, we have focussed on changing the behaviours of both our retail customers and tenants, the simple installation of onsite waste segregation facilities and minimal investments in waste technologies. Hammerson has now made substantial savings and has even generated a revenue stream within the service charge.
- **Water** costs are less material for Hammerson but we anticipate that this will change as the increasing implementation of the EU Water Framework Directive and a changing climate leads to an increase in water prices.
- The air-conditioning system at Carrefour Market, the largest occupier at Italie 2 shopping centre was changed in 2009, from an evaporative cooling system which uses large amounts of water to a standard air-conditioning system, resulting in significant savings in water.



# HAMMERSON CR TARGETS 2010

## 2. RESOURCE USE

<b>UK/France</b>	<p>ROLLING TARGET FOR 2013: Increase the proportion of waste diverted from landfill through recycling for the managed portfolio by 2013 to the following:</p> <ul style="list-style-type: none"> <li>• 75% for UK shopping centres</li> <li>• 75% for UK offices</li> <li>• 50% for France.</li> </ul>
<b>UK/France</b>	Complete BREEAM training for development managers in the UK and asset managers in France.
<b>UK</b>	Implement the biodiversity action programme developed in 2009 at five managed assets.
<b>UK/France</b>	Develop a biodiversity policy for Hammerson's operations and development activities.
<b>UK/France</b>	Using the recommendations from the 2009 report on the feasibility of off-site logistics, complete a review of one new development project.
<b>UK/France</b>	<p>Complete the following water efficiency objectives:</p> <ul style="list-style-type: none"> <li>• Review existing assets based on 2009 water audits, develop a water action programme and commence implementation in the UK</li> <li>• Complete water audits for managed assets in France</li> <li>• Engage with tenants and develop a joint water education and management plan.</li> </ul>
<b>UK</b>	Implement ISO 14001 at one further shopping centre.
<b>France</b>	ROLLING TARGET: Reduce water consumption associated with landlord provided water (for shared services and tenant consumption) by 10% in French Shopping Centres by 2015 against a 2009 baseline.
<b>UK</b>	<p>Reduce water consumption per worker in the UK managed office portfolio to CIBSE benchmark levels:</p> <p>By 2013: 'Typical' level of 9.3 m<sup>3</sup>/person/annum</p> <p>By 2015: 'Good practice' level of 6.4 m<sup>3</sup>/person/annum</p>
<b>UK/France</b>	Investigate natural ventilation options at two UK managed shopping centres and one French shopping centre.
<b>UK/France</b>	Develop a metering strategy for water, gas and electricity for the managed portfolio.
<b>UK</b>	Implement an accredited environmental training programme at UK shopping centres to complement their introduction of Environmental Management Systems.

### 3. COMMUNITY REGENERATION



Our work in community regeneration is focused on the key topics of local employment, education, skills development and investment through cash, time or in-kind donations.

#### Objectives

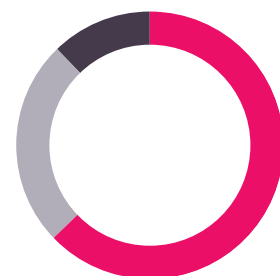
- » To invest in local communities including skills training and job creation.

#### Performance against targets

**63%** Achieved

**25%** In progress

**12%** Not achieved



Since the launch of The Oracle, Reading 1999 we have developed the education and training programmes we run for people living in the vicinity of our shopping centres. Historically focused on new developments, these programmes have provided retail skills training for over 3,000 people. In 2009, 'Jobs for U', a programme to support the opening of Union Square shopping centre in Aberdeen, saw Hammerson work in partnership with Aberdeen Works, a consortium of public and third sector organisations, to provide employment and skills training for local people. Around 56% of the 1,200 new jobs created were awarded to people who had been previously unemployed, a significant achievement in a city with around 2% unemployment.

**GRI** However, recognising that UK development would be a lesser focus in 2009 and 2010, we turned our attentions to ongoing support for retailers and local communities through skills training at our investment properties. As a founding member of the National Skills Academy for Retail (NSA) we have set up retail skills shops in three cities where Hammerson owns shopping centres: Birmingham, Bristol; and Leicester. Retail Skills Shops aim to offer retailers and existing retail employees access to a range of training opportunities to increase their skills and qualifications. The Skills Shops provide advice on careers in retail to people outside the sector. During 2010, we will set up Skills Shops in Reading, Brent Cross, Aberdeen and Southampton.

Around our shopping centre portfolio the management teams have worked with their Local Education Business Partnership (EBP) on a range of programmes to enrich the national curriculum at local schools. At Highcross, Leicester an educational trail was developed for primary school children to learn about the world of work and different types of careers. 279 school children visited the centre between July and November and we worked with our retailers to ensure that the children gained an insight into the types of skills used in a retail environment.

We work with a number of charitable organisations at both a national and local level, donating cash and in-kind contributions, such as available space in shopping centres and retail parks, to maximise fundraising opportunities. In the case of our main corporate charity, Save the Children, we supplement our financial donation with meeting room space and hosted fundraising evenings at our headquarters in London. At a project level, our Community Bursary Scheme in Aberdeen saw Hammerson allocate £20,000 between 13 community projects run by local charities including Aberdeen Mental Health; the Forget-Me-Not Club, a charity for people with dementia; and the Hip Hop School, who also took part in shopping centre opening activities. We also organised a second Community Day for Hammerson staff based in London (see case study), with 151 staff taking part in a total of 12 community projects.

# TARGETS 2009

## Our progress

- UK
- France

	ACHIEVED	IN PROGRESS	NOT ACHIEVED
1. Implement the guidance note for best practice community consultation during the development process.	●		●
2. Develop a programme to establish Skills Academies as part of our commitment to the National Skills Academy for Retail.	●		
3. Develop and implement a Community Framework.	●		
4. Implement the London Benchmarking Group toolkit to improve our measurement of community investment.	●	●	
5. Organise a Community Day and an environmental or social day for employees.	●	●	

# CONNECTED REPORTING FRAMEWORK

## COMMUNITY REGENERATION

### Strategic Objectives

- To invest in local communities including skills training and job creation

### Action

- Over the past 10 years Hammerson has developed a comprehensive training programme to increase the skills of unemployed people living in the vicinity of our shopping centres, in order to provide local communities with access to jobs, and retailers with a pool of skilled workers.
- In 2009, we began to provide ongoing support to retailers and local communities by working with the National Skills Academies (NSA) and other public sector partners.
- Hammerson also supports the community through cash and in-kind donations, including community bursaries, volunteer work and school careers tours.
- Our Community Bursary scheme in Aberdeen helped 13 organisations, including Mental Health Aberdeen, the Forget-me-Not Club, a charity for people with dementia and the Hip Hop school. A number of organisations who benefited from financial assistance took part in launch day celebrations.
- We have improved our data collection and monitoring of community investment through the introduction of the Community Investment Tool, a bespoke tool modelled on the London Benchmarking Group.

### JOBS CREATED FROM DEVELOPMENTS – UNION SQUARE, ABERDEEN:

JOBS CREATED

PREVIOUSLY UNEMPLOYED

**1,200**  **56%**

### INDIRECT CONTRIBUTIONS (UK):

(E.G. CHARITABLE DONATIONS RAISED BY CUSTOMERS  
IN HAMMERSON SHOPPING CENTRES):

**£821,484**

### DIRECT CONTRIBUTIONS (UK):

(CASH, VALUE OF TIME AND IN-KIND DONATIONS  
MADE DIRECTLY BY HAMMERSON):

**£753,611**

### Commentary

- Jobs for U, the skills training programme we ran to support the opening of our Union Square shopping centre in Aberdeen, delivered strong results. Of the 1,200 people employed at the centre, 56% were previously unemployed.
- Working with the NSA, Skills Academies were set up in three cities where Hammerson owns a major shopping centre: Birmingham; Bristol and Leicester. Hammerson hosted a 'pop-up' Skills Shop at the Bullring shopping centre as part of this roll-out. Further academies will open in Aberdeen, Brent Cross and Reading in 2010.
- As part of our ongoing involvement in the Spitalfields area of London, Hammerson launched the Spitalfields Art Prize in 2009, a £45,000 bursary awarded to artist Kenny Hunter to create a piece for display at Bishops Square.
- The Government's recently released Regeneration Framework "Transforming Places; Changing Lives", the current draft PPS4 "Planning for Sustainable Economic Development", the forthcoming duty on local authorities to produce detailed economic assessments of their areas, and the proposed replacement of the needs test with a broader impact assessment framework as part of the revised PPS 6, are likely to increase the range of criteria councils use to consider the potential impact of a proposed development.
- Indirect charity collections (principally money donated by visitors to our shopping centres) rose substantially in 2009 as we took the decision to donate the equivalent of the 2.5% VAT reduction to local charitable partnerships.

# HAMMERSON CR TARGETS 2010

## 3. COMMUNITY REGENERATION

<b>UK/France</b>	Implement the 2008 guidance note for best practice community consultation and engagement in the managed portfolio.
<b>UK</b>	Investigate options to create temporary uses for vacant space for social and community enterprise.
<b>UK/France</b>	Organise a Hammerson environmental and social event and community day.
<b>UK/France</b>	Develop a community strategy for Hammerson.
<b>UK</b>	Investigate opportunities to work with educational institutions located near our existing assets and new developments.
<b>France</b>	Introduce the Community Investment Tool in France.
<b>UK</b>	Develop a sponsorship strategy.



## 4. SUPPLY CHAIN



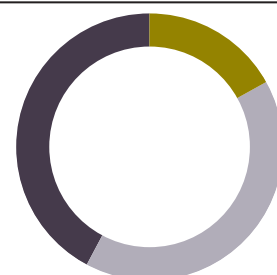
We increasingly recognise not only the positive impacts suppliers can bring to our sustainability efforts, in terms of knowledge and best practice, but also the potential negative impacts.

### Objectives

- » To engage with our suppliers to share best practice and to procure sustainable goods and services.

### Performance against targets

**17%** Achieved  
**41%** In progress  
**42%** Not achieved



While we have engaged with our suppliers informally for a number of years on sustainability issues, in particular working with our construction contractors and architects to identify improvements to schemes or construction methods, Hammerson has not, until now, had a formal supplier engagement programme.

**GRI** In 2009 this changed, as we introduced a trial sustainability questionnaire. Initially testing the questionnaire on 16 suppliers, we will roll it out to all UK suppliers in 2010. Suppliers receive a score according to responses: by the end of three years, they must have shown year-on-year improvements, and met a minimum score in order to work with us. We are offering suppliers assistance to help them achieve this level.

The reason for our increased focus on the supply chain is that we increasingly recognise not only the positive impacts suppliers can bring to our sustainability efforts, in terms of knowledge and best practice, but also the potential negative impacts. A supplier's poor practices potentially damage the long-term sustainability performance of a scheme. Equally, with an increasing focus by regulatory authorities on enforcement of environmental legislation for construction activities, it is clear that supplier engagement reduces our operational and financial risk on large development projects.

Nevertheless, many of the UK supply chain targets set for 2009 were not achieved during the year. Hammerson has had a responsible procurement policy in the UK since 2007, and in 2009 aimed to review our procedures for the procurement of key impact suppliers. However, we did not complete this review during the year. In France, where activities were not previously covered by a responsible procurement policy, we have completed our review and put the procedures in place in time for the contractor selection process for the redevelopment of 54-60 rue du Faubourg Saint-Honoré.

We continue to target best practice on our construction sites and data reporting. Specifically, the GRI CRESS working group is developing guidance for the property sector with regards to performance indicators EN19 and EN20 and we are keen to take on board these recommendations.

# TARGETS 2009

## Our progress

- UK
- France

	ACHIEVED	IN PROGRESS	NOT ACHIEVED
1. Review Hammerson's responsible procurement procedures for key impact suppliers, including: pre-tender qualifications; selection and evaluation procedures; contractual arrangements.		● ●	
2. Design and implement a Responsible Procurement Framework for ongoing management, monitoring and performance reviews of key impact suppliers.			● ●
3. Develop a sustainability checklist for all managing agents to complete on a half-yearly basis and complete one iteration by the end of 2009.		●	
4. Develop a sustainability engagement plan for Hammerson's leasing agents.			●
5. Develop a standard monitoring and reporting template for the measurement of energy, water, waste and timber and use it on all construction sites.	● ●		

# CONNECTED REPORTING FRAMEWORK

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## SUPPLY CHAIN

### Strategic Objectives

- To engage with our suppliers to share best practice and to procure sustainable goods and services.

### Action

- Two years ago, we launched a Responsible Procurement Policy and carried out a risk assessment of our supply chain against economic, social and environmental indicators. We identified two key initiatives as a result of this. The first is to engage with all suppliers during the tender process. The second, introduced as a trial in 2009, is to issue all suppliers with a sustainability questionnaire. Each supplier receives a score according to responses. We have set a minimum score that suppliers must reach in order to work with us, and are giving existing suppliers three years to comply, with year-on-year improvements. We are offering assistance to suppliers to help them achieve this level.
- In France we have developed a questionnaire for the tender process and implemented it at our new developments. We have also created a standard measurement tool which clearly identifies the metrics that must be used for measurement during construction and will implement this at both 54-60 rue Faubourg St-Honoré and our Les Terrasses Du Port development in Marseille.

### TOTAL NUMBER OF SUPPLIERS:

(2008: 2,520)

**2,361**

### NUMBER OF SUPPLIERS WE ENGAGED WITH ON SUSTAINABILITY:

(2008: 187)

**155**

### TOTAL COST OF GOODS & MATERIALS:

(2008: £501.7m)

**£307.2m**

### VALUE OF CONTRACTS FOR SUPPLIERS WE ENGAGED WITH ON SUSTAINABILITY:

(2008: £235m)

**£166m**

### Commentary

- With an increasing focus by the regulatory authorities on enforcement of environmental legislation for construction activities, including large fines, it is clear to Hammerson that supplier engagement reduces our operational and financial risks on large development projects.

# HAMMERSON CR TARGETS 2010

## 4. SUPPLY CHAIN

<b>UK/France</b>	Based on the revision of Hammerson's procurement procedures, identify ways to report publicly on the performance of Hammerson's key impact suppliers.
<b>France</b>	For all waste contracts due to be renewed in 2010 in France, require Hammerson's contractors to provide information on the final destination of waste.
<b>UK/France</b>	Finalise the standard monitoring and reporting template for the measurement of energy, water, waste and timber; analyse the data collected on Hammerson construction sites and identify potential targets for contractors on future developments.
<b>France</b>	Develop a sustainability engagement programme for Hammerson France managing agents.

## 5. CUSTOMERS



Our aim is to engage with our customers on an ongoing basis to understand their needs and identify ways of improving their and our environmental and social performance.

### Objectives

- » To anticipate and meet our occupiers' long-term needs.
- » To share best practice on sustainability issues.

### Performance against targets

**45%** Achieved

**33%** In progress

**22%** Not achieved



2009 represented a challenging year for customer engagement. Despite signing 328 new green leases, taking the total number of leases in the portfolio covered by a green clause up to 698, other objectives were not met. In a year of weak consumer spending and uncertain business prospects, many retailers were focused on the immediate trading environment and therefore discussions on initiatives such as the exemplar sustainability fit-out were deferred. In 2010 we will be engaging with retailers on the introduction of the Better Building Partnership's (BBP) green lease memorandum of understanding, which can be attached to existing leases.

Hammerson has also identified that while retailers are keen to improve their sustainability performance, it is partly dependent on the behaviour of store staff. Our solution is to create Green Groups at our assets, to encourage engagement with sustainability initiatives at store level. We made progress with this target over the year and will be introducing more Green Groups in 2010.



# TARGETS 2009

## Our progress

- UK  
● France

	ACHIEVED	IN PROGRESS	NOT ACHIEVED
1. Design post-occupancy evaluations for all newly completed developments and carry out the evaluations six months after completion.	<span style="color: blue;">●</span>		<span style="color: red;">●</span>
2. Identify key customers to partner with to create an exemplar sustainability fit-out in the UK.	<span style="color: red;">●</span>		
3. Complete the following initiatives with occupiers in France: <ul style="list-style-type: none"> <li>• sign 50 Green Leases</li> <li>• distribute Tenants' Requirement Guide to 50 tenants.</li> </ul>		<span style="color: blue;">●</span>	
4. Distribute and implement the Tenants' Sustainability Guide for all office tenant fit-outs.	<span style="color: red;">●</span>		
5. Achieve an exemplar sustainability fit-out.	<span style="color: red;">●</span>		<span style="color: blue;">●</span>
6. Develop Green Groups at all existing assets and agree an improvement plan with occupiers.		<span style="color: red;">●</span> <span style="color: blue;">●</span>	

# CONNECTED REPORTING FRAMEWORK

## CUSTOMERS

### Strategic Objectives

- To anticipate and meet our occupiers' long-term needs.
- To share best practice on sustainability issues.

### Action

- Our approach to engaging with our customers on sustainability issues is to:
- introduce green leases across the portfolio.
- assist customers on fit-out and operations through our Tenants' Sustainability Guide.
- create Green Groups in our shopping centres.
- develop exemplar stores in partnership with customers.

We engage with our customers on an ongoing basis to understand their needs and identify ways of improving environmental and social performance.

### TOTAL NUMBER OF GREEN LEASES IN PORTFOLIO:

(2008: 370)

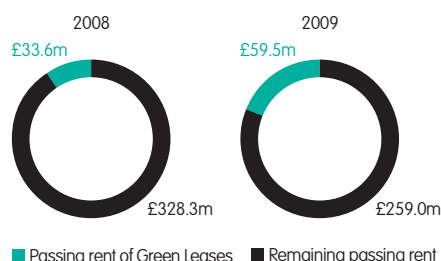
**698**

### TOTAL NUMBER OF OCCUPIERS:

(2008: 2,222)

**2,568**

Green Leases as a proportion of passing rent (UK & France)



### Commentary

- Hammerson had 698 green leases with tenants by the end of 2009: 590 in the UK and 108 in France.
- We created Green Groups at 99 Bishopsgate, Brent Cross and Highcross to encourage tenants to share sustainability ideas. We commit to having green groups at all assets by the end of 2010.
- In 2009 we issued our first Tenants' Sustainability Guide in France to all existing customers. The guide offers information on ongoing operations as well as fit-out.
- We have continued to work with De Montfort University on a partnership to deliver StoreLab, a facility which will allow retailers to test sustainable technologies and compare products. We were successful in our joint application to the EU to fund the project, which will be located on the university campus.

# HAMMERSON CR TARGETS 2010

## 5. CUSTOMERS

UK	Develop a strategy and framework for organising community and environmental events at our managed assets based on previous years' experience.
UK	Sign Green Leases or Better Building Partnership Memorandum of Understanding for 10 tenants' lease renewals.
France	Complete the following transport-related initiatives in France: <ul style="list-style-type: none"><li>• Investigate how people travel to our centres</li><li>• Research which opportunities and technologies could reduce our environmental impact</li><li>• Review implications of these opportunities and technologies.</li></ul>

## KNOWLEDGE AND REPORTING



Hammerson has a number of targets which fall outside its five material areas. The majority of these relate to how the Company engages with its stakeholders, principally employees and shareholders.

In line with our aim to improve ESG disclosure to investors, we introduced a number of improvements to our reporting process, notably the introduction of the Connected Reporting Framework (CRF) in both the Annual Report and the CR report for 2008 and the achievement of GRI level B (self declared). In 2009 we have again used the CRF and targeted GRI level B. During the year we organised an SRI investor visit to our City office properties, providing an overview of our CR strategy and environmental tour at 60 Threadneedle Street, and a social sustainability tour at Bishops Square, Spitalfields.

