



SRI investor roadshow

Paul Edwards

Major regional shopping centres, retail parks and prime City offices



**Cabot Circus,
Bristol**



**Bullring,
Birmingham**



**O'Parinor, Aulnay-
sous Bois (nr Paris)**



**Union Square,
Aberdeen**



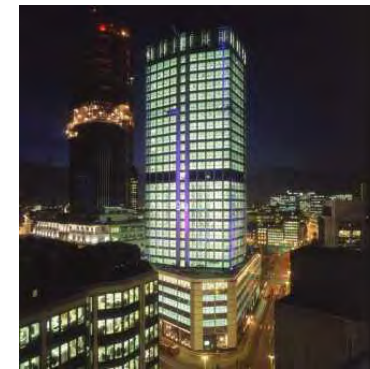
**Brent Cross,
London NW4**



**125 Old Broad Street,
London EC2**



**Italie 2, Paris
13ème**