**GRI** In 2009 we began a review to consider how individuals contribute to, and are supported by the organisation. This included a review of training and development; the appraisal process; and how staff can move roles within the business. (Please see the Annual Report pages 38-39 for more detail of our HR initiatives). It was decided that the creation of a volunteering and mentoring programme would form part of the review and, as such, these targets were deemed to be in progress for the year.

Sustainability education continued to be a strong focus. Following a gap analysis conducted in 2008, which identified lack of knowledge among Hammerson staff as an ongoing obstacle to embedding sustainability initiatives within the business, we aimed to create personalised sustainability education plans for staff. All staff receive an introduction to sustainability as part of their induction programme when they join Hammerson. From 2010, all staff will be given sustainability objectives as part of their role profile, with specific training needs identified in each case.

# TARGETS 2009

## Our progress

- UK
- France

	ACHIEVED	IN PROGRESS	NOT ACHIEVED
1. Hold an investor presentation informing them of our CR approach and delivered outcomes.	●		
2. Based on the results of the 2008 sustainability knowledge gap analysis survey, create: <ul style="list-style-type: none"> <li>• a personalised sustainability training and education plan</li> <li>• a sustainability knowledge training programme for all staff</li> <li>• specific technical sustainability training for development teams.</li> </ul>	● ●	●	
3. Develop a mentoring programme for the Hammerson Group.		●	
4. Develop a volunteering programme for the Hammerson Group.		●	
5. Complete a review and gap analysis against all industry sustainability indices and benchmarks	●		
6. Publish a quarterly CR newsletter for all Hammerson France staff.	●		



# HAMMERSON CR TARGETS 2010

## KNOWLEDGE AND REPORTING

<b>UK</b>	Develop an education and training program for employees to enable them to engage in mentoring and volunteering programmes.
<b>UK/France</b>	Develop an internal CR communications strategy for employees.
<b>UK/France</b>	Develop a CR education and awareness programme for senior management including the Group Executive Committee.
<b>UK/France</b>	Develop an internal awards program to recognise achievements in sustainability.
<b>UK/France</b>	Include a sustainability KPI in all UK staff role descriptions and in French leasing team objectives, linked to their remuneration package.
<b>UK</b>	Set up a committee to ensure appropriate representation and consultation of Hammerson's employees.
<b>UK</b>	Develop a new policy for flexible working as part of initiatives to address health and wellbeing.
<b>UK</b>	Define a talent management and succession planning process and carry out a first review.
<b>UK</b>	Create a corporate learning, training and development plan to improve employee skills and performance.
<b>UK</b>	Review and align the existing charity partnering programme with the corporate community strategy and employee engagement programme.
<b>UK</b>	Hold an investor presentation to provide information on our CR approach and achievements.
<b>UK/France</b>	Carry out a materiality study.

# HAMMERSON DESIGN STANDARD FOR SUSTAINABLE PROPERTY 2010

All developments and major refurbishments at a design stage during the reporting year. Note that for developments which have been in design phase prior to 2010, the requirements should be incorporated where feasible. This will apply to all developments

» Number	» Target	» Issue	» Scope
1	Implement the Master Sustainable Implementation Plan as a minimum design standard	All issues	UK/France
2	Demonstrate that all developments have: <ul style="list-style-type: none"> <li>• provisional BREEAM 2008 Excellent assessment for developments at a final design stage</li> <li>• the use of a BREEAM Excellent pre-assessment checklist for developments which have not reached the final design stage</li> </ul>	Climate change and Energy; Resource Use	UK/France
3	Demonstrate in the design specification that Level 4 of the Code for Sustainable Homes will be achieved on all residential projects	Climate change and Energy; Resource Use	UK only
4	Demonstrate in the design specification a 20% reduction on energy efficiency standards below 2010 Building Regulations Part L.	Climate change and Energy	UK only
5	Design all car park lighting systems to use a minimum of T5 light fittings	Climate change and Energy	UK/France
6	Incorporate half hourly sub meters for all tenants in UK new developments in line with the CRC requirements and incorporate sub meters for all tenants in France	Customers	UK/France
7	Incorporate water sub meters for all tenants in UK new developments	Customers	UK only
8	Implement Community Framework for new developments	Community Regeneration	UK only
9	Implement Responsible Procurement Framework for the selection of and contractual agreement with key impact contractors.	Supply chain	UK only

## » All developments and major refurbishments in construction phase during the reporting year

10	Ensure that all onsite contractors use the standard monitoring and reporting template for water and energy consumption, waste production and timber use.	Climate change and Energy	UK/France UK/France
11	Reuse or recycle the waste produced during demolition and construction to a rate of: <ul style="list-style-type: none"> <li>- 80% for in the UK</li> <li>- 75% in France</li> </ul> Scope: Assessed for each development in construction (average throughout the reporting year)	Resource use	UK/France
12	Monitor and review the performance of key impact suppliers on Hammerson's construction sites in line with Hammerson's Responsible Procurement Framework	Resource use	UK/France

## » All developments and major refurbishments which have been completed within the last 6 months

13	All developments completed during the reporting year to achieve BREEAM 2008 Excellent in the post-construction phase	Climate change and Energy; Resource Use	UK/France
14	Carry out post-occupancy evaluations for all developments completed within the last 6 months	Customers	UK/France
15	Sign Green Leases or BBP Memorandum of Understandings with all new tenants	Customers	UK/France

# GRI Compliance



We have benchmarked our reporting against the updated Global Reporting Initiative sustainability reporting guidelines [GRI: G3]. We assess our application of the GRI reporting framework to be at level B.

GRI Profile Disclosures		
	Contents Checklist	Description
<b>1 Strategy &amp; Analysis</b>		
1.1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy.	CR online report Chief Executive statement CR online report Head of Sustainability's statement Annual Report Chairman's statement pg 4
1.2	Description of key impacts, risks and opportunities	CR online report Chief Executive statement CR online report Legislation section
<b>2 Organisational Profile</b>		
2.1	Name of the organisation	Front cover of Annual Report, CR summary report homepage of online report
2.2	Primary brands, products, and/or services.	Who we are statement - inside cover of Annual Report; CR summary report; homepage of online report Annual Report and Accounts - p3
2.3	Operational structure of the organisation, including main divisions, operating countries, subsidiaries, and joint ventures.	Annual Report inside cover; pg 3; pg 109; pg 113 -125
2.4	Location of organisation's headquarters.	Annual Report pg 112
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Annual Report inside front cover; pg 3 Completeness section of the GRI
2.6	Nature of ownership and legal form	Annual Report pg 84, 109 Corporate website About Us section
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Performance Indicators pg 1 Annual Report pg 3, 16 Corporate website occupiers' section Connected Reporting Framework
2.8	Scale of the reporting organisation, including - Number of employees; - Net sales (for private sector organisations) or net revenues (for public sector); - Total capitalization broken down in terms of debt and equity - Quantity of products or services provided	Performance Indicators pg 16 Annual Report pg 1
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: - The location of, or changes in operations, including facility openings, closings, and expansions; and - Changes in the share capital structure and other capital formaiton, maintenance, and alteration operations	Annual Report and Accounts pg 2 Completeness section of the GRI
2.10	Awards received in the reporting period	Corporate website Awards list

	Contents Checklist	Description
	<b>3 Report Parameters</b>	
3.1	Reporting period for information provided	The report covers the calendar year ending 31 December 2009
3.2	Date of most recent previous report	The previous report was published in March 2009, covering the calendar year ending 31 December 2008
3.3	Reporting cycle	Annually in line with Annual Report and Accounts
3.4	Contact point for questions regarding the report or its contents.	Contact us
3.5	Process for defining report content, including: - Determining materiality; - Prioritizing topics within the report, and - Identifying stakeholders the organisation expects to use the report.	Material issues and stakeholders Compliance with GRI guidelines
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Compliance with GRI guidelines
3.7	State any specific limitations on the scope or boundary of the report.	Compliance with GRI guidelines
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Compliance with GRI guidelines
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Environmental and financial methodological statements, Performance Indicators pg 1-5
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Performance Indicators pg 4
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Compliance with GRI guidelines Performance Indicators pg 1-5
3.12	Table identifying the location of the Standard Disclosures in the report.	Compliance with GRI guidelines
3.13	Policy and current practice with regard to seeking external assurance for the report.	CR online report: Upstream Sustainability Services Advisors' Statement Bureau Veritas Data Review Statements

	Contents Checklist	Description
	<b>4 Governance, Commitments, and Engagement</b>	
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Annual Report, Corporate Responsibility pg 42; Corporate Governance pg 48 - 51
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).	Annual Report pg 49
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Annual Report pg 7, 49
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Annual Report pg 48,49
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Annual Report Reuneration Report pg 56 - 63; CR online report: Knowledge & Reporting section
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual Report Corporate Governance pg 48 - 51
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Annual Report Corporate Governance pg 49
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<p><b>Publicly available on our website</b></p> <ul style="list-style-type: none"> <li>- an Environmental Policy - in full implementation</li> <li>- a Responsible Procurement Policy - in the process of being implemented</li> <li>- an Equal Opportunities Policy - in full implementation</li> <li>- a Climate Change and Carbon Management Policy - in full implementation</li> <li>- extracts from our Code of Conduct- in full implementation</li> </ul> <p><b>Internally</b></p> <ul style="list-style-type: none"> <li>- Corporate Control Manual - in full implementation</li> <li>- Whistleblowing procedures - in full implementation</li> <li>- Staff Handbook - in full implementation</li> </ul>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, code of conduct, and principles.	Annual Report Corporate Governance pg 48
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Annual Report Corporate Governance pg 48
4.11	Explanation of whether and how the precautionary approach or principles is addressed by the organization.	The precautionary approach is addressed by the organisation through the use of Sustainability Implementation Plans for developments, Environmental Management Systems for our managed assets (some of which are certified to ISO 14001) and the climate change mitigation and adaptation actions that we carried out in 2009.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Annual Report pg 22; CR online report: Community Regeneration section
4.13	Membership in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>- has positions in governance bodies;</li> <li>- participates in projects or committees;</li> <li>- provides substantive funding beyond routine membership dues; or</li> <li>- Views membership as strategic.</li> </ul>	CR online report: Community Regeneration section; stakeholder engagement table Annual report pg 22-23
4.14	List of stakeholder groups engaged by the organisation	CR online report: Material issues and stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage	CR online report: Material issues and stakeholders
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	CR online report: Stakeholder engagement table
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	CR online report: Stakeholder engagement table



## GRI Summary of Management Disclosures

We have incorporated all GRI Disclosures on our Management Approach throughout our CR report as well as in our website and Annual Report and Accounts. Organisational responsibility refers to the member of senior management with direct responsibility for the specified area, and the Board director with ultimate responsibility.

### Economic Management Disclosures

Economic performance	Annual Report and Accounts Financial Highlights pg 1, Chairman's Statement pg 4, Risk Management pg 20; Key Performance Indicators pg 22
Market Presence	Annual Report and Accounts P3
Indirect Economic Impacts	* Community Performance Indicators * Community section of the Connected Reporting Framework
Goals and Performance	*Community Regeneration and Supply Chain sections of CR Report *Community Performance Indicators * Financial indicators under our Connected Reporting Framework
Policies	* Annual Report and Accounts pg 22-24; Treasury strategy available at: <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=irol-debt-treasury-strategy">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=irol-debt-treasury-strategy</a> * See our community objectives for 2010, including the development of a Community Strategy, Community Framework and Community Charter for all new developments

### Environmental Management Disclosures

Materials	
Energy	*Climate Change and Energy section
Waste	*Resource Use section
Biodiversity	*Biodiversity case study
Emissions, Effluents and Waste	*Annual Report Corporate Governance section pg 48-51
Products and Services	* Procurement Policy <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-procurement">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-procurement</a>
Compliance	
Transport	
Goals and Performance	*Assessment of progress against our 2009 Climate Change and Energy targets by Upstream Sustainability Services *Climate Change and Energy and Resource Use performance indicators *Climate Change and Energy and Resource Use 2010 targets
Policies	*Environmental Policy *Climate Change and Carbon Management Policy
Organisational Responsibility	Paul Edwards, Head of Sustainability; David Atkins, Chief Executive
Training and Awareness	*Training and development section *Climate Change and Energy section *Achievement of our 2009 Knowledge and Reporting targets
Monitoring and Follow-up	* ISO 14001 certification at some of our assets (cf Annual Report pg 113- 125 for portfolio ratings) * Resource Use and Supply Chain Performance Indicators * Assessment of progress against our 2009 Resource Use and Supply Chain targets by Upstream Sustainability Services

### Labour Practice Management Disclosures

Employment	
Labour/Management Relations	
Occupational Health and Safety	
Training and Education	
Diversity and Equal Opportunity	Our reporting has significantly extended in this area in 2009 and includes an Employee section under our Annual Report and Accounts pg 38-39 as well as Performance Indicators related to Employees under the Knowledge and Reporting section and a Training and Development section of the online CR report.
Goals and Performance	*Knowledge and reporting indicators *Assessment of progress against our 2009 Knowledge and Reporting targets by Upstream Sustainability Services *2010 Knowledge and Reporting targets
Policies	Equal Opportunities Policy (available at <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-equal-opportunities">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-equal-opportunities</a> )
Organisational Responsibility	Sally Learoyd, Director Human Resources; David Atkins, Chief Executive
Training and Awareness	Induction to all staff as stated in our Knowledge and Reporting - Employee indicators Training and development section
Monitoring and Follow-up	Great Place to Work survey introduced in France and the UK in 2009 Supply Chain questionnaire gradually introduced across our UK and French operations for development and managed assets

<b>Society Management Disclosures</b>	
Community	*Community Regeneration section of our CR Report
Corruption	
Public Policy	
Anti Competitive Behaviour	
Compliance	*Legislation section of our CR report *Code of Conduct (internal document, a summary of which is available at <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=governance#top">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=governance#top</a> ) *Annual Report and Accounts Corporate Governance section, Internal control pg 51
Goals and Performance	*Assessment of progress against our 2009 Community and Knowledge and Reporting targets by Upstream Sustainability Services *2010 Community and Knowledge and Reporting targets * Annual Report and Accounts, Corporate Governance section, p 48
Policies	<b>Publicly available</b> *extracts from our Code of Conduct- in full implementation <b>Internally</b> *Corporate Control Manual - in full implementation *Whistleblowing procedures - in full implementation *Staff Handbook - in full implementation
Organisational Responsibility	Internal Control: Warren Austin, Group Financial Controller; Simon Melliss, Group Finance Director
Training and Awareness	Community: Paul Edwards, Head of Sustainability; David Atkins, Chief Executive
Monitoring and Follow-up	Annual Report and Accounts Human Resources section pg 38-39
Monitoring and Follow-up	Annual Report and Accounts Corporate Governance section pg 51
<b>Product Responsibility Disclosures</b>	
Customer Health and Safety	*Training and development section
Product and Service Labeling	
Marketing Communications	
Customer Privacy	
Compliance	*We have included environmental ratings in our Property Portfolio section of the Annual Report pg 113-125 *Marketing communications and customer privacy are not considered to be material to the product of a building.
Goals and Performance	*Assessment of progress against our 2009 Customers targets by Upstream Sustainability Services *Customers health and safety indicators *Resource Use indicators including BREEAM and HQE achievements on new developments *2010 Customers targets * Hammerson Design Standard
Policies	Internal Health and Safety Policy
Organisational Responsibility	*Health and Safety: Andrew Thomson, Director of Operations, David Atkins, Chief Executive
Training and Awareness	*Customers: Lawrence Hutchings, Managing Director, UK Retail
Monitoring and Follow-up	Knowledge and Reporting indicators
Monitoring and Follow-up	Customers indicators
Monitoring and Follow-up	Customers indicators
<b>Human Rights Management Disclosures</b>	
Investment and Procurement Practices	Although we do not consider Human Rights to be one of our core Material impacts due to the nature and location of our operations in France and in the UK, we have now incorporated Human Rights criteria into our UK sustainability questionnaire for suppliers, as well as in to our Human Resources policies and procedures where applicable.
Non- discrimination	
Freedom of Association and Collective Bargaining	
Complaints and Grievance Practices	*Assessment of progress against our 2009 Knowledge and Reporting - Employees targets by Upstream Sustainability Services
Goals and Performance	
Policies	*Equal Opportunities Policy (available at: <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-equal-opportunities">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-equal-opportunities</a> ) *Responsible Procurement Policy (available at: <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-environmental">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-environmental</a> ) *Climate Change and Carbon Management Policy (available at: <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-climate-change">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=resp-policies-climate-change</a> ) *Extracts from our Code of Conduct (available at: <a href="http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=governance">http://www.hammerson.com/phoenix.zhtml?c=133289&amp;p=governance</a> )
Organisational Responsibility	*Employees: Sally Learoyd, Director Human Resources; David Atkins, Chief Executive *Supply Chain: David Atkins, Chief Executive
Training and Awareness	*Knowledge and Reporting - Employees indicators (in particular "Proportion of employees given diversity training")
Monitoring and Follow-up	Supply Chain indicators including GRI HR2 and indicator on the "Number of suppliers assessed for their CR performance"

## Summary of GRI Indicators

Upon the advice of our strategic sustainability advisors Upstream Sustainability Services, we have assessed ourselves as having fully completed 23 indicators (including at least one indicator under each of the six categories), thereby meeting the GRI Level B performance indicator reporting requirements. There are a limited number of indicators where we have not been able to report fully due to inavailability of data in 2009. However, we will report on these in future years where data is available. We will also incorporate guidelines from the GRI Construction and Real Estate sector supplement when these are made publicly available in 2011.

Management Approach and Performance Indicators		Core or Additional Indicator	Location	Full or Partial	Link to material issue
<b>EC: ECONOMIC INDICATORS</b>					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and to governments.	Core	Performance Indicators pg 19 Connected Reporting Framework	Full	Knowledge and Reporting
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Core	Chief executive statement Head of Sustainability Statement Legislation section Connected Reporting Framework (CRF) Carbon Disclosure Project submission on the CDP website Climate Change Adaptation and Mitigation report	Full	Climate change and energy
EC4	Significant financial assistance received from government.	Core	Performance Indicators pg 20	Full	Knowledge and Reporting
<b>EN: ENVIROMENTAL INDICATORS</b>					
EN2	Percentage of materials used that are recycled input materials.	Core	Performance Indicators pg 11	Not recorded in 2009	Resource use
EN3	Direct energy consumption by primary energy source.	Core	Performance Indicators pg 7	Partial	Climate change and energy
EN4	Indirect energy consumption broken down by primary source.	Core	Performance Indicators pg 7	Full	Supply chain
EN5	Energy saved due to conservation and efficiency improvements.	Adtl	Performance Indicators pg 7	Full	Climate change and energy
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Adtl	Climate Change section CRF Climate Change & Energy	Partial	Climate change and energy
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Adtl	CRF Stakeholder Engagement Table	Partial	Climate change and energy
EN8	Total water withdrawal by source.	Core	Performance Indicators pg 9	Full	Resource use
EN10	Percentage and total volume of water recycled and reused.	Adtl	Performance Indicatorspg 9	Full	Resource use
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Adtl	Performance Indicators pg 11	Full	Resource use
EN16	Total direct and indirect greenhouse gas emissions by weight.	Core	Performance Indicators pg 8	Full	Climate change and energy
EN17	Other relevant indirect greenhouse gas emissions by weight.	Core	Performance Indicators pg 8	Full	Climate change and energy
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Adtl	Climate Change & Energy Resource Use	Partial	Climate change and energy
EN19	Emissions of ozone-depleting substances by weight.	Core	Performance Indicators pg 8	Full	Climate change and energy
EN22	Waste by type and disposal method.	Core	Performance Indicators pg 10	Full	Resource use
EN23	Total number and volume of significant spills.	Core	Performance Indicators pg 11	Partial	Resource use
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Core	Climate Change and Energy Resource Use Supply Chain	Partial	Resource use
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Core	Performance Indicators pg 11	Full	Resource use

**LA: LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS**

LA1	Total workforce by employment type, employment contract, and region.	Core	Performance Indicators pg 16	Full	Knowledge and Reporting
LA2	Total number and rate of employee turnover by age group, gender, and region.	Core	Performance Indicators pg 17	Full	Knowledge and Reporting
LA10	Average hours of training per year per employee by employee category.	Core	Performance Indicators pg 17	Full	Knowledge and Reporting
LA12	Percentage of employees receiving regular performance and career development reviews.	Adtl	Performance Indicators pg 17	Full	Knowledge and Reporting
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region.	Core	Performance Indicators pg 18	Partial	Knowledge and Reporting

**PR: PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS**

PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Adtl	Performance Indicators pg 15	Full	Knowledge and Reporting
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Adtl	Performance Indicators pg 15	Full	Customers

**SO: SOCIETY PERFORMANCE INDICATORS**

SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Core	Performance Indicators pg 13	Full	Community regeneration
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Adtl	Performance Indicators - pg 20	Full	Knowledge and Reporting
SO8	Monetary value of significant fines and total number or non-monetary sanctions for non-compliance with laws and regulations.	Core	Performance Indicators pg 20	Full	Knowledge and Reporting

**SO: HUMAN RIGHTS PERFORMANCE INDICATORS**

HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Core	Performance Indicators pg 14	Full	Supply chain
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## Application of the GRI Guidance on defining report content and reporting quality

The process employed to apply the principles for defining report content and quality is summarised in the tables below.

GRI principles	Commentary
<b>MATERIALITY</b>	<p>Hammerson undertook a thorough materiality review of its sustainability impacts, including four of the five materiality tests put forward by AccountAbility, in 2007. Our study encompassed: a review of peer best practice; analysis of regulatory and societal norms; interviews with over 20 internal and external stakeholders, including CR group members; and analysis of those issues with a direct link to our financial performance. As a result of this we carried out two key activities. Firstly, we prioritised the five key issues (climate change and energy, resource use, community regeneration, supply chain, customers) upon which our sustainability strategy is now focussed and around which this report is structured. Secondly, we reorganised our internal management structure to three core working groups (see CR Management section) in order to take advantage of institutional sustainability capacity in these three key business operations.</p> <p>Through our involvement in industry forums, our engagement with stakeholders and our tracking of legislation we are continuously reviewing our approach to sustainability and the materiality of the issues that we address - for example in our 2009 report, this has led to a greater focus on employees in this year's reporting (See Training and Development section and Performance Indicators in the online report and pg 38-39 of the Annual Report). We intend to undertake another formal review of the materiality of our reporting and strategy in 2010.</p>
<b>STAKEHOLDER INCLUSIVENESS</b>	<p>The stakeholders to whom we consider ourselves accountable are explained in the Material Issues and Stakeholders section. Our focus during 2009 in both France and the UK has been on engaging significantly with both SRI and mainstream investors but we have also undertaken engagement activities with tenants, visitors, suppliers, staff industry bodies and community organisations. In particular, engagements with investors and industry bodies during 2008 have specifically led to the expansion of our key performance indicators, as well as the decision to utilise the Connected Reporting Framework and Global Reporting Initiative in the CR Report 2008. Please see our Stakeholder Engagement table for details of type of engagement, issues raised and responses received during the year.</p>
<b>SUSTAINABILITY CONTEXT</b>	<p>This report incorporates what we perceive to be the core global and national drivers of sustainability in the property sector and how we incorporate these trends into our CR strategy. Particular elements on how our performance relates to wider sustainability context include:</p> <ul style="list-style-type: none"> <li>- our Chief Executive statement, which gives an overview of our CR strategy</li> <li>- our analysis of core legislative risks and opportunities in UK and in France</li> <li>- our inclusion and performance in industry benchmarks related to our material impacts including Jones Lang LaSalle Sustainability Benchmarking for our UK managed shopping centres and offices and BREEAM and HQE ratings for our developments</li> <li>- our inclusion and performance in various sustainability indices, including the DJSI, FTSE4 Good and Ethibel indices, as well as our position for the second year in a row in the Carbon Disclosure Leadership Index</li> <li>- our participation in relevant industry and government working groups on sustainability within the property sector.</li> </ul>
<b>COMPLETENESS</b>	<p><b>Overview</b></p> <p>This report provides information on our performance in our material environmental, social and economic aspects, throughout the supply chain and across all of our corporate, asset management and development activities in the two countries where we operate. Additional information on our financial performance, corporate governance and Directors' remunerations is provided in our Annual Report and Accounts.</p> <p><b>Reporting of performance data for development portfolio</b></p> <p>We report on the sustainability performance of our developments under our supply chain indicators as we contract out all our construction activities.</p> <p><b>Reporting of performance data for investment portfolios</b></p> <p>We use the "operational control" approach defined in the Greenhouse Gas Protocol and therefore data in this report covers all assets under our direct or indirect management control in our investment portfolio. Our management control differs greatly by asset type and by country; these differences affect the level of influence we have over the sustainability performance of our assets. In the UK, we have in-house management services at three of our offices and at five of our shopping centres, whilst the management of our retail park portfolio and all other properties is all outsourced. In France, we are legal "co-owners" at the majority of our shopping centres assets with the exception of Italie 2, meaning we have a lesser degree of management control than at our UK properties. In 2010, we will review whether the operational control approach to reporting is the most appropriate in view of our French operational structure and upcoming legislative requirements in the UK and France.</p> <p><b>Inclusions:</b></p> <ul style="list-style-type: none"> <li>- all assets fully held during 2009</li> <li>- our French and UK assets where we have 100% ownership (e.g. Italie 2, all our retail parks and 3 of our 4 UK offices)</li> <li>- all assets where we have more than 25% ownership either through co-ownership in France or joint ventures in the UK (12 shopping centres, four retail parks and six managed offices)</li> </ul> <p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>- assets with Fully Repairing and Insuring leases as we have no management control over those assets and therefore no ability to influence sustainability performance outside the leasing stage (e.g. Bishops Square, Puddle Dock)</li> <li>- properties that we disposed in the course of 2009 (i.e. Avenue Retail Parks, Pincents Lane and Berkshire Retail Park, Seacourt Retail Park, Victoria Retail Park in the UK; Rue de l'Université and les Trois Quartiers, Cap Malo and St Omer Retail Parks in France; Forum Steglitz, our sole remaining asset in Germany)</li> <li>- properties that we do not directly managed in the UK (i.e. Cabot Circus)</li> <li>- assets that were opened in the course of 2009 (i.e. Union Square). Note that, although it opened in January 2009, 60 Threadneedle has been excluded from the normalised environmental performance indicators as the high vacancy rate at this property in 2009 distorts our sustainability performance</li> <li>- properties in our development portfolio and properties that we intend to redevelop in the short term (i.e. Faubourg St Honore and Burgan House). Note that Stockley House was in this category in 2008 but has now been included in the whole data set as no redevelopment is anticipated in the short term.</li> </ul>
<b>RELIABILITY</b>	<p>Assurance and verification processes are currently performed by third parties on the majority of the data, content and processes but we are not yet ready to commit the significant resources to full third party audit and assurance. Please see Advisors Statement from Jones Lang LaSalle, Upstream Sustainability Services and Bureau Veritas in the Our Approach section. For information on the data assumptions and calculations, please refer to our environmental and financial methodological notes.</p>
<b>CLARITY</b>	<p>We have worked hard in the last two years to improve the accessibility and clarity of our CR reporting through stakeholder engagement.</p>
<b>BALANCE</b>	<p>We aim to disclose both negative and positive trends in performance on a year to year basis. For example, we discuss difficulties in engaging with our supply chain and customers in the Head of Sustainability statement and the Customers section.</p>
<b>COMPARABILITY</b>	<p>Our reporting covers three years' data; historical data can be accessed through our website. We take part in Jones Lang LaSalle Sustainability Benchmarking for benchmarking of environmental performance of our office and shopping centres and LBG International for benchmarking of our community investment performance.</p>
<b>ACCURACY</b>	<p>For information on the data assumptions, calculations and any restatements, please refer to our environmental and financial methodological notes.</p>
<b>TIMELINESS</b>	<p>This report covers 1 January - 31 December 2009.</p>

## METHODOLOGICAL STATEMENT - FINANCIAL INDICATORS FOR CLIMATE CHANGE & ENERGY AND RESOURCE USE

In 2008, we were the first property company to use the Connected Reporting Framework (CRF) to disclose financial indicators related to our sustainability performance.

Following the publication of a CRF property-specific example by Accounting for Sustainability in 2009, and the drafting of our Performance Indicator Manual, we revised the methodology used for the calculation of these indicators. Below are the details of our core calculations for our Climate Change and Energy and Resource Use financial indicators. Details on the calculation of our Community Regeneration, Supply Chain and Customers financial indicators are simpler and therefore incorporated in the commentary alongside those indicators. Note that, this year, the data was reviewed by our CR advisors, which led to a number of restatements as explained below.

### General principles

- \* The same exchange rate as for our Annual Report and Accounts 1 GBP = 1.123 Euros is used
- \* All financial indicators exclude VAT
- \* Retail parks have been excluded from all financial indicators due to insufficiently reliable utilities and waste data

## ENERGY, WASTE AND WATER COST

### DEFINITION

**Energy cost: charges for building energy consumption (excluding transport)**, including standing charges and environmental taxes (e.g. climate change levy)

**Waste cost:** standing charges, landfill/environmental taxes (e.g. Landfill Tax in the UK), labour costs, and equipment rental

**Water cost:** charges for both water and wastewater along with standing charges and any water/environmental taxes

### DATA COVERAGE

#### Energy

- \* All properties included for 2009
- \* For all energy types with kWh consumption, we include corresponding energy cost
- \* All Hammerson-obtained energy (including tenant sub-metered consumption)
- \* Inclusion of electricity cost for the French head office (Rue de Washington, not managed by Hammerson)

#### Waste

- \* Inclusion of all managed properties except for Grand Maine shopping centre, due to poor data reliability

#### Water

- \* All UK and French managed properties included

### DATA QUALITY AND PRINCIPLES APPLIED

**Energy and water** In order of priority:

- \* Cost information from bills (or alternatively unit cost) where available
- \* Where no cost was provided by the assets, the 2009 average unit cost for that property type (preferably from the same country) is applied to the consumption

**Waste:** cost information provided by the assets

**Climate Change Levy expenditure:** this reflects the amount of electricity and gas upon which Climate Change Levy is due and the appropriate Levy, respectively £0.0047 for electricity and £0.00164 for gas

### RESTATEMENT

No restatement to data prior to 2009. However, note that 2007 and 2008 data related to UK offices and shopping centres only.

## ENERGY, WASTE AND WATER ESTIMATED SAVINGS

### DEFINITION

Estimated savings from utilities and waste reflect our year-on-year changes and improvement in the management of our environmental impacts.

### DATA COVERAGE

#### Energy and water

- \* Inclusion of all like for like properties - consistent properties with data in both 2008 and 2009 (excluding those that have been extended such as Highcross and Parinor)
- \* All Hammerson-obtained consumption (including tenant sub-metered consumption)

#### Estimated savings from landfill tax aversion (UK only)

- \* Inclusion of all UK properties with data in both 2008 and 2009

### DATA QUALITY AND PRINCIPLES APPLIED

**Energy and water:** Same principles as for energy and water cost

**Income from sale of waste:** All data provided directly by the assets

**Estimated savings from landfill tax aversion:** waste averted from landfill is in line with Hammerson's UK waste target and therefore includes direct and indirect aversion. A cost of 40 GBP/tonne for the whole of 2009 was applied (to reflect the escalation in landfill tax rate the corresponding rate was used for prior years 32 GBP/tonne and 24 GBP/tonne for 2008 and 2007 respectively).

We currently do not have sufficient information on the final destination of our waste in France to report on estimated savings from our French landfill tax (TGAP) aversion.

### RESTATEMENT



**Energy**

The estimated energy savings prior to 2009 have not been restated, and are not directly comparable with 2009, as they reflected estimations of savings based upon the payback of our energy efficiency investments in the UK.

**Waste**

The 2007 and 2008 figures that we published in our 2008 Annual and CR reports under the indicator "Waste savings/Savings on landfill expenditure and sustainable investment" intended to reflect our savings from sale of waste, tax saved as a result of landfill aversion and from our improved overall waste management. These figures were incorrect and have now been restated in this year's report under the two following categories: income from sale of waste and estimated savings from tax saved due to UK landfill aversion.

**Water**

No data published in our 2008 CR report.

**SUSTAINABILITY INVESTMENT****DEFINITION**

Our sustainability investment covers energy efficiency investment, investment in our waste and water management and other Resource Use investment such as the cost associated with our biodiversity audits. We are currently defining the boundaries of our reported investment through our internal Performance Indicators Manual.

**DATA COVERAGE**

All our managed assets

**DATA QUALITY AND PRINCIPLES APPLIED**

All data is provided directly through the Sustainability Forum for Innovation in the UK and the asset specific sustainability business plans in France. Where investments are made jointly by Hammerson and its joint venture partners or co-owners, Hammerson's share of the investment is reported.

**RESTATEMENT**

No restatement

# LEGISLATION

Our sustainability strategy is shaped by increasing national and EU legislation. We summarise the principal risks and opportunities below.

## CLIMATE CHANGE AND ENERGY

RISKS AND OPPORTUNITIES	KEY LEGISLATION AND POLICY	HAMMERSON ACTIONS
<p><b>Climate change mitigation</b></p> <p>Whilst the decarbonisation of economies is a long-term objective for European governments, the focus on carbon reduction and energy efficiency in the short term means that running energy-efficient buildings is becoming less of a market differentiator and more part of a company's licence to operate. For newly-built properties, the potential introduction of stringent targets is likely to encourage innovation.</p>	<p><b>UK</b></p> <ul style="list-style-type: none"><li>• Implementation of the CRC Energy Efficiency Scheme in 2010</li><li>• Code for Sustainable Buildings with zero-carbon new buildings by 2019</li></ul> <p><b>FR</b></p> <ul style="list-style-type: none"><li>• Grenelle Bill II to be passed in 2010</li><li>• Secondary legislation for existing buildings</li><li>• Carbon tax likely to be implemented in July 2010</li></ul> <p><b>EU</b></p> <ul style="list-style-type: none"><li>• Recast of the Energy Performance of Buildings Directive</li><li>• Agreement on 30% cut in CO<sub>2</sub> emissions by 2020</li><li>• Potential implementation of a European carbon tax</li></ul>	<p><b>Managed assets</b></p> <ul style="list-style-type: none"><li>• Energy reduction achievements in 2009 against target</li><li>• Publication of Hammerson's first Climate Change and Carbon Management Policy</li><li>• Involvement in key industry and government working groups in both France and the UK</li><li>• Preparation for introduction of CRC including targeting Carbon Trust Standard</li></ul> <p><b>Developments</b></p> <ul style="list-style-type: none"><li>• Integration of energy-efficient features into SIPs</li><li>• Target 30% below Part L Building Regulations and BREEAM Excellent for shopping centres and offices in UK</li><li>• Biodiversity audit completed</li></ul>
<p><b>Climate change adaptation</b></p> <p>European governments are starting to understand the implications of adaptation and establishing policies to tackle a changing climate. The property sector is likely to become more vulnerable to extreme weather, including flooding, overheating and subsidence. As a result of a changing climate, biodiversity is an issue that is likely to rise up the political agenda in the medium term.</p>	<p><b>UK</b></p> <p>Climate Change Act 2008</p> <ul style="list-style-type: none"><li>• Flood and Water Management Bill 2009/2010</li><li>• PPS 25 (ensures that flood risk is taken into account at all stages in the planning process)</li><li>• Updated PPS1 due early 2010</li></ul> <p><b>FR</b></p> <ul style="list-style-type: none"><li>• Biodiversity conservation articles in Grenelle I and II Bills</li></ul> <p><b>EU</b></p> <ul style="list-style-type: none"><li>• EU Adaptation White Paper</li></ul>	<p><b>Managed assets</b></p> <ul style="list-style-type: none"><li>• Consultancy report on climate change adaptation, with action plan implemented in 2009 for high-risk assets</li><li>• For 2010, we will investigate natural ventilation options at several assets</li></ul> <p><b>Developments</b></p> <ul style="list-style-type: none"><li>• Climate change adaptation incorporated in SIPs</li></ul>

## RESOURCE USE

RISKS AND OPPORTUNITIES	KEY LEGISLATION AND POLICY	HAMMERSON ACTIONS
<p><b>Waste</b></p> <p>The key legislative risk in this area relates to the increased price of landfill tax in the UK and TGAP in France.</p>	<p><b>UK</b></p> <ul style="list-style-type: none"><li>• Continued increase in Landfill Tax</li></ul> <p><b>FR</b></p> <ul style="list-style-type: none"><li>• Increase in TGAP</li></ul> <p><b>EU</b></p> <ul style="list-style-type: none"><li>• Waste Framework Directive 2008</li></ul>	<p><b>Managed assets</b></p> <ul style="list-style-type: none"><li>• Rolling target for waste to 2013 focused on increasing recycling rates at our properties</li><li>• French waste target on improving transparency of our waste contracts</li></ul> <p><b>Developments</b></p> <ul style="list-style-type: none"><li>• Focus on achieving high recycling rates for our construction sites</li></ul>
<p><b>Water</b></p> <p>Water efficiency is expected to become increasingly regulated in the medium term as the EU strives to provide incentives to use water efficiently and ensure that businesses contribute to the environmental cost of water services.</p>	<p><b>EU</b></p> <ul style="list-style-type: none"><li>• Water Framework Directive 2000 – in 2010, member states must introduce water pricing policies to reflect the true costs of commercial water use; by 2015 the coastal and inland waters must reach 'Good Ecological Status'</li><li>• Potential Water Performance of Buildings Directive</li></ul>	<p><b>Managed assets</b></p> <ul style="list-style-type: none"><li>• Water audits carried out in 2009 in most UK and French managed assets</li><li>• Action plans in place in UK shopping centres</li><li>• Water consumption target set in 2010</li></ul> <p><b>Developments</b></p> <ul style="list-style-type: none"><li>• Introduction of a standard template including monitoring of water usage</li><li>• Water targets in SIPs</li></ul>

COMMUNITY REGENERATION

RISKS AND OPPORTUNITIES	KEY LEGISLATION AND POLICY	HAMMERSON ACTIONS
<p><b>Change in planning agreements</b></p> <p>Sustainability criteria are increasingly incorporated into local authority planning briefs. This represents an opportunity for Hammerson to differentiate itself from competitors.</p>	<p><b>UK</b></p> <ul style="list-style-type: none"><li>• Community Infrastructure Levy to be introduced in April 2010</li></ul> <p><b>FR</b></p> <ul style="list-style-type: none"><li>• Increasingly stringent sustainability criteria in planning applications for shopping centres</li></ul>	<p><b>Managed assets</b></p> <ul style="list-style-type: none"><li>• Community Investment toolkit implemented for the UK assets</li></ul> <p><b>Developments</b></p> <ul style="list-style-type: none"><li>• UK draft Community Framework will formalise engagement with communities throughout the development cycle</li></ul>

SUPPLY CHAIN

RISKS AND OPPORTUNITIES	KEY LEGISLATION AND POLICY	HAMMERSON ACTIONS
<p><b>Corporate governance</b></p> <p>Civil and criminal liability for the practices of suppliers is a potential risk for property companies, especially on development projects.</p>	<p><b>UK</b></p> <ul style="list-style-type: none"><li>• Bribery Bill making companies liable for their contractors’ practices with regards to bribery</li></ul> <p><b>FR</b></p> <ul style="list-style-type: none"><li>• Legal responsibility for cases of illegal workers in construction companies</li></ul>	<p><b>Corporate</b></p> <ul style="list-style-type: none"><li>• We issue our Code of Conduct to all employees, and publish a summary on our website</li></ul> <p><b>Managed assets</b></p> <ul style="list-style-type: none"><li>• Health and safety recording systems and training programmes already in place</li></ul>
<p><b>Health and safety</b></p> <p>Increasing legislation relating to organisations’ responsibility for their staff and contractors.</p>	<p><b>UK</b></p> <p>Corporate Manslaughter and Corporate Homicide Act 2008</p>	<p><b>Developments</b></p> <ul style="list-style-type: none"><li>• Criteria for selecting suppliers based on sustainability criteria (including health and safety) being set in France and in the UK</li></ul>

CUSTOMERS

RISKS AND OPPORTUNITIES	KEY LEGISLATION AND POLICY	HAMMERSON ACTIONS
<p><b>Customers</b></p> <p>The legislative risks and opportunities in this area are relatively minor. However we are well positioned ahead of the potential implementation of mandatory Green Leases in France and the implementation of the CRC Energy Efficiency Scheme in the UK.</p>	<p><b>UK</b></p> <ul style="list-style-type: none"><li>• Implementation of the CRC Energy Efficiency Scheme</li></ul> <p><b>FR</b></p> <ul style="list-style-type: none"><li>• Potential mandatory Green Leases</li></ul>	<p><b>Managed assets and developments</b></p> <ul style="list-style-type: none"><li>• Hammerson has various targets relating to occupier engagement tenants and by the end of 2009 had 698 Green Leases in place across the UK and in France</li><li>• Improved engagement with tenants through Green Groups</li></ul>

KNOWLEDGE AND REPORTING

RISKS AND OPPORTUNITIES	KEY LEGISLATION AND POLICY	HAMMERSON ACTIONS
<p><b>Equality and diversity</b></p> <p>This area is very much driven by European legislation although implementation is dependent upon the political context of each country.</p>	<p><b>UK</b></p> <p>Equality Bill: the Government’s intention to force companies to disclose gender pay gap by 2013.</p> <p><b>FR</b></p> <p>Potential legislation including fines for companies that do not have plans in place to tackle gender inequality.</p>	<p><b>Corporate</b></p> <ul style="list-style-type: none"><li>• Substantial revision to our HR reporting in this year’s report and inclusion of HR section in our Annual Report</li><li>• Increased coordination between the UK and French HR teams</li></ul>

## ENVIRONMENTAL DATA QUALIFYING NOTES

### DATA COVERAGE

The environmental performance section of this report (Climate Change and Energy and Resource Use) discloses performance for 34 closely managed properties in the UK and France. Please see the GRI Completeness section for the general principles we have applied for the inclusion and exclusion of properties in this report. All managed assets included in the table below are included for each indicator, unless stated otherwise in explanatory notes. Please see footnotes for details of emissions factors used.

	Shopping Centres				Offices			Retail Parks		
Disclosed portfolio (number of managed assets)	2006	2007	2008	2009	2006	2007	2008	2007	2008	2009
UK	6	6	6	6	6	6	3	15	18	18
FR	7	7	7	7	2	2	2	n/a	1	1
<b>Total</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>8</b>	<b>8</b>	<b>5</b>	<b>15</b>	<b>19</b>	<b>19</b>

## ENERGY AND GREENHOUSE GAS EMISSIONS

DATA QUALITY AND EMISSIONS FACTORS USED	*All emission factors expressed in CO <sub>2</sub> e and using 2009 Defra / DECC's Guidelines GHG Conversion Factors for Company Reporting unless specified
<p>Direct energy consumption (EN3, EN16, CDP Scope 1, Building energy CO<sub>2</sub>e emissions)</p> <p>Natural gas</p>	
<p>UK: In the office and shopping centres portfolios, data is mainly taken from manual readings. No gas is consumed at 12 of the retail parks - for the remaining parks, data is collected through manual readings and, in one case, through automatic readings.</p>	<p>UK and France: Net Caloric Value applied across all years. 0.204 kg of CO<sub>2</sub>e (total GHG) per kWh</p>
<p>Diesel consumption - buildings</p> <p>UK and FR: Diesel consumption for building consumption is used for onsite generators and bought by volume. FR: Diesel consumption has been recorded for the first time in 2009.</p>	<p>UK and France: Net Caloric Value applied across all years. 0.266 kg of CO<sub>2</sub>e (total GHG) per kWh</p>
<p>Refrigerants</p> <p>Data for refrigerants are based on recharging of air conditioning systems at each asset. Our confidence in the way that French data is measured and collected is low, as only R22 is currently recorded.</p>	<p>Global Warming Potentials: R22: 1810 R143A: 3800 R407C: 1526</p>

Indirect energy consumption (EN4, EN16, EN17 and CDP Scope 2 and 3)	
Electricity	
<p><b>UK:</b> Confidence in the data: high - for shopping centres and offices owned for a number of years; improving for the retail park portfolio but unequal across assets; medium - for offices added to the portfolio in 2009 (in part as normal operating conditions are not in place initially). In the office and shopping centre portfolios, data comes from estimates or invoices for four assets, automatic readings for five assets and manual readings for four assets. The retail park data comes from manual / automatic readings for 12 assets and estimates based on budgets or invoices for seven assets.</p> <p><b>FR:</b> Our confidence in the data has improved in 2009 although some metering problems remain, particularly at Italie 2 shopping centre. Data is collected manually or through automatic readings by the managing agent onsite or passed on to Hammerson by the co-owner associations on a monthly basis and cross-referenced with year-end bills. No data has been recorded for Italie 2 or Place des Halles car parks.</p>	<p><b>UK:</b> Electricity (grid rolling avg 2007) (electricity consumed) 0.544 kg of CO<sub>2</sub>e (total GHG) per kWh</p> <p><b>FR:</b> Overseas Electricity Factors: (electricity consumed) 2006 five-year rolling average 0.087 kg of CO<sub>2</sub>e (total GHG) per kWh</p>
Imported thermal energy	
<p><b>UK and FR:</b> Data is collected through bills.</p>	<p><b>UK:</b> Provided by supplier in 2009 and applied across all years as 0.179 kg of CO<sub>2</sub>e (total GHG) per kWh for thermal heating and 0.141 kg of CO<sub>2</sub>e (total GHG) per kWh for thermal cooling.</p> <p><b>FR:</b> Provided by supplier in 2009 and applied across all years as 0.195 kg of CO<sub>2</sub> per kWh.</p>
Fuel consumed from business-related vehicular travel	
<p><b>UK:</b> Transport data for 2006, 2007 and 2008 covers transport from Hammerson's UK HQ (via annual carbon footprinting exercise). This data is not yet available for 2009. In 2009, we have started recording transport data (mileage) for Hammerson Operations Ltd's car fleet. In future reports on transport emissions from both HQ and Hammerson Operations Ltd can be combined.</p> <p><b>FR:</b> Transport data available for 2007 only.</p>	<p><b>UK and France:</b> Net Caloric Value applied across all years.</p> <p>Diesel: 0.266 kg of CO<sub>2</sub>e (total GHG) per kWh</p> <p>Petrol: 0.255 kg of CO<sub>2</sub>e (total GHG) per kWh</p>
Visitor travel to shopping centres	
<p>Emissions associated with visitor journeys to shopping centres are based on a number of assumptions:</p> <ul style="list-style-type: none"> <li>* by applying an assumption of 2.4 heads per vehicle</li> <li>* 11.91 mile average round trip (BCSC report 2008 'Contribution of Retail Sector to UK economy').</li> <li>* Hammerson France properties lie within the immediate radius of Paris, where population density is thought to be similar to the UK and the same assumption has been applied.</li> </ul> <p>These estimates were combined with visitor transportation survey results (proportions per transport mode) and annual visitor numbers for each asset.</p>	<p><b>UK and France:</b> Average car (unknown fuel type): 0.205 kilogrammes of CO<sub>2</sub>e per passenger-kilometre.</p>

*\* Note on emissions factors: The 2009 Defra guidelines and the French Bilan Carbone V.6 methodology for voluntary reporting have been used and interpreted for the purpose of this report's calculations.*

*\*It should be noted that, although Defra recommends applying an annual emission factor specific to each year, we applied (grid rolling average) emissions factors retrospectively to all years to enable comparison of our performance changes at the assets overtime.*

*\*Defra also recommends using Gross Caloric Values (CV) for Natural Gas by default. However, Net CV reflects "the useful caloric value in typical real world conditions (e.g. boiler plant)". Since natural gas is burnt onsite it is felt that this more closely represents the actual value.*

*\*When the UK and French methodologies were not aligned (e.g. Defra recommends the use of Gross CV for natural gas consumption whilst the French guidelines recommend to use Net CV), we have been consistent in the choice of emissions factors to enable cross country comparison.*



**DATA RESTATEMENTS**

- \* 2006 baseline for electricity consumption (restatement of West Quay 2006 consumption)
- \* Common parts floor areas for 3 shopping centres (Highcross for 2008 and Parinor and Queensgate for all years)
- \* Worker numbers for UK offices now reflect full time equivalents (FTEs) rather than actively used workstations where data are available for 2009. Where possible this has been restated in 2008 (99 Bishopsgate, 1 and 2 Exchange Tower).
- \* All 2008 UK retail park electricity consumption, as 2008 data published in the 2008 CR report originated from budgets as opposed to actual consumption
- \* Place des Halles gas and electricity consumption across all years
- \* The 2006 and 2007 UK transport data (obtained through Hammerson's carbon footprinting reports) have been restated to align with the reporting periods. Note that the transport emissions for 2009 are partial. Data include Hammerson's Operations Ltd's fleet from April 09 but exclude French and UK transport emissions from the headquarters as the data was still being collected at the time of this report going to print.

**METHODOLOGICAL STATEMENTS PER GRI INDICATORS****EN3 - Direct energy consumption by primary energy source**

- \* Natural gas and building diesel consumption at French shopping centres managed by "co-ownership associations" are now reported under EN4 as opposed to EN3 as these fuels are burnt within the organisational boundary (and management control) of the "co-ownership associations".
- \* Diesel consumption for 2006 and 2007 for UK offices has been restated (in GJ, not kWh for this indicator)

**EN4 - Indirect energy consumption by primary energy source**

- \* Retrospective inclusion of UK retail parks for 2007 and 2008
- \* Natural gas and diesel for building consumption from French assets has been categorised under EN4 (see notes above for EN3)
- \* Restatement of primary energy consumption for French shopping centres for district heating using IEA default conversion factors
- \* The indirect default electricity and heat conversion equivalents were used for UK and France except where actual energy supplier figures were available. This means primary energy used in the generation of electricity and heat consumed at the properties is expressed in national and/or regional primary fuel required to deliver this energy (including conversion losses as well as transmission and distribution losses).

For primary energy consumption, **International Energy Agency (IEA):**

**Indirect Default E3a- Electricity Conversion Equivalents (published 2001)**

**District Heating E3b- Default Heat Conversion Equivalents (published 2002)**

No data was available for IEA default heat conversion equivalents for UK. Therefore, IEA France default conversions were assigned under natural gas as the primary energy source.

**EN5 - Energy saved due to conservation and efficiency improvements**

- Our methodology for the calculation of this indicator was revised in 2009.
- Savings are calculated on a like-for-like portfolio where energy procurement is comparable (in terms of landlord provision to tenants).
- \* Highcross and Parinor were excluded as the extension to property size reflects a change in capacity
  - \* 125 Old Broad Street, Stockley House and 60 Threadneedle Street were excluded as data is available in 2009 only
  - \* We have included our French Head Office Rue de Washington for transparency (thought this is not part of our owned or managed portfolio)

**EN16 - Total direct and indirect greenhouse gas emissions by weight: tCO2e**

This indicator has been broken down according to Greenhouse Gas Protocol Scopes. Total GHG emissions by weight align with Carbon Disclosure Project guidelines, where the procurement of renewable electricity is immaterial. Whilst Hammerson has procured electricity generated from renewable resources, the sources are not owned or controlled by Hammerson. In accordance with the most recent Defra guidelines in cases where an organisation does not own or control the renewable source the grid rolling average factor is applied. Therefore, the Scope 2 emissions disclosed under EN16, the Defra grid rolling average 2007 for imported electricity is applied to all UK electricity consumption.

**EN17 - Other relevant indirect greenhouse gas emissions by weight: tCO2e**

Most emissions under this indicator (business travel, commuting, deliveries, waste from premises) are directly taken from Hammerson's carbon footprinting reports, produced on an annual basis in the UK and last produced in 2007 in France.

For detail on data quality and assumptions on emissions calculations associated with visitors arriving at Hammerson shopping centres see data quality section above.

**EN19 - Emissions of ozone-depleting substances by weight**

Hammerson had losses in two other refrigerants in 2009 (R407C and R143A). The ozone depletion potential of these is zero and they are therefore not covered by the Montreal Protocol. Note that the global warming potential of these gases (in CO2e) is included under EN16.

**Montreal Protocol:**

CFC11 equivalent of :

R22: 0.055

R143A: zero

R407C: zero

## WASTE

**UK:** The reported tonnage of waste is based on actual weight provided by waste contractors or, where this is not possible, through estimates. There is greater certainty in the direct (from site) and indirect (provided from offsite recovery facilities) figures on final destination routes for shopping centre waste than for offices. Nonetheless, at both types of property, waste management and measurement practices are improving, which has enabled more accurate disclosure of historic and current data. Retail park waste is less significant and has been excluded at this point due to a lack of reliable data.

**FR:** French waste quantity measurements has improved enabling us to include data for 2007 to 2009. However, uncertainties remain at a number of assets on actual weights, in particular at Grand Maine, which we have therefore decided to exclude from this report. In 2009, we have greater knowledge on the final destination of our waste, having received confirmation that our waste is sent for incineration with energy recovery from two of our assets. However, some of our contractors have not been able to provide this information and obtaining more transparent information is one of our 2010 objectives. Limited information on hazardous waste was available for France. Two French office: are included for 2006 - 2008; they are not included in 2009, having been sold during the year.

### RESTATEMENTS

\* Some data previously reported for 2006 and 2007 in the 2008 CR report were incorrect and are restated here. In particular, there was no waste composting at 1 & 2 Harbour Exchange.

\* The Oracle and WestQuay: the recovery rate from their Materials Recovery Facilities was first known in 2008 and this has been retrospectively applied to 2007 data.

\* At the time of publishing the 2008 Report, French waste data were estimated from waste audits as opposed to actual weight. We have been able to obtain actual tonnage of waste back to 2007 and 2008, and have restated data for these two years.

## WATER

### DATA QUALITY AND COVERAGE

**UK:** Data in our office and shopping centre portfolio are collected through manual or automatic meter readings. We do not currently have the appropriate sub-meters in place to enable complete itemisation of tenant consumption of Hammerson-obtained water and therefore, improving the accuracy of our landlord-tenant split is one of our 2010 objectives. It should be noted that there is a metering issue to be resolved at the Oracle. Retail parks are excluded except Manor Walks.

**FR:** Our water data in our French shopping centres are collected on a quarterly basis by our contractors onsite. All our French assets have sub-meters in place, which will enable us to report on our landlord-tenant split for Hammerson-obtained water in future years.

### RESTATEMENTS

\* Minor restatement to the 2008 water data for UK and French shopping centres

## CLIMATE CHANGE AND ENERGY

## Total Hammerson-obtained annual energy consumption - Absolute

	Shopping Centres				Offices			Retail Parks	
Hammerson-obtained energy kWh	2006	2007	2008	2009	2006	2007	2009	2008	2009
<b>Electricity</b>									
UK	39,716,518	38,171,499	38,105,032	38,341,529	57,258,178	69,780,039	55,600,248	3,043,169	2,761,099
FR	36,909,939	34,078,534	32,420,016	32,995,578	4,227,317	4,024,425	n/a	244,861	136,025
Rue Washington (French head office)					n/a	280,963	203,411		
<b>Gas</b>									
UK	6,496,746	4,273,795	4,865,757	2,676,387	17,344,497	17,323,467	12,595,325	3,602	3,696
FR	10,334,602	8,241,295	8,669,744	9,546,371	n/a	n/a	n/a	n/a	n/a
<b>Imported thermal energy</b>									
UK	1,647,710	986,990	1,241,886	1,141,654		n/a	n/a	n/a	n/a
FR	6,195,050	5,792,786	6,506,000	6,010,400	3,925,662	3,987,150	n/a	n/a	n/a
<b>Diesel Building</b>									
UK	118,044	46,800	31,471	44,958	27,000	21,600	100,200	n/a	n/a
FR	n/a	n/a	n/a	175,320	n/a	n/a	n/a	n/a	n/a

Coverage in m2 of portfolio disclosed	Shopping Centres				Offices			Retail Parks	
	2006	2007	2008	2009	2006	2007	2009	2008	2009
UK	161,456	161,456	178,519	178,519	128,306	128,603	138,042	345,813	357,870
FR	81,123	81,123	87,981	87,981	40,036	40,036	n/a	44,944	44,944
<b>Total</b>	<b>242,579</b>	<b>242,579</b>	<b>266,500</b>	<b>266,500</b>	<b>168,342</b>	<b>168,639</b>	<b>138,042</b>	<b>390,757</b>	<b>402,814</b>

## CLIMATE CHANGE AND ENERGY (continued)

## Direct energy consumption by primary energy source (GRI EN3)

Fuel type in GJ	Use	2006	2007	2008	2009
Natural gas	consumed at premises	85,828	77,777	56,764	54,991
Diesel	consumed at premises	522	246	113	523
Fuel oil	consumed at premises	-	-	-	-
Petrol (gasoline)	Company-owned vehicles	576	2,252	490	15
Petrol (gasoline)	Business travel - hire cars	524	-	-	-
Petrol (gasoline)	Business travel - employee owned cars	-	782	-	-
Diesel	Company-owned vehicles	802	1,238	204	229
Diesel	Business travel - hire cars	203	-	-	-
Diesel	Business travel - employee owned cars	-	-	-	-
<b>Total</b>		<b>88,455</b>	<b>82,295</b>	<b>57,572</b>	<b>55,758</b>

## Commentary

The trend is largely encouraging and is driven particularly by a reduction in natural gas consumption at the UK shopping centres. Some differences between this data and figures previously published are that: natural gas and diesel consumption for shopping centres managed by "co-ownership associations" has been re-categorised under EN4 as these fuels are burnt within the organisational boundary of the "co-ownership associations": UK transport data for 2006 and 2007 (obtained through Hammerson's carbon footprinting reports) have been restated to better align with the reporting periods.

## Indirect energy consumption by primary energy source (GRI EN4)

Intermediate Energy Type in GJ	2006	2007	2008	2009
Coal	330,183	374,605	301,205	325,255
Natural Gas	340,442	372,527	306,597	333,745
Petroleum Products	13,840	15,129	12,581	13,767
Crude Oil	0	0	0	0
Nuclear	1,152,674	798,219	702,706	693,140
<b>Non-renewable energy subtotal</b>	<b>1,837,138</b>	<b>1,560,480</b>	<b>1,323,089</b>	<b>1,365,907</b>
Solar/Other	0	0	0	0
Wind	227	211	203	184
Geo- thermal	5,773	5,578	5,785	3,428
Hydro	29,120	28,275	26,196	24,554
Combustible Renewables and Waste	63,951	63,529	63,232	41,838
Hydrogen based intermediate energy	0	0	0	0
<b>Renewable energy subtotal</b>	<b>99,070</b>	<b>97,594</b>	<b>95,416</b>	<b>70,004</b>
<b>Total</b>	<b>1,936,209</b>	<b>1,658,073</b>	<b>1,418,505</b>	<b>1,435,911</b>

## Commentary

Total energy consumption has decreased since our baseline year, which is testament to the energy efficiency improvements implemented across the portfolio over the past four years. This trend is in spite of the fact that there have been absolute increases in electricity consumption between 2007 and 2009 due to the opening of extensions at Highcross and Parinor shopping centres. Data coverage has improved with the retrospective inclusion of UK retail park energy consumption back to 2007. As noted above under EN3, the natural gas and diesel consumption for the French shopping centre portfolio has now been restated under EN4.

## Energy saved due to conservation and efficiency improvements (GRI EN5)

Energy saved in gigajoules from 2008 to 2009	2008/09
	42,388

## Commentary

This indicator demonstrates the reduction in energy consumption from 2008 to 2009 due to efficiency improvements for a like-for-like set of properties (i.e. excluding assets sold or acquired as well as those extended through redevelopment, i.e. Highcross and Parinor). Also note that we have included our French Head Office Rue Washington for transparency (though it is not part of our owned or managed portfolio). Note that, this year, we revised our methodology and definition of "like for like" for this indicator. See our DQN for further explanation.

**Total direct and indirect greenhouse gas emissions by weight: tCO<sub>2</sub>e (GRI EN16)**

Greenhouse gas emissions: tCO <sub>2</sub> e	2006	2007	2008	2009
Scope 1	5,057	4,734	3,476	3,621
Scope 2	60,745	67,738	55,397	58,870
<b>Total</b>	<b>65,803</b>	<b>72,472</b>	<b>58,874</b>	<b>62,490</b>

**Commentary**

See commentary for EN3 and EN4 for commentary on trend.  
Total GHG emissions by weight align with the Carbon Disclosure Project guidelines, where the procurement of renewable electricity is immaterial. Thus whatever electricity Hammerson has bought from renewable sources is not reflected in EN16 (also in accordance with the most recent Defra guidelines).

**Other relevant indirect greenhouse gas emissions by weight: tCO<sub>2</sub>e (GRI EN17)**

Greenhouse gas emissions: tCO <sub>2</sub> e	2006	2007	2008	2009
Includes: business travel, commuting by our staff, deliveries and managed waste from our premises	276	384	143	Not available at time of going to print
Visitor journeys to our shopping centres	91,758	93,308	93,918	96,371

**Commentary**

In trying to increase the extent of disclosure for this indicator, we are reporting estimated emissions associated with visitors' journeys to our shopping centres for the first time this year. The calculations for this indicator include some assumptions (see Data Qualifying Notes). Improving the reporting of our indirect emissions (scope 3 Greenhouse Gas Protocol) is one of our 2010 targets.

**Emissions of ozone-depleting substances by weight (EN19)**

ODS emissions	2006	2007	2008	2009
R22 refrigerant (kg)	Not recorded	Not recorded	110	74
<b>Total as CFC-11 equivalent (tonnes)</b>	<b>Not recorded</b>	<b>Not recorded</b>	<b>0.006</b>	<b>0.004</b>

**Commentary**

In line with European legislation, Hammerson has stopped purchasing R22 for use in its air conditioning chillers and is in the process of replacing the remaining R22 in the chillers where this refrigerant is still used.

## RESOURCE USE

### Total water withdrawal by source - absolute (GRI EN8)

Water consumed in cubic metres	2007	2008	2009
Surface water, including water from wetlands, rivers, lakes and oceans	0	0	0
Ground water	65,317	80,624	66,144
Rainwater collected directly and stored by the reporting organisation	0	0	0
Waste water from another organisation	0	0	0
Municipal water supplies or other water utilities	925,059	862,683	680,400
<b>Total</b>	<b>990,376</b>	<b>943,307</b>	<b>746,544</b>

#### Commentary

Hammerson has achieved a significant reduction in overall consumption across its managed portfolio since 2007. This has been largely driven by reductions in UK and French shopping centres (despite visit numbers increasing, which is a driver of water consumption).

### Percentage and total volume of water recycled and reused (GRI EN10)

Water consumed in cubic metres (and % of total)	2007	2008	2009
<b>Total</b>	<b>0 (0%)</b>	<b>0 (0%)</b>	<b>0 (0%)</b>

#### Commentary

We have installed rainwater harvesting tanks at our new office asset, 60 Threadneedle St, and hope to be able to report on recycled and reused water in 2010.



## Total weight of waste by type and disposal method (GRI EN22)

Waste by type and final disposal route in tonnes (of which hazardous)	2006 <i>UK only</i>	2007	2008	2009	% of 2009 total
Composting	0	0	6	141	1%
Re-use	0	0	0	0	
Recycling	3,417 (9)	5,929 (10)	8,601 (39)	9,187	44%
Sent for recovery (sent but recovery rate not known)	345	0	274	101	0%
Incineration or used as fuel	0.03	886	1,094 (0.03)	2,834	13%
Landfill	10,250	14,158	10,930	8,768	42%
Deep well injection	0	0	0	0	
On-site storage	0	0	0	0	
Other	0.3	0	0	0.4	0.002%
<b>Total</b>	<b>14,012</b>	<b>20,973</b>	<b>20,905</b>	<b>21,031</b>	

**Commentary**

Waste generated has increased over time in absolute terms, although this is principally a result of more assets being added to the set of reported data. It is evident that increases in recycling and reductions in waste to landfill in line with Hammerson's overall corporate targets continue to have a positive effect. Initiatives include increasing segregation onsite, composting at several of our assets, reducing waste going directly to landfill, and increasing engagement with suppliers to improve offsite recovery.

## RESOURCE USE (continued)

	2007	2008	2009	Data qualifying note and commentary
Proportion of new developments undertaken on brownfield land	UK 100%	UK 100% France 50%	UK 100%	
BREEAM or HQE rating achieved on developments certified during calendar year	2 x Very Good (Highcross, Leicester shopping centre, 125 Old Broad Street office)	2 x Excellent (Bristol, Cabot Circus shopping centre, 60 Threadneedle office)	Westwood retail park, Thanet - BREEAM Excellent Union Square, Aberdeen - BREEAM Very Good Cleveland retail park, Middlesbrough - BREEAM Good Italie 2 extension - HQE No certification obtained at the Cap Malo and St Omer retail park developments in France	
GRI EN2 Percentage of materials used that are recycled input materials	Not recorded	29-33% recycled content at Highcross and Cabot Circus	Not recorded	This is a very challenging indicator for us to record systematically on all developments. However, it remains an area of focus for us and we will endeavour to improve our reporting in future years.
GRI EN 14 Strategies, current actions and future plans for managing impacts on biodiversity	In 2009, we designed a strategic biodiversity plan for all our assets in the UK. Specific biodiversity audits were carried out at seven representative sites including shopping centres, offices and retail parks. This plan provides Hammerson with a clear strategy for identifying opportunities to enhance biodiversity in the short and long-term at all of our assets. In 2010, we have two targets: to roll out our biodiversity action programme across our managed shopping centres and retail parks in the UK and to develop a corporate biodiversity policy covering our operations and development activities.			
GRI EN 23 Total number and volume of significant spills	Not recorded	UK - 0 spills France - not recorded	125 Old Broad St - 1 incident of 5 litres of oil; Central Retail Park - 2 incidents of 50 litres due to vandalism; The Oracle - 2 overflow incidents whereby flooding in the service yard led overflow of foul water. The resulting effluent was contained and returned to the foul water system during clean up France - not recorded	
GRI EN 26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Please see report sections for: Climate Change and Energy; Resource Use; Supply Chain			
GRI EN 28 Monetary value of significant fines and total number of non monetary sanctions for non compliance with environmental laws and regulations	Not recorded	Nil	Nil	

## COMMUNITY REGENERATION

### Data qualifying note on voluntary community investment data

In 2009, Hammerson introduced a new community data collection and reporting framework tool across its UK portfolio and in 2010, this framework will be adapted and introduced in France. For this reason, the 2009 data column does not include community contributions in France but where data exists it is noted in the commentary section.

Throughout 2009 data has been systematically collected by all UK assets in accordance with this new reporting framework to cover:

\*Indirect contributions e.g. charitable donations raised indirectly by Hammerson through sales and customer fund-raising

\*Direct contributions e.g. cash and value of time and in-kind donations made directly by Hammerson

The new reporting tool captures a wider range of direct and indirect contributions than previously, partly explaining the overall increase in community investment observed in 2009. Where possible, previously reported figures have been re-categorised to align with our new reporting methodology but most data in 2007 and 2008 is not directly comparable to 2009.

	2007 UK only unless specified	2008	2009	Data qualifying note and commentary
<b>VOLUNTARY INVESTMENT (Direct and indirect)</b>				
	£850,688	£1,409,031	£1,575,095	
<b>DIRECT CONTRIBUTIONS</b>				
<b>HAMMERSON ALL PORTFOLIO</b>	<b>£682,850</b>	<b>£1,186,497</b>	<b>£753,611</b>	
Cash contributions	£112,670	£212,375	£359,508	
Value of staff time	Not recorded	Not recorded	£78,887	
In kind donations	UK and France- Cash and in kind £570180	UK and France- Cash and in kind £974122	UK only- in kind £315217	2007 and 2008 data includes the commercial value of UK and France donated space. However, 2009 donated space values are based on a standard cost per m2 per day (cost is calculated per m2 per day), rather than commercial value, which explains the significant difference between 2008 and 2009.
Total in kind - Retail Portfolio (shopping centres and retail parks)	Not recorded	Not recorded	£237,003	In 2009, the overall French cash donations and in kind donated space was estimated to £112, 365 for our retail assets. This is not reported under the total figure as the methodology applied to calculate space donated in France relates to commercial rates and is very different from the UK. This figure should therefore be understood as an approximation as opposed to a precise figure.
Total in kind - Offices	Not recorded	Not recorded	£76,864	
Total in kind - Corporate	Not recorded	Not recorded	Not recorded	
Total in kind Developments	Not recorded	Not recorded	£1,350	

<b>INDIRECT CONTRIBUTIONS</b>	<b>£167,838</b>	<b>£222,534</b>	<b>£821,484</b>	
<b>Retail portfolio (shopping centres and retail parks)</b>				
	£167,838	£200,414	£783,301	
Charity collections and money raised from sales	£167,838	£200,414	£717,005	The very significant increase is due to the decision by Hammerson to use the 2.5% UK Government VAT rebate on car park charges as a donation to charity. This applies for calendar year 2009 only as the VAT rebate only applied for that year.
Value of HOL and non-Hammerson staff time dedicated to community activities	Not recorded	Not recorded	£31,255	
Other leverage (e.g. other external partners, employees' contributions and service charge)	Not recorded	Not recorded	£35,040	
<b>Offices</b>	<b>£0</b>	<b>£22,120</b>	<b>£26,522</b>	
Charity collections and money raised from sales	Not recorded	£22,120	£17,584	The 2008 figure includes charity collection for retail parks, offices and head office.
Value of non-Hammerson staff time for community activities	Not recorded	Not recorded	£7,580	
Other leverage (e.g. other external partners, employees' contributions and service charge)	Not recorded	Not recorded	£1,358	
<b>Corporate</b>	<b>£0</b>	<b>£0</b>	<b>£9,661</b>	
Charity collections	Not recorded	Not recorded	£8,649	
Other leverage (e.g. other external partners, employees' contributions and service charge)	Not recorded	Not recorded	£1,012	
<b>Development</b>			<b>£2,000</b>	
Charity collections	Not recorded	Not recorded	£0	
Value of non-Hammerson staff time for community activities	Not recorded	Not recorded	£0	
Other leverage (e.g. other external partners, employees' contributions and service charge)	Not recorded	Not recorded	£2,000	
<b>MANDATORY INVESTMENT- Developments</b>				
Community investment through planning agreements	Nil	£298,256	£1,823,318	Includes S106 and S75 planning agreements. 2009 figure includes investment as part of the development of Union Square, 60 Threadneedle Street, 125 Old Broad Street, Gloucester and Highcross. No such investments in France
<b>Other indicators</b>				
<b>Number of organisations that benefited from Hammerson direct and indirect contributions</b>	Not recorded	Not recorded	235	
<b>Full time equivalent as direct CR activities</b>	2.1	3.6	4.4	This indicator only includes time spent by Hammerson's employees whose roles are specifically dedicated to Corporate Responsibility. Therefore, this indicator excludes for instance the time spent by other Hammerson employees in CR working groups and any time spent by employees in implementing Hammerson's CR strategy.
<b>GRI SO1</b>				
<b>Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting</b>	In 2009, we developed a Community Regeneration Framework to plan, capture, communicate and improve the regeneration impact of our developments on the local communities. The tool includes suggested actions and recommendations for engaging with local communities at each development phase (including pre-planning, construction and handover/operation) and sets out a series of outcome indicators to measure our local impact. Methodologies for gathering both quantitative and qualitative data related to these indicators are also suggested for our project managers.			

SUPPLY CHAIN				
	2007	2008	2009	Data qualification note and commentary
Considerate Constructors' Scheme Score Average (UK only)	Not recorded	Bristol - 30.9 125 Old Broad Street - 35 60 Threadneedle Street - 35.25 Victoria Retail Park, Nottingham - 33 Kirkcaldy - 35 Cleveland Retail Park - 29 Battery Retail Park - 25 Union Square, Aberdeen - 36 (Feb 08) and 38.5 (Sept 08) Gloucester - 29.5	Union Square, Aberdeen - 37.5 (March 09) and 38.5 (July 09) Westwood Retail Park, Thanet - 34 Cleveland Retail Park, Middlesbrough - 31 Fife Central Retail Park, Kirkcaldy - 33	Aberdeen on the Considerate Constructors' Scheme Gold Award in 2009.
Proportion of suppliers/contractors that are based within the local area	Not recorded	75%	Not recorded consistently across all portfolios	In 2008, the data was based on estimation based on suppliers contracted by Hammerson's Retail Parks managing agents. The data was not collected in a consistent manner in 2009 and we will refine the scope of this indicator in 2010 in our Performance Indicator Manual.
Proportion of suppliers paid within 30 days (Hammerson direct payments only)	UK- 55%	UK: 74% France: 84%	UK: 81% France: 76%	The French 2008 figure is restated. France and the UK have different payment policies and recording systems for suppliers. The 2008 and 2009 French percentages are estimates.
Proportion of timber used during development that is from sustainable sources	Not recorded	40-125% Old Broad Street 83-100% 60 Threadneedle Street 100% Highcross, Aberdeen 97-100% Bristol Cabot Circus % not calculated for Leicester residential development 0% Kirkcaldy Retail Park Not recorded in France	100% FSC timber - Union Square, Aberdeen No timber used on retail park extensions	The two French retail park developments (Cap Malo and St Omer) were completed at the beginning of 2009 and therefore timber recording is not relevant for France for 2009.
Number of existing suppliers/contractors that have been assessed for their CR performance	Not recorded	Not recorded	UK: 16 France: 3	In 2009 Hammerson piloted its sustainability questionnaire with 19 suppliers. The intention is to roll out this process fully in 2010.
CRF Number of suppliers with whom Hammerson engaged on sustainability	Not recorded	UK 180 0 for France	155	In 2009, Hammerson set about defining clear boundaries and the scope of its performance indicators. In 2008, the indicator reflected any suppliers with whom Hammerson engaged on CR/sustainability.
GRI HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	In 2009 Hammerson piloted its sustainability questionnaire with 16 UK suppliers and three in France. This questionnaire included a section on human rights. The intention is to roll out this process fully in 2010 and we will report fully against this indicator next year.			

CUSTOMERS				
	2007	2008	2009	Data qualification note and commentary
Breakdown of visitors' mode of transportation at retail assets	France only	UK only	UK only Not recorded in France	In 2009, UK surveys carried out at all managed centres except Brent Cross.
Car/taxi	36%	57%	55%	
Foot/bike	34%	12%	11%	
Public transport	28%	28%	32%	
Other	2%	3%	2%	
Number of managed properties covered by a green travel plan				
Shopping centres- UK	Not recorded	5 of 6	6 of 6	1 Green Travel Plan is in progress in 2009.
Offices - UK	Not recorded	2 of 5	6 of 7	This includes 2 Green Travel Plans in draft stage
Retail parks - UK	Not recorded	5 of 18	1 of 15	This Green Travel Plan is included in the Green Lease
All portfolio - France	Not recorded		0	
Number of sustainability engagement meetings held with major occupiers	Not recorded	54	75	This includes individual and collective meetings such as attendance by Hammerson at retailer lunches and breakfast, tenants we have engaged with on our Union Square development and the tenants who participated in our Green Groups.
Number of RIDDOR reportable injuries across the property investment portfolio				The RIDDOR regulations only apply to the UK.
Shopping centres and retail parks - members of the public	7	0	4	
Shopping centres and retail parks - direct Hammerson employees	2	0	1	
Shopping centres and retail parks - non-Hammerson staff i.e. managing agents	0	3	2	
Offices	0	0	0	
GRI PR2 Total number of incidents of non compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	Not recorded	0	1 occurrence of non compliance with regulations regarding health and safety resulting in a warning	A window cleaner fell from height at Bullring. Investigations showed a breach in the health and safety regulations by Hammerson, which led to a warning by the council. An action plan was presented by Hammerson to address this issue.
GRI PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	<p>In the UK, we have instigated a tenant survey, employing a consultancy to carry out detailed interviews with 45 of our retailers and office occupiers. Please refer to our Annual Report page 15. We continue to use the same methods to gauge and report on shopping centre visitor satisfaction in the UK and France.</p> <p>* In the UK, satisfaction surveys are usually carried out on an annual basis at shopping centres. In 2009, they were undertaken at 4 of the 6 shopping centres on a sample of visitors ranging from 1000 to 2000. Percentage of visitors who agreed or strongly agreed that they enjoyed their visit: 80% at Bullring, 63% at Queensgate, 95% at the Oracle and 94% at WestQuay.</p> <p>* In France, visitor satisfaction surveys are carried out at shopping centres every two or three years. No survey was carried out in 2009. Surveys usually record the socio demographic profile of the visitors, purchasing behaviour, image of the shopping centre and range of catering options.</p>			

KNOWLEDGE AND REPORTING - EMPLOYEES				
Data qualifying note				
In 2009 Hammerson developed a Performance Indicator Manual to improve the consistency of the data and calculations used to monitor sustainability performance. This has led to significant improvements in the reliability of data reported in 2009, in particular for Human Resource indicators. Where possible, previously reported figures have been recalculated to align with the methodologies defined in the manual but in many cases this was not achievable. For this reason, performance indicators published in 2007 and 2008 are not directly comparable to 2009.				
Data presented includes Hammerson plc, Hammerson Operations Ltd and Hammerson France for 2008 and 2009 with the exception of 3 'interim' workers employed by Hammerson France who have been excluded due to the exceptionally short term nature of their employment contracts.				
	2007	2008	2009	Data qualification note and commentary
Workforce characteristics				
GRI LA1 Total workforce by employment type, contract and region				
Total workforce				
Total number of direct employees	264	253	334	
Total number of supervised workers UK	Not recorded	Not recorded	250	This includes non Hammerson employees that are being closely supervised by Hammerson either at its headquarters (e.g. cleaning staff, reception staff) or onsite at its shopping centres (employees in charge of safety and security). This does not include third parties such as managing agents and subcontractors who perform services for us in a largely independent capacity.
By region - direct employees only				
UK	167	156	242	Prior to 2009 Hammerson Operations Ltd, was a separate operating company which managed Hammerson's shopping centres. In 2009 it was incorporated into Hammerson Ltd which explains the increase in number of UK employees since 2008.
France	97	97	92	
By employment contract - direct employees only				
%Permanent contract	Not recorded	98%	96%	
%Fixed term or temporary contract	Not recorded	2%	4%	
By employment type - direct employees only				
% Full time	Not recorded	95%	93%	
% Part time	Not recorded	5%	7%	
Breakdown of employees by age group in percentage				
less than 21	Not recorded	0%	0%	
21-25	Not recorded	3%	8.1%	
26-34	Not recorded	39%	40.1%	
35-44	Not recorded	37%	33.2%	
45-54	Not recorded	17%	16.2%	
55-64	Not recorded	3%	2.4%	
65+	Not recorded	1%	0%	



Equality & Diversity				
GRI LA 2 Total number and rate of employee turnover by age group, gender and region		14%	15%	(51)
<i>Employees by age group</i>				
Less than 21	Not recorded	0% (0)	0%	(0)
21-25	Not recorded	1% (1)	1%	(5)
26-34	Not recorded	4% (4)	6%	(19)
35-44	Not recorded	3% (3)	3%	(11)
45-54	Not recorded	2% (2)	3%	(10)
55-64	Not recorded	1% (1)	1%	(5)
65+	Not recorded	0% (0)	0%	(1)
<i>Employees by gender</i>				
Male	Not recorded	9% (23)	7%	(25)
Female	Not recorded	5% (12)	8%	(26)
<i>Employees by region</i>				
France	Not recorded	4% (11)	5%	(17)
UK	Not recorded	10% (24)	10%	(34)
GRI recommends that for this indicator that the calculations for each subset are based upon year end employees. We do not consider this to be the most meaningful representation of actual turnover and will therefore be determining in 2010 whether we wish				
<i>Women in the workforce</i>				
% female employees	46%	48%	53%	
		12% UK		In 2009 senior management is defined as Members of the General Executive Committee and their direct reports (UK) and Members of the Comité de Direction (France).
% females in senior management	26%	22% France	11%	
% females on the Board of Directors	0%	0%	0%	
% females working full time	92%	89%	88%	
% females working part time	8%	11%	12%	
<i>Flexible working</i>				
% of flexible working requests accepted	Not recorded	Not recorded	80%	In 2009, 10 staff requested flexible working arrangements and 8 of these requested were accepted.
% employees working flexible hours due to parental and carer responsibility	Not recorded	4%	5%	
<i>Minorities and Discrimination</i>				
GRI HR4 Total number of incidents of discrimination and actions taken	Not recorded	Not recorded	0	
% employees who received diversity training	93%	56%	51%	Diversity and equality training forms part of the induction for all new Hammerson UK employees and is provided by an external trainer.
% of employees who answered the "Great Place to Work" survey who are from a racial or ethnic minority	Not recorded	Not recorded	19%	33 employees stated that they belong to 'a racial or ethnic minority' in the 2009 Great Place to Work Survey, representing 19% of the total number of UK respondents for that question. This figure does not include staff based in France because the same o
<i>Employee satisfaction and career development</i>				
Total payroll and benefits	£27.6m	£29.7m	£29.8m	2007 figure has been restated to exclude social security inline with data provided for 2008 and 2009.
GRI LA 12 % of employees receiving regular performance and career development reviews	100%	100%	100%	
% of volunteering day entitlements taken up by employees	0	0	0	We do not have a corporate volunteering policy. However, in 2009 we undertook research to identify opportunities in this area. Please refer to the full report of our progress against 2009 targets for full details.
<i>Satisfaction with Hammerson</i>				
% of employees responding to employee survey	Not recorded	57%	83%	2008 data refers to Hammerson France employees only. In 2009 Hammerson took part in the external "Great Place to Work" survey for the first time and has committed to participating in this survey on an annual basis. In 2009, this anonymous survey was sent
% of employees who indicated a positive level of satisfaction at Hammerson	Not recorded	73%	64%	(173)
% of employees who responded positively to "This workplace is working to reduce its environmental impact"	Not recorded	Not recorded	95%	(179)
% of employees who responded positively to "The organisation manages its impact upon society responsibly"	Not recorded	Not recorded	92%	(173)
<i>Employee training</i>				
Total expenditure on employee training and total hours of training per year	£87,571	£269,416	£338,393	(6110)
Average expenditure and hours of training by employee category per year:				
Senior management	Not recorded	Not recorded	£3,025	(27)
Support and administrative staff	Not recorded	Not recorded	£512	(12)
Other employees	Not recorded	Not recorded	£932	(21)
In 2009 this overall expenditure relates to 6,110 hours of training provided to staff across the UK and in France.				

	2007	2008	2009	Data qualification note and commentary
<b>Employee health and safety</b>				
% of employees given health and safety training	Not recorded	UK - 100%	73%	
GRI LA7 Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region				The figures below only relate to Hammerson's direct employees and exclude supervised workers unless otherwise stated.
Injury rate - UK	Not recorded	Not recorded	3.4	This rate includes minor injuries and is calculated by number of injuries/total annual worked hours for direct employees*200 000, which represents 50 working weeks at 40 hours per 100 employees.
Injury rate - France	Not recorded	0	1.4	
Occupational disease rate - UK	Not recorded	Not recorded	0	
Occupational disease rate - France	Not recorded	Not recorded	0	
Lost day rate - UK	Not recorded	Not recorded	Not recorded	This rate is calculated as the number absentee days/total annual worked days.
Lost day rate - France	Not recorded	0	0	
Absentee rate - UK	Not recorded	Not recorded	1.9%	
Absentee rate - France	Not recorded	1.6%	1.3%	
Number of fatalities - UK	0	0	0	This relates to both supervised and direct employees
Number of fatalities - France	0	0	0	

KNOWLEDGE AND REPORTING				
	2007	2008	2009	Data qualifying note and commentary
Transparency and reporting				
Number of SRI investors with whom individual and collective meetings have been held in calendar year	Not recorded	18	21	In 2009, Hammerson held 9 individual meetings with SRI investors and 12 SRI investors attended Hammerson's mainstream investor presentations.
Individual meetings and/or group presentations with investors representing % of issued share capital	65%	54%	59%	The 2009 calculations for this indicator are based upon Hammerson's shareholder register from December 08-Feb 09, whilst the 2007 and 2008 figures refer to the 2008 mid year register.
GRI EC1 Direct economic value generated and distributed				
	Figures in £m			
<i>Direct economic value generated</i>	<b>901.7</b>	<b>649.3</b>	<b>803.3</b>	In 2008, we reported for the first time on this indicator and stated we would revise our methodology for this indicator upon the release of the GRI Construction and Real Estate Sector Supplement. As the latter has not yet been released, the interpretation of this indicator for the property sector remains problematic from an accounting perspective, especially as the existing guidance from the GRI is not clear whether Property Revaluations should be included or not.
<u>Revenue</u>				
Gross rental income	311.5	344.2	351.5	
Service charge income	53	59.8	57.6	
Proceeds from disposals	537.2	245.3	394.2	
SUBTOTAL	901.7	649.3	803.3	<p>As currently calculated, the direct economic value retained is highly contingent upon potentially large non-recurring items, principally 'proceeds from disposals' and 'land and building additions'. The pattern to these varies year-on-year depending upon our acquisitions and disposals as well as our spend on developments and refurbishments.</p> <p>There are therefore three key changes in 2009 compared to 2008. We had an increase in 'proceeds from disposals' and a decrease in tax paid due to our REIT status. In addition, the decrease in 'land and building additions' can be explained by the fact that we completed the bulk of our recent development programme in 2008 and, as a result, our spend on developments in 2009 was less significant.</p>
<i>Direct economic value distributed</i>	<b>857.9</b>	<b>945.5</b>	<b>554.3</b>	
<u>Operating costs</u>				
Land and building additions (excluding acquisitions)	423.8	403.7	197.1	
Other property outgoings	24.2	32.2	40.8	
Service charge expenses	59.2	65.8	69.3	
SUBTOTAL	507.2	501.7	307.2	
<u>Employee wages and benefits</u>				
Total staff costs	31.8	33.9	34.3	
Less social security	-(4.2)	-(4.2)	(4.5)	
SUBTOTAL	27.6	29.7	29.8	
<u>Payments to providers of capital</u>				
Interest (cash flow)	177.7	209.7	149	
Dividends (cash flow)	73.1	86.7	64.5	
SUBTOTAL	250.8	296.4	213.5	
<u>Payment to government- gross taxes</u>				
Tax paid (cash flow)	71.6	116.2	1.2	
<u>Community investments</u>				
Hammerson's direct contributions	0.683	1.186	0.752	
Community investment through planning agreements	0.000	0.298	1.823	
SUBTOTAL	0.7	1.5	2.6	
<i>Direct economic value retained</i>	<b>43.8</b>	<b>-296.2</b>	<b>249.0</b>	

	2007	2008	2009	Data qualification note and commentary
GRI EC4 Significant financial assistance received from government	Not recorded			Due to its status as a REIT, Hammerson receives very limited financial assistance from the government as defined by the GRI indicator. The government is not present in Hammerson's shareholding structure
UK	Not recorded	£0	£0	
France	Not recorded	£2,981	£0	
GRI SO6 Total value of financial and in kind contributions to political parties, politicians and related institutions by country	0	0	0	
GRI SO8 Monetary value of significant fines and total number of non monetary sanctions for non compliance with laws and regulations	Not recorded	£14,308	£0	
Please see our Annual Report for our full financial information				

## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

Name target	Country	Progress against target	Scope	Upstream comments
Measure the carbon footprint (including energy and transport emissions) of 6 UK managed properties	UK	Achieved	2 Shopping centres, 2 Retail Parks and 2 Offices	Hammerson has used a carbon footprinting tool for its assets as part of an assessment for the Carbon Trust Standard. The tool has been rolled out across all assets and has a record of 2007, 2008 and 2009 for scope 1 and 2 emissions. The transport emissions have been provided for owned business travel where applicable. Upstream has seen evidence that the data has been gathered across the portfolio. In the case of offices, no Hammerson owned cars are in use and therefore no information has been provided on transport.
Deliver Diagnostic of Energy Performance to all assets that require them under legislation	France	Achieved	All managed properties in France	In 2009 Hammerson France sold 4 assets: Cap Malo, ST Omer, Rue de l'Universite and Trois Quartiers. Hammerson France carried out DPE for Cap Malo and St Omer, Rue de l'Universite and Trois Quartiers.
Complete the following transport- related initiatives in France: - investigate how people travel to our centres - research which opportunities and technologies could reduce our environmental impact - review implications of these opportunities and technologies	France	In progress	Corporate	Hammerson France translated the UK template into French. However, there were no construction activities in 2009 and therefore the second part of the objective is not applicable.
Develop a corporate climate change and carbon management policy	UK	Achieved	Corporate	Hammerson has developed combined Corporate Climate Change and Carbon Management Policy, which is linked to its environmental policy.
Investigate the design of car parks and the applicability of including adaptable and flexible design components in order to facilitate potential changes of use.	UK	Achieved	Development Working Group	A report has been produced for Hammerson by Capita Architecture looking at the possible use of innovative styles of car park design with particular attention paid to adaptability to future uses. The report also considers the types of car park that are suitable for different environments depending on PTAL ratings and the feasibility of installing complementary systems such as Personal Rapid Transport.
Investigate and report on the impact of updating the technical conditions of the 'Cahier Des Charges' (Project Scope Statement) to include sustainability and to anticipate future legislation.	France	Not achieved	France Development Working Group	No progress against this target. However, it should be noted that Hammerson France anticipates major revisions in the Cahier des Charges due to the upcoming French legislation pieces, including the RT2012 and the Grenelle 2 Law and subsequent secondary legislation, which should all come into force over the next 2 years.
Based on the 2008 climate change mitigation and adaptation report develop an action plan to implement SIPs for developments.	France	Not achieved	All developments in design stage during 2009	No evidence was seen that this has been carried out during 2009.
Based on the 2008 climate change mitigation and adaptation report develop an action plan to implement SIPs for developments.	UK	Not achieved	All developments in design stage during 2009	No evidence has been received by Upstream to demonstrate that this target has been achieved.
Based on the 2008 climate change mitigation and adaptation report develop an action plan to implement the findings within the existing portfolio	France	Not achieved	Managed retail (shopping centre only) portfolio	The questionnaire produced by Hyder for all the UK assets was translated into French. However, it has not been distributed to the shopping centres or tested at all in 2009 and therefore, we consider the target to be not achieved.
Based on the 2008 climate change mitigation and adaptation report develop an action plan to implement the findings within the existing portfolio	UK	Achieved	Managed Retail (Shopping Centre only) Portfolio	In the 2008 Hyder report, three assets were identified as the assets most exposed to climate change risk in the shopping centre portfolio. On the basis of this assessment, in 2009 Hyder carried out a more thorough climate change risk assessment on these three shopping centres (Highcross, Brent Cross and Westquay), including site surveys and action plans.
Target a 30% reduction on energy efficiency standards below 2006 Building Regulations Part L.	UK	Not applicable	All developments - design stage	No change since last year. No developments entered in to design stage

Climate change and energy

## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

Name target	Country	Progress against target	Scope	Upstream comments
Target an environmental rating for all projects: • BREEAM excellent rating • BREEAM Very Good for Retail Parks • HQE rating in France.	UK	Not applicable	All developments during design stage	No developments or extensions have entered in design phase in 2009. Therefore the target is not applicable.
Target an environmental rating for all projects: • BREEAM excellent rating • BREEAM Very Good for Retail Parks • HQE rating in France.	France	Achieved	UK - all developments during design stage. France - all developments that are entering in to design phase in 2009	Upstream has received a HQE design stage certification for Italie 2 extension. Our understanding is that Faubourg St Honore entered in to design stage before 2009 and therefore is not in the scope of this target. Additionally, our understanding is that Grand Maine and Place des Halles extensions were in initial design stage during 2009 and therefore the HQE process was not yet applicable. However, Upstream does recommend that in 2010 Hammerson clarifies and makes consistent across the UK and French development, extension and refurbishment processes, precisely when both SIPs and design ratings are considered applicable in order to make it more transparent for the report reader.
Complete a BREEAM rating for one project in France against the new BREEAM Europe system and compare outcomes with the HQE standard methodology	France	In progress	One development - design stage	The project that was originally chosen by Hammerson France for this target was Pollestre and we understand that initial work on the BREEAM Pan-European rating was undertaken. However, as this development was abandoned early in 2009, Hammerson France has chosen a new development, Grand Maine's extension, to trial this rating system. Work on this has started at the beginning of 2010 but the management decision and initial steps were undertaken in 2009 and therefore Upstream considers this target to be in progress.
Target level 4 of the Code for Sustainable Homes on all residential projects	UK	Not applicable	Residential developments - design stage	No residential developments entered into design stage in 2009.
Reuse or recycle waste produced during construction: • 80% for developments and refurbishments in the UK	UK	Not achieved	All development and refurbishments	Two reports were completed in 2009 on the percentage of waste recycled at Union Square. Both reports indicate that the percentage of waste recycled onsite was 70%. Additionally the percentage of waste recycled on the retail park extension construction sites in 2009 was not recorded. Therefore this target is not achieved.
Reuse or recycle waste produced during construction: • 55% for developments and refurbishments in France.	France	Not applicable	All developments and refurbishments - construction stage	Both Cap Malo and St Omer construction work were finished in early 2009 and did not involve any major work. There were no other sites in construction in 2009. Therefore this target is not applicable.
Develop a biodiversity action programme for all existing assets to identify opportunities for improvement.	UK	Achieved	UK Operations Group	A strategic biodiversity plan has been designed for all assets (with biodiversity audits carried out at seven representative sites, shopping centres, offices and retail parks). The document has been designed to be applicable to all assets once an initial on-site biodiversity audit has been carried out. One example of a Biodiversity Action Programme has also been seen for the Oracle shopping centre in Reading.
Investigate the feasibility of off-site logistics centres for deliveries and recycling activities during both construction and operation phases in order to inform the design of future developments.	UK	Achieved	UK Development Working Group	The target can be considered achieved but investigations are ongoing. Evidence has been seen of Hammerson discussing this target at a senior level (at the CR Development Group) and seeking further information, including setting up meetings with others who have prior experience. Additionally, Hammerson received a proposal on the benefits of setting up a Freight Consolidation Centre which considered both construction and operation phases for shopping centres. A decision has been made to carry out a test study in Leeds.
Carry out the following water use initiatives: • undertake an audit of water consumption throughout the managed portfolio • use this information to set a rolling target from the 2008 baseline • develop an implementation plan to reduce consumption.	UK	In progress	Managed Shopping Centres in the UK Managed offices in the UK	Hammerson has carried out water audits across its UK managed shopping centre portfolio. Hammerson has a management system in place across its UK office portfolio. However, no formal audits and subsequent implementation plans were carried out in 2009. The water reduction target has been set as part of the new 2010 set of target.

Resource use

## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

Name target	Country	Progress against target	Scope	Upstream comments
Carry out the following water use initiatives: • undertake an audit of water consumption throughout the managed portfolio • use this information to set a rolling target from the 2008 baseline • develop an implementation plan to reduce consumption.	France	In progress	Managed shopping centres in the UK Managed offices in the UK All French properties	Hammerson has carried out water audits across its UK managed shopping centre portfolio. Hammerson has a management system in place across its UK office portfolio. However, no formal audits and subsequent implementation plans were carried out in 2009. The water reduction target has been set as part of the new 2010 set of target.
Evaluate the impact of ISO14001 certification in selected assets with a view to implementing a more structured environmental risk management programme.	UK	Achieved	Managed Portfolio	Westquay shopping centre was selected as a pilot for this target and achieved an ISO14001 certificate in August 2009 which is valid until 2012. Minutes of the EMS working group which was set up to implement this programme have also been seen. Based on its experience at Westquay, Hammerson has assessed the advantages and potential difficulties linked to implementing ISO 14001 across its portfolio and made recommendations that ISO 14001 should be rolled out at all assets.
Deliver a BREEAM Rating for management and operations.	UK	Achieved	1 Office and 1 Shopping Centre	Upstream has seen the BREEAM Excellent rating which was achieved for the management and operation of 10 Grosvenor street office on 3rd December 2009. For the Oracle shopping centre, an assessment was made in the course of 2009. Some easy improvements were identified through the BREEAM in use assessment process, which could improve Hammerson's final score. As of end of 2009, the provisional assessment had been carried out and will be finalised in early 2010.
Evaluate the impact of ISO14001 certification in selected assets with a view to implementing a more structured environmental risk management programme.	France	In progress	Managed portfolio	In the course of 2009, Hammerson France had 3 meetings to discuss implementation of ISO 14 001. Hammerson France had originally planned to test ISO 14001 at Rue de l'Universite. However, as the asset was sold in 2009, the work was put on hold. Further investigation will be carried out in 2010 with regards to the possibility of implementing ISO 14 001.
Establish appropriate sustainability implementation plans for: - design and construction of retail parks and refurbishment activities (UK)	UK	In progress	Development Working Group	Hammerson has established a Master Sustainability Implementation plan with a view to implementing on all of its assets. However, Upstream has not received sufficient evidence to demonstrate how this SIP relates specifically to refurbishments and retail parks and therefore considers this target to be in progress for 2009.
Establish appropriate sustainability implementation plans for: - design and construction of all new developments (France)	France	In progress	UK and French Development Working Groups	Hammerson France established a Sustainability Implementation Plan for one of its development projects and this represents a significant achievement by the French development team during 2009. However, it appears that no SIPs have been carried out at other Hammerson France's developments, including Italie 2 extension, and therefore this target is considered to be in progress for 2009.

Resource use

## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

Name target	Country	Progress against target	Scope	Upstream comments
Implement the guidance note for best practice community consultation during the development process.	UK	Achieved	All developments - design and construction stages	The target has been assessed based on the best practice guidelines designed in 2008. In 2009, Hammerson engaged extensively with Aberdeen local authorities and local job organisations to plan community events around the opening of the shopping centre. Upstream has seen extensive evidence that engagement activities were carried out. Furthermore, in 2009, the guidance note for community consultation was refined and integrated into the Community Framework. The new framework includes a series of recommendations and suggested actions for the developments at the pre planning stage, as well as those at design and construction stage.
Implement the guidance note for best practice community consultation during the development process.	France	Not achieved	All developments - design and construction stages	Upstream has been informed that this has not been achieved.
Develop a programme for delivery of skills academies as part of our commitment to the National Skills Academies.	UK	Achieved	UK Corporate Group	A full programme of activities has taken place in 2009 at Highcross shopping centre, including engaging with all retail tenants around skills programmes such as guaranteed interviews, "train-to-gain", and work experience placements. Skills shops are in place at shopping centres in Brent Cross, Highcross and Bullring, with another launched at Bristol Cabot Circus in October, and more in development in The Oracle, WestQuay and Union Square. Bullring hosted a six week 'pop-up' skills shop with a packed programme of training and engagement, which Paul Edwards has now recommended to the National Skills Academies board. In Union Square, Hammerson has also been engaging with the NSA to try and set up a Scottish version of Skillsmart. This target can be considered fully achieved, although it is expected that further improvements will be made in 2010 for delivering the additional planned skills shops.
Develop and implement a community framework.	UK	Achieved	UK Corporate Group	A draft community framework document has been developed, as well as an investment framework, specifying for each category (e.g. investment in the local economy, in jobs, etc.) Hammerson's goals and suggested actions to meet these goals. As of end 2009, the framework was still at a final draft stage and has therefore not been fully implemented yet on all Hammerson's new developments. However, Upstream has seen a number of documents to demonstrate how the framework principles have been tested and implemented on the Union Square, Aberdeen development. On this basis, Upstream considers that the target is therefore achieved for 2009.
Implement the London Benchmarking Group toolkit to improve our measurement of community investment in-line with this model.	UK	Achieved	UK managed portfolio and new developments	Hammerson has created a full community investment data tool using the London Benchmarking Group methodology which it now uses to record all community activities, inputs and results. There is a dedicated manager with responsibility for overseeing the project and helping on-site staff identify relevant community initiatives.
Implement the London Benchmarking Group toolkit to improve our measurement of community investment in-line with this model.	France	In progress	France managed portfolio	In 2009, Hammerson UK rolled out the London Benchmarking Group across its investment portfolio. The tool has not been introduced in France yet but a briefing note and a presentation in French has been produced, and there have been discussions between the UK Community Manager and the French team during the production of the Performance Indicator manual. The groundwork has been laid in 2009 but there is substantial more progress to be seen in 2010.
Organise a Hammerson in the community day and an environmental or social day.	UK	Achieved	Corporate	Hammerson has achieved and exceeded this target, holding several community day activities as well as a well-attended environmental awareness day. The community day activities included - painting a mural at a local community centre, raising money for several charities, helping with art / drama workshops and a sports day for Kid's Company, litter picking and the creation of community gardens. Activities were held near Hammerson offices across the UK and depended on local requirements / relationships with local organisations. The environmental awareness day had lectures from the Energy Saving Trust, stands from waste specialists, billboards of information and a 'Best Greenie' competition with sustainable prizes. The achievement of this target demonstrates the substantial and continuing commitment to embedding sustainability within the business, even during a recessionary year.
Organise a Hammerson in the community day and an environmental or social day.	France	In progress	Corporate	Hammerson France organised a sustainability awareness day in November 09 for all its staff. The programme included a number of presentations from several speakers. However, no community day was organised in 2009.

Community Regeneration



## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

Name target	Country	Progress against target	Scope	Upstream comments
Review Hammerson's responsible procurement procedures for key impact suppliers, including: pre-tender qualifications; selection/evaluation procedure; contractual arrangements. OPERATIONS	UK	In progress	All operational management procurement activity	Hammerson has identified key impact suppliers. A questionnaire has also been drafted, which will be used for pre-tender qualification and supplier selection. Although Hammerson has started to revise its procurement procedures, as of end of 2009, this was not fully completed and there is no evidence that Hammerson has released the questionnaire to its suppliers.
Review Hammerson's responsible procurement procedures for key impact suppliers, including: pre-tender qualifications; selection/evaluation procedure; contractual arrangements. DEVELOPMENT	UK	In progress	UK Development Working Group	Hammerson has identified key impact suppliers. A questionnaire has also been drafted, which will be used for pre-tender qualification and supplier selection. Although Hammerson has started to revise its procurement procedures, as of end of 2009, this was not fully completed and there is no evidence that Hammerson has released the questionnaire to its suppliers.
Review Hammerson's responsible procurement procedures for key impact suppliers, including: pre-tender qualifications; selection/evaluation procedure; contractual arrangements. OPERATIONS	France	In progress	France - only the shopping centres where we have full control	Hammerson France has developed a comprehensive checklist to be used for all suppliers contracted out by SCC on the managed shopping centres. The checklist will be used at the stage of pre tender qualifications and for the selection and evaluation procedure. However, Upstream has seen no evidence of contractual clauses to be integrated into contracts.
Review Hammerson's responsible procurement procedures for key impact suppliers, including: pre-tender qualifications; selection/evaluation procedure; contractual arrangements. DEVELOPMENT	France	In progress	UK Development Working Group; France Development Working Group	Hammerson France has prepared a comprehensive questionnaire that needs to be filled in by its development suppliers at the stage of pre tender qualifications. In 2009, the questionnaire was sent out to and filled in by two contractors. The document is also written in a contractual form. However it is unclear how suppliers have been assessed once they return the questionnaires to Hammerson.
Design and implement a Responsible Procurement Framework for ongoing management, monitoring and performance reviews of key impact suppliers. OPERATIONS	UK	Not achieved	All operational management procurement activity	As Hammerson is still in the process of revising its responsible procurement procedures and has not yet communicated any changes to its key impact suppliers, the Responsible Procurement framework for management, monitoring and performance reviews has not been put in place. This target has therefore not been achieved.
Design and implement a Responsible Procurement Framework for ongoing management, monitoring and performance reviews of key impact suppliers. DEVELOPMENT	UK	Not achieved	All development (design and construction stage)	As Hammerson is still in the process of revising its responsible procurement procedures and has not yet communicated any changes to its key impact suppliers, the Responsible Procurement framework for management, monitoring and performance reviews has not been put in place. This target has therefore not been achieved.
Design and implement a Responsible Procurement Framework for ongoing management, monitoring and performance reviews of key impact suppliers. OPERATIONS	France	Not achieved	France - only the shopping centres where we have full control	Upstream has been informed that Hammerson France has not made progress on this target. However, as the review of Hammerson France's responsible procurement procedures is now well advanced, Hammerson France should be able to fully develop a Responsible Framework for ongoing management, monitoring and performance review of contractors in 2010 and beyond.
Design and implement a Responsible Procurement Framework for ongoing management, monitoring and performance reviews of key impact suppliers. DEVELOPMENT	France	Not achieved	UK - All operational management procurement activity. France - only the shopping centres where we have full control	Upstream has been informed that Hammerson France has not made progress on this target. However, as the review of Hammerson France's responsible procurement procedures is now well advanced, Hammerson France should be able to fully develop a Responsible Framework for ongoing management, monitoring and performance review of contractors in 2010 and beyond.
Develop a sustainability checklist for all managing agents to be completed on a half-yearly basis and complete one iteration by the end of 2009.	UK	In progress	Managed Offices and Retail Park in the UK	Hammerson has been working with the Better Building Partnership to form a managing agent sustainability checklist as part of a Property Management Sustainability Toolkit. This was in draft form as of November 2009 but was aiming to be complete and issued to agents by the end of the year. As such this target is in progress but can not have been considered to have gone through a full iteration in 2009.
Develop a sustainability engagement plan for Hammerson's leasing agents.	UK	Not achieved	UK Operations Group	Hammerson has engaged informally with leasing engagements on sustainability in the course of 2009 and discussed the possibility of creating joint documents for leasing agents with other companies in the sector. However, there is no evidence that a sustainability engagement plan was commenced in 2009.
Develop a standard monitoring and reporting template for the measurement of energy, water, waste and timber. Introduce this reporting template on all construction sites	France	Achieved	Development working group, UK and France	Hammerson France translated the UK template into French. However, there were no construction activities in 2009 and therefore the second part of the objective is not applicable.
Develop a standard monitoring and reporting template for the measurement of energy, water, waste and timber. Introduce this reporting template on all construction sites	UK	Achieved	Development Working Group	Hammerson took part in a construction industry workshop that aimed to create a cross industry common metrics. This template will be utilised as an industry benchmarking tool in future. Hammerson contributed to the development of the template and Upstream has seen the draft template. As the template was developed in the last quarter of 2009, the template will be introduced in Hammerson's development in future years. In the interim, Hammerson is continuing to use the monitoring template created in earlier years and Upstream has seen evidence of its use on the Union Square, Aberdeen and in the Westwood Retail Park extension.

Supply chain

## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

Name target	Country	Progress against target	Scope	Upstream comments
Design post occupancy evaluations for all newly completed developments and carry out the evaluations six months after completion.	UK	Not achieved	All development completed in 2008	Upstream has seen no evidence of post occupancy surveys for either the retail or office assets completed in 2009.
Design post occupancy evaluations for all newly completed developments and carry out the evaluations six months after completion.	France	Achieved	UK for all developments completed in 2008 France to complete for new head office only	In 2009, Hammerson France carried out a post occupancy survey at its headquarters in Paris, which were recently refurbished. The survey was carried out anonymously. The results have been analysed and revealed a high level of satisfaction with the new working environment as well as a few areas for improvement.
Complete the following initiatives with tenants: • identify key customers to partner with to create an exemplar sustainability best practice fit-out in the UK Complete the following initiatives with tenants: • sign 50 Green Leases in France. • distribute tenants' requirement guide to 50 tenants in France.	UK	Achieved	1 retail park/1 shopping centre/1 office	Upstream has seen is that Paul Edwards has been meeting a number of retailers with a view to identifying potential partners to create an exemplar sustainability best practice fit out.
	France	In progress	1 retail park / 1 shopping centres / 1 office	Hammerson France has 108 in place by the end of 2009 and the vast majority was signed in 2009. Additionally, Hammerson France designed and published a tenant's requirement guide. However the guide was not distributed to tenants in 2009 but at the beginning of 2010.
Distribute and implement the tenants' sustainability guide for all office tenant fit-outs.	UK	Achieved	whole office portfolio	Upstream has seen ample evidence that the sustainability guide and accompanying questionnaire is now issued as standard to all tenants who are embarking on an office fit-out. These are distributed through a variety of channels, e.g. tenant meetings or direct e-mails. A number of tenants have voluntarily completed the sustainability questionnaires and taken on board some of the advice in the guide. One managing agent has even gone further and is now reviewing the effectiveness of the guide so far. This target can be considered complete.
Distribute and implement the tenants' sustainability guide for all office tenant fit-outs.	France	Not applicable	Whole office portfolio (non FRI)	Hammerson France disposed all its offices during 2009. Therefore this target is marked as not applicable.
Achieve an exemplar sustainability best practice fit-out.	UK	Achieved	one tenant for 2 retail park or 1 SC or 1 office	Hammerson achieved a best practice sustainable fit-out at 60 Threadneedle Street in partnership with Talbot Underwriting, who leased the 7th and 8th floors. This sustainable fit-out used an extensive sustainability logbook which considers features as varied as Access to External Views and reduced Volatile Organic Compounds.
Achieve an exemplar sustainability best practice fit-out.	France	Not achieved	One tenant for 1 retail park or 1 Shopping Centre or 1 office - managed portfolio for UK only. One tenant for 1 Shopping Centre for France.	Upstream has been informed that Hammerson France has not achieved this target.
Develop green groups at all existing assets and agree a joint improvement plan with occupiers	UK	In progress	managed offices and shopping centres	Meetings have happened at 99 Bishopgate and Exchange Tower, Brent Cross and Highcross, and minutes from some green group meetings have been seen. However, this target has not been completed at all assets. For shopping centre assets, the plan is to appoint a person onsite dedicated to sustainability to lead the green groups.
Develop green groups at all existing assets and agree a joint improvement plan with occupiers	France	In progress	Managed shopping centres in the UK Managed offices in the UK Managed shopping centres in France	Hammerson France introduced the concept of "green groups" to all the centres directors in June 2009. The first meetings have been postponed to 2010 due to an internal restructuring which involved a change in all the centres directors.

Customers

## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

Name target	Country	Progress against target	Scope	Upstream comments
Hold an investor presentation informing them of our CR approach and delivered outcomes.	UK	Achieved	Corporate	Upstream has seen the presentation on Hammerson's CR approach and achievements which was made to investors on "sustainable property investment and development" so this target can be considered fully achieved.
Based on the results of the 2008 sustainability knowledge gap analysis survey, create: • a personalised sustainability training and education plan (UK) Based on the results of the 2008 sustainability knowledge gap analysis survey, create: • a sustainability knowledge training programme for all staff (France) • specific technical sustainability training for development teams (France).	UK	In progress	Corporate	A gap analysis was conducted in 2008 and the main issue preventing fuller embedding of sustainability initiatives in the company which was identified was the lack of awareness of Hammerson staff. The HR and sustainability teams have discussed the results of this survey during 2009 and have drawn up the following plan of action for 2010: * All staff will receive an introduction to sustainability upon induction to the company by the Head of Sustainability. * Sustainability objectives will be defined for all Hammerson employees and then specific training needs will be identified for each role.
	France	Achieved	Corporate	Hammerson France has identified the need for a BREEAM training as part of the development teams' technical sustainability training plan. The training took place in December 09. Additionally Hammerson France commissioned a consultancy to conduct a training on sustainability and corporate responsibility for all Hammerson employees. The training took place in October 09.
Develop a mentoring programme for the Hammerson Group.	UK	In progress	Corporate	Whilst extensive research has been carried out into the types of mentoring programmes that are available and would be suitable for Hammerson employees (such as e-mentoring or enterprise mentoring schemes), a full mentoring programme has not yet been developed or implemented. Hammerson has decided to tie volunteering and mentoring schemes into the learning and development needs of its employees, so has postponed progress on this target until a learning and development strategy is in place. So, whilst Hammerson is heading in the right direction this target cannot be considered achieved for this year.
Develop a volunteering programme for the Hammerson Group.	UK	In progress	Corporate	Whilst extensive research has been carried out into the types of volunteering programmes that are available and would be suitable for Hammerson employees (such as the possibility of holding community games), and whilst some volunteering activities have already taken place via the Community Day discussed in target 5CR, a full volunteering programme has not yet been developed or implemented. Hammerson has decided to tie volunteering and mentoring schemes into the learning and development needs of its employees, so has postponed progress on this target until a learning and development strategy is in place. So, whilst Hammerson is heading in the right direction, this target cannot be considered achieved for this year.
Complete a review and gap analysis against all industry sustainability indices and benchmarks	France	Achieved	Corporate	Hammerson France conducted a review of the main existing benchmarking systems for property on the market, comparing advantages and disadvantages of each system. Philippe Bouveret has attended a number of presentations on the different benchmarks available in the French marketplace.
Publish a quarterly CR newsletter for all Hammerson France staff.	France	Achieved	Corporate	Hammerson France has designed a CR newsletter. The first edition was sent to all Hammerson staff in November 2009. Although the newsletters have not been produced for all quarters in 2009, Upstream has seen evidence that Hammerson France intends to produce those newsletters every two months from 2010 onwards.

Knowledge and reporting

## UPSTREAM'S ASSESSMENT OF HAMMERSON 2009 PROGRESS AGAINST TARGETS

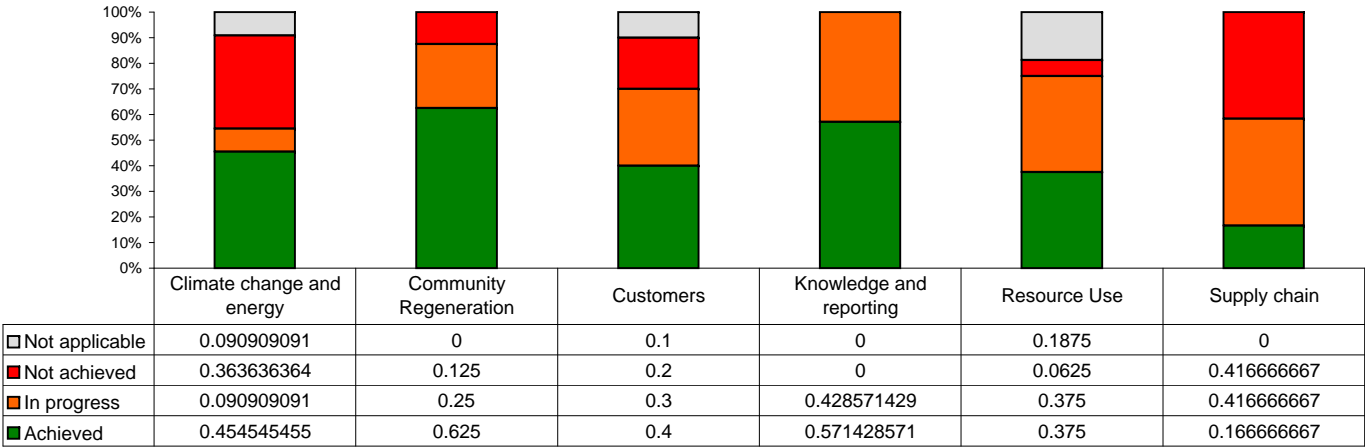
Name target	Country	Progress against target	Scope	Upstream comments	
<b>2009 assessment against rolling targets</b>					
Name target	Country	Progress against target	Scope	Comments	
Rolling target energy 2010: 19% for Shopping Centres	UK	On track to be achieved	Managed shopping centres	The UK shopping centres achieved a 15.9% reduction in energy consumption expressed as CO2e on a like for like basis when normalised by metre squared. On track to be achieved.	Rolling target- energy
Rolling target energy 2010: 19% for Offices	UK	On track to be achieved	Managed offices	The UK offices achieved a 19.6% reduction in energy consumption expressed as CO2e on a like for like basis when normalised by metre squared. This target was assessed for the 4 offices that have been included in the UK office portfolio since 2006.	
Rolling target energy 2010 - 11% for France offices	France	Not applicable	Managed offices	In 2009, Hammerson France sold its two offices, Rue de l'Universite and Trois Quartiers. Therefore this target is not applicable.	
Rolling target energy 2010 - 11% for France shopping centres	France	On track to be achieved	Managed shopping centres	Hammerson France exceeded its energy rolling target in 2009 with the achievement of a reduction of 17.3% in energy consumption when expressed in CO2e and normalised by metre square across its managed shopping centres against a 2006 baseline. It should be noted that there were 2 significant restatement in the French energy data in 2009: - the Parinor common parts area, both before and after the extension work - Place des Halles gas and electricity consumption figures which were restated for all years back to 2006.	
ROLLING TAR GET FOR 2013: Increase the proportion of waste diverted from landfill through recycling across the managed portfolio by 2013 to the following amounts: • 75% for UK shopping centres	UK	On track to be achieved	Managed shopping centres in the UK	In 2009, the proportion of waste recycled, reused or composted (through onsite and offsite segregation) reached 53% for UK shopping centres.	rolling target- waste
ROLLING TAR GET FOR 2013: Increase the proportion of waste diverted from landfill through recycling across the managed portfolio by 2013 to the following amounts: • 75% for UK offices	UK	On track to be achieved	Managed offices in the UK	In 2009, the proportion of waste recycled, reused or composted (through onsite and offsite segregation) reached 40% for UK offices. This percentage reflects both onsite recycling and offsite recycling (for waste sent to Material Recycling Facilities).	
ROLLING TAR GET FOR 2013: Increase the proportion of waste diverted from landfill through recycling across the managed portfolio by 2013 to the following amounts: • 50% for France (shopping centres)	France	Not on track to be achieved	Managed shopping centres in France	In 2009, the proportion of waste recycled, reused or composted (through onsite and offsite segregation) reached 28% for French shopping centres. At the moment, Hammerson France's recycled waste percentage reflects cardboard segregated onsite for recycling. Upstream considers that this target represents a challenge for the French managed shopping centres for two reasons: - the facilities for increasing the amount of recycling onsite do not exist at present except for cardboard and there is no projected capital investment to enable increased recycling in the short term - Hammerson France at present does not have full transparency on the final destination of its waste removed by contractors; in the case of two shopping centres (Italie 2 and St Quentin), most waste appears to be sent to landfill or incinerated for use as fuel, rather than recycled.	

## Hammerson- Progress against targets- 2009 targets - Upstream's assessment

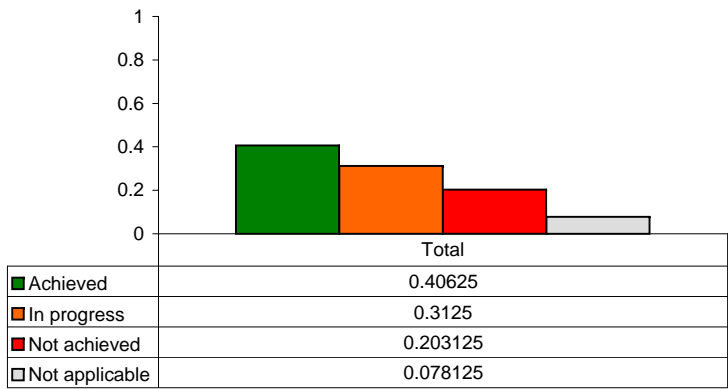
### Progress against targets per material impact



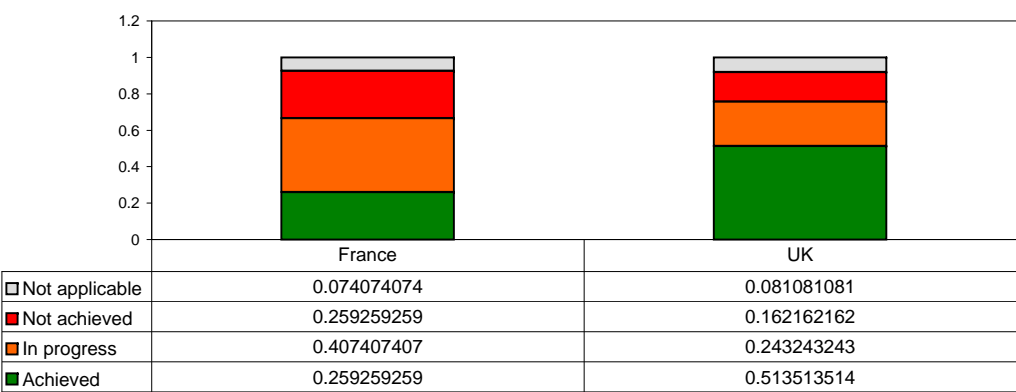
Hammerson's overall progress per material impact



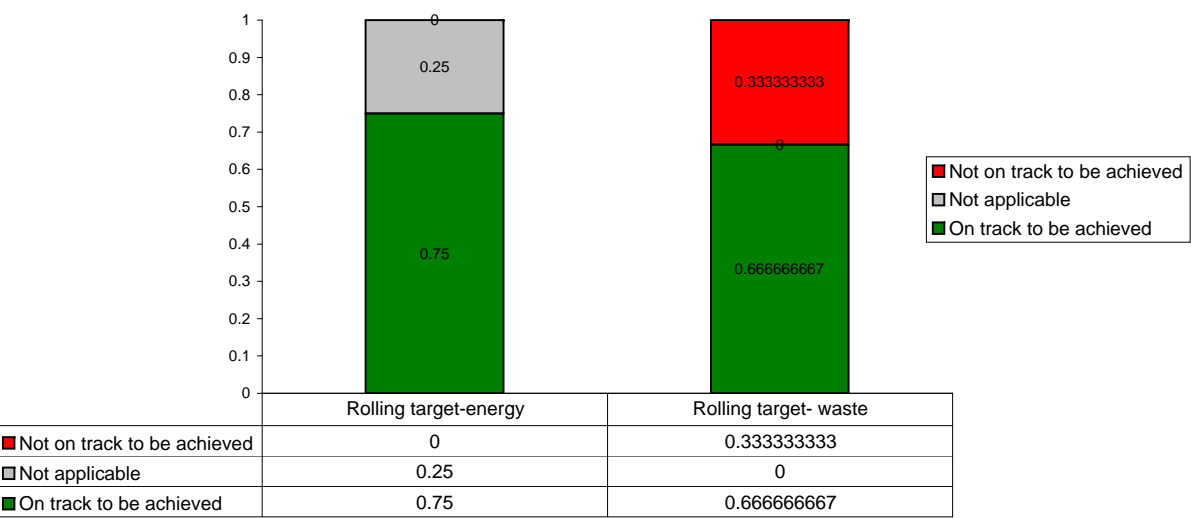
Hammerson's overall performance



Overall progress France/UK



Rolling target- assessment 2009





## » CLIMATE CHANGE AND ENERGY

### CARBON

#### Challenge:

Reducing carbon emissions and associated costs at WestQuay, Southampton

Assessing the value of sustainability initiatives

Carl Brooks  
Sustainability Manager,  
Shopping Centre Portfolio



#### Solution:

In 2009 two projects were introduced at WestQuay shopping centre which were designed to reduce centre energy consumption by around 30%:

GRI

Taking into consideration a 19% increase in opening hours at the shopping centre, the like-for-like year-on-year reduction in energy consumption achieved by the projects was between 31% and 35%, exceeding the original projection. The forecast payback period for the projects is within three years, based on a combined cost of £510,000 and current energy savings of £184,000 p.a.

» Installation of voltage optimisation (VO) equipment on incoming electricity supplies.

» Replacement of existing 'T8' fluorescent tubes with more efficient 'T5' alternatives, together with the introduction of a system which allows lights to operate at 10% in low use areas when no-one is present.

Prior to installation, WestQuay would have qualified in its own right under the CRCEES tax scheme, as its annual consumption exceeds 6,000 MWh. However, the savings achieved by the projects mean the centre no longer falls under CRC, saving an additional projected £40,000 p.a. in CRCEES. If this tax reduction is factored in, the projects' payback period is within two years.

## » CLIMATE CHANGE AND ENERGY

### HQE CERTIFICATION/ FRENCH SIPS

#### **Challenge:**

Improving the environmental performance of our French shopping centre developments

Eymeric de Montauzon  
Retail Development Director



#### **Solution:**

Hammerson takes a dual approach to improving the sustainability performance of its development pipeline. First, we target external ratings, such as BREEAM (a UK rating which is increasingly being used in continental Europe) and HQE (specific to France). Second, we develop our own Sustainability Implementation Plans (SIP) for each scheme, which go beyond the requirements of external ratings and also include social sustainability criteria.

In France, we achieved our first Haute Qualité Environnementale (HQE) rating in 2009, for a scheme in central Paris at design stage. Our extension to Italie 2, an existing shopping centre in the 13th arrondissement, will create an additional 9,000 m<sup>2</sup> of commercial space, opening the closed façade of the centre to Avenue d'Italie by creating boutiques and restaurants, making the area more secure and visually attractive. The scheme will include a green roof and wall. Strict targets have been adopted relating to construction methods and products, water and waste management, carbon emissions and ongoing environmental performance post-construction.

Separately, we have developed a draft Sustainability Implementation Plan for future French developments. Based on the UK SIP, this document takes into account the specific requirements and challenges posed by development in France. It will be refined as part of our development of Les Terrasses du Port, a major retail development in Marseilles due to start on site towards the end of 2010.

### KNOWLEDGE TRANSFER PARTNERSHIP

#### Challenge:

How to resource setting up an Environmental Management System (EMS) and ensure it gains the support of retailers

Jagdeep Sanghera  
Training Officer



#### Solution:

WestQuay in Southampton, a Hammerson-owned shopping centre, set up a partnership with the University of Southampton in 2008 to develop an EMS. The result of this is that, in 2009, we were able to obtain ISO 14001 certification.

We identified the opportunity to develop this work through a Knowledge Transfer Partnership (KTP). KTPs provide a mechanism for universities to place recent graduates into businesses as associates for at least two years, to fulfil a specific role while undertaking a research project of long-term benefit to the host company. With professional support from both partners in the KTP, associates gain access to both the academic expertise of the university and the operational expertise of the business.

At WestQuay, an associate was recruited to manage, maintain and develop the recently achieved certification to ISO 14001. Part of the development of the standard will be to ensure the EMS is understood and implemented by retailers. Hammerson adopted a green clause as standard in all new leases in 2007: we do, however, recognise the need to work closely with retailers to help them put the clause into effect.

The KTP will therefore devise a suite of measures that WestQuay can use to better engage with retailers. A Sustainable Operations Guide will then be created to support the existing Tenant's Sustainability Guide, which focuses on shop fit-out. The aim of engaging retailers on these issues is to improve their energy and waste efficiency and to encourage them to participate in centre-based 'green' marketing events. This should result in improved profitability as retailers benefit from lower energy and waste costs and improved footfall resulting from marketing events.

Once tested and approved, the measures developed at WestQuay will be adopted at other shopping centre assets and could be adapted for use in office buildings and retail parks.

## » COMMUNITY REGENERATION

### COMMUNITY DAY

#### **Challenge:**

Ensuring all staff understand, and play a part in, Hammerson's community regeneration strategy

Mari Frengstadt  
CR Assistant



#### **Solution:**

Hammerson organised its second Community Day in 2009, with over 150 staff taking part in a total of twelve community projects over two days in Autumn.

Our aim in organising Community Day was to build and embed relationships with the communities in which we operate, and to raise awareness among our staff of the types of challenges faced by local communities. Projects ranged from painting a community hall; to running drama and art workshops at a primary school; organising a school sports day; and working with members of a youth and community centre to paint a mural at their five-a-side football pitch. The majority of projects took place in or around London, where Hammerson owns six office buildings, a shopping centre and a number of future development projects. However we also took part in projects in the vicinity of future regional retail developments, such as clearing up the banks of the River Don in Sheffield.

We knew from running our first Community Day in 2007 that this type of activity can result in significant benefits to staff, including improved teamwork, relationships built with staff from different business units and enhanced presentation, organisation and communication skills. In addition to the volunteering time, benefits to local communities include learning new skills and building relationships with the private sector.



### SUSTAINABILITY AWARENESS DAY

#### **Challenge:**

How to encourage Hammerson staff to incorporate sustainability into their day-to-day activities

#### **Solution:**

For the second year running, Hammerson organised a Sustainability Awareness Day at its London and Paris offices.

In the UK, an event held on June 5, World Environmental Day, focused on raising staff awareness of environmental issues, and products which help reduce carbon emissions, facilitate recycling, and save money. The aim was to increase staff understanding of global sustainability issues and what impact these have at a local level. Presentations were given by Veridor, Kids Company, The Carbon Neutral Company and the Energy Savings Trust and the day included quizzes, massages, films, information boards and sustainably-sourced food.

In France, Hammerson worked with PPR, a retail and luxury group represented in our shopping centres through sub-brands including Fnac and La Redoute, inviting the company's Group Sustainability Director to give a talk to staff on 12 November. The aim of the presentation was to convey to staff the sustainability challenges facing Hammerson's customers and how these challenges are being addressed, in order to encourage Hammerson staff to think about ways the company can help its customers. Hammerson France's Awareness Day also included a team competition and an organic drinks party.

### WASTE

#### **Challenge:**

Reducing waste sent to landfill at Queensgate shopping centre



#### **Solution:**

Hammerson has taken a proactive approach to improving waste efficiency for a number of years, however, much of the waste generated in its shopping centre portfolio is produced, and disposed of, by retailers. In 2009, the Queensgate shopping centre in Peterborough began to take an active role in the management of shop fit-out waste leaving site in skips, which had been sub contracted by the retailers.

The centre management approached three local skip companies to quote a price for supplying a waste disposal service and to estimate what proportion of waste would be recovered and recycled. One company offering a competitive pricing structure and pledging a recovery rate of around 80% was selected by Queensgate as supplier of choice.

Following selection, Queensgate implemented a 'Skip Policy and Guidance' to control skip movements on site. The package was sent to all retailers and the recommended skip company.

If another skip provider was preferred then a performance guarantee had to be given prior to the skip arriving to confirm that all duty of care documentation would be provided to Queensgate. Failure to provide this information would result in the skip being refused entry to site.

This initiative has resulted in 180 tonnes of shop fit-out waste collected via almost 100 skip movements during 2009 of which 165 tonnes, or 92%, was recycled. The centre won a Green Apple environmental award as a result of this initiative.

## » RESOURCE USE

### WATER

#### **Challenge:**

Assessing water usage and setting meaningful targets for our shopping centre portfolio

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#### **Solution:**

Historically it has been difficult to set meaningful targets for reducing water use at our shopping centre assets as many report an aggregated figure that includes both landlord and retailer use. Existing metering, usually put in place at the time of the building's development, also makes it difficult to assess how much water is used by different areas of the building.

To resolve these issues Hammerson set a corporate target to establish a baseline for water consumption for each centre and the shopping centre portfolio as a whole, while at the same time identifying where improvements might be made.

Water audits were commissioned in 2009 to assess how and where water is used. Using this information a series of measures were identified to reduce water consumption and reduce related maintenance costs. For example, at Espace Saint Quentin, where we identified that just 31 occupiers, representing 25% of tenants, were using 91% of the water, the audit has led to regular monitoring of sub-meters, rainwater collection and reuse, introduction of low-flow fittings in the public toilets and a tenant engagement programme to reduce occupier use.

Reports for each centre will be used to develop water reduction plans while the overarching report will be used to set reduction targets for the portfolio. The reports will also be used to inform specification of refurbishments and new developments.

### BIODIVERSITY

#### **Challenge:**

Enhancing the natural environment at our assets



#### **Solution:**

Despite forming part of the planning requirements for new developments, biodiversity is rarely a consideration for existing assets.

In 2009 Hammerson commissioned a biodiversity project to look at a sample of our UK properties including four shopping centres, two retail parks and an office building. The aim of the project was to complete audits of current biodiversity and make recommendations for the improvement or enhancement of the natural environments around our buildings.

Taking into account findings from the project, Hammerson is developing a Biodiversity Policy as well as individual Biodiversity Action Plans for each of the assets studied. These are linked to local, regional or national plans, and detail a series of low cost initiatives together with longer term projects at each of the assets. Linked to community engagement, these include developing partnerships with local nature conservation groups who will fund or manage projects on our behalf.



## Glossary

Biodiversity	The quantity and variability within species, between species and between ecosystems.
BRE Environmental Assessment Method (BREEAM)	An environmental assessment method for buildings, originating in the UK but increasingly used around the world. Buildings can be accredited at design stage or post-completion with awards ranging from 'Pass' to 'Outstanding'.
CO <sub>2</sub>	Carbon dioxide, the gas released when fossil fuels are burned, generally thought to be the chief cause of <b>climate change</b> .
Carbon Disclosure Project	Works on behalf of a group of institutional investors to encourage the world's 3,000 largest companies to disclose greenhouse gas emissions: responses are available at <a href="http://www.cdproject.net">www.cdproject.net</a>
Carbon footprint	The amount of <b>CO<sub>2</sub></b> produced by an organisation, product, individual or event.
Climate change	Complex alterations to the Earth's climate, widely believed by scientists and Governments to be caused mainly by human pollution, although this view is still contested.
Connected Reporting Framework (CRF)	Approach to <b>sustainability</b> reporting developed by the Prince of Wales' Accounting for Sustainability project ( <a href="http://www.sustainabilityatwork.org.uk">www.sustainabilityatwork.org.uk</a> )
Corporate Responsibility (CR)	A term interchangeable with Corporate Social Responsibility (CSR); Sustainability; Corporate Sustainability (CS); and Environmental and Social Governance ( <b>ESG</b> ). At Hammerson, we generally use the terms CR or <b>sustainability</b> .
CRC EES	Formerly known as the Carbon Reduction Commitment, CRC EES is the UK's mandatory climate change and energy saving tax scheme, due to start in April 2010.
Dow Jones Sustainability Indices (DJSI)	Indices that track the performance of companies which have been identified as having strong <b>sustainability</b> practices.
Efficiency	Producing the same level of goods and services using fewer resources and / or creating less pollution: includes energy efficiency, waste efficiency, water efficiency.

Engagement	In a <b>sustainability</b> context, attempting to build a dialogue with corporate stakeholders (e.g. customers, suppliers) to influence ideas and behaviour.
Environmental Management System (EMS)	A comprehensive system used to manage environmental impacts (including energy, waste and water), usually tied to an environmental accreditation such as <b>ISO 14001</b> .
ESG	“Environmental, Social and Governance”, the three issues typically studied by <b>SRI investors</b> in addition to financial performance.
Forest Stewardship Council (FSC)	International non-profit organisation that runs a certification programme allowing companies to label their product to demonstrate sustainable sourcing.
Fossil fuels	Carbon-based fuels derived from fossilised life forms – coal, oil and gas; release <b>CO<sub>2</sub></b> when burned.
FTSE 4 Good	An index that tracks the performance of companies which have been identified as having strong <b>sustainability</b> practices.
Global Reporting Initiative (GRI)	Organisation and set of guidelines for CR reporting aimed at increasing transparency ( <a href="http://www.globalreporting.org">www.globalreporting.org</a> )
Green Property Alliance (GPA)	Part of the Investment Property Forum (IPF), the GPA was established to promote cross industry communication on sustainability. Current initiatives include working with the Global Reporting Initiative to develop a sector supplement for the property industry and establishing common metrics for reporting energy, waste and water.
Haute Qualité Environnementale (HQE)	A standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard is controlled by the Paris-based <i>Association pour la Haute Qualité Environnementale (ASSOHQE)</i> .
ISO 14001	A series of international standards for environmental management of an organisation or building. It provides a framework for the development of both the system (known as an <b>Environmental Management System</b> or EMS) and the supporting audit programme.
London Benchmarking Group (LBG)	An organisation established in 1994 to agree standards for the measurement and evaluation of community involvement and to encourage companies to adopt this model.

Materiality	In a <b>sustainability</b> context, identifying the economic, environmental and social issues which are most relevant to the business, taking into account the interests of a range of stakeholders. This is often achieved by carrying out a Materiality Study.
Materials Recycling Facility (MRF)	A facility at which components of a mixed waste stream are extracted by the use of mechanical separation techniques. The aim of an MRF is to separate waste for recycling although a proportion of non-recoverable waste will go to landfill or be incinerated.
National Skills Academies (NSA)	A Government-led initiative to provide skills training in partnership with private sector companies.
Socially Responsible Investment (SRI)	Taking account of environmental, social and governance ( <b>ESG</b> ) issues in investment decisions. SRI investors or analysts may carry out research for dedicated SRI funds, or provide a screening service for mainstream funds.
Stakeholders	People or organisations that are affected by an organisation's operations. These typically include shareholders and other financial stakeholders; employees; customers; suppliers and local communities.
Sustainability	A term interchangeable with Corporate Responsibility (CR); Corporate Social Responsibility (CSR); Corporate Sustainability (CS); and Environmental and Social Governance ( <b>ESG</b> ). At Hammerson, we generally use the term "CR" or "sustainability". Sustainability has been defined by the UN as: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".
Sustainability Implementation Plan (SIP)	Hammerson devises sustainability plans for each of its developments, intended to cover the life cycle of the property. SIPs include environmental and social criteria and are intended to go beyond recognised external standards such as BREEAM and HQE.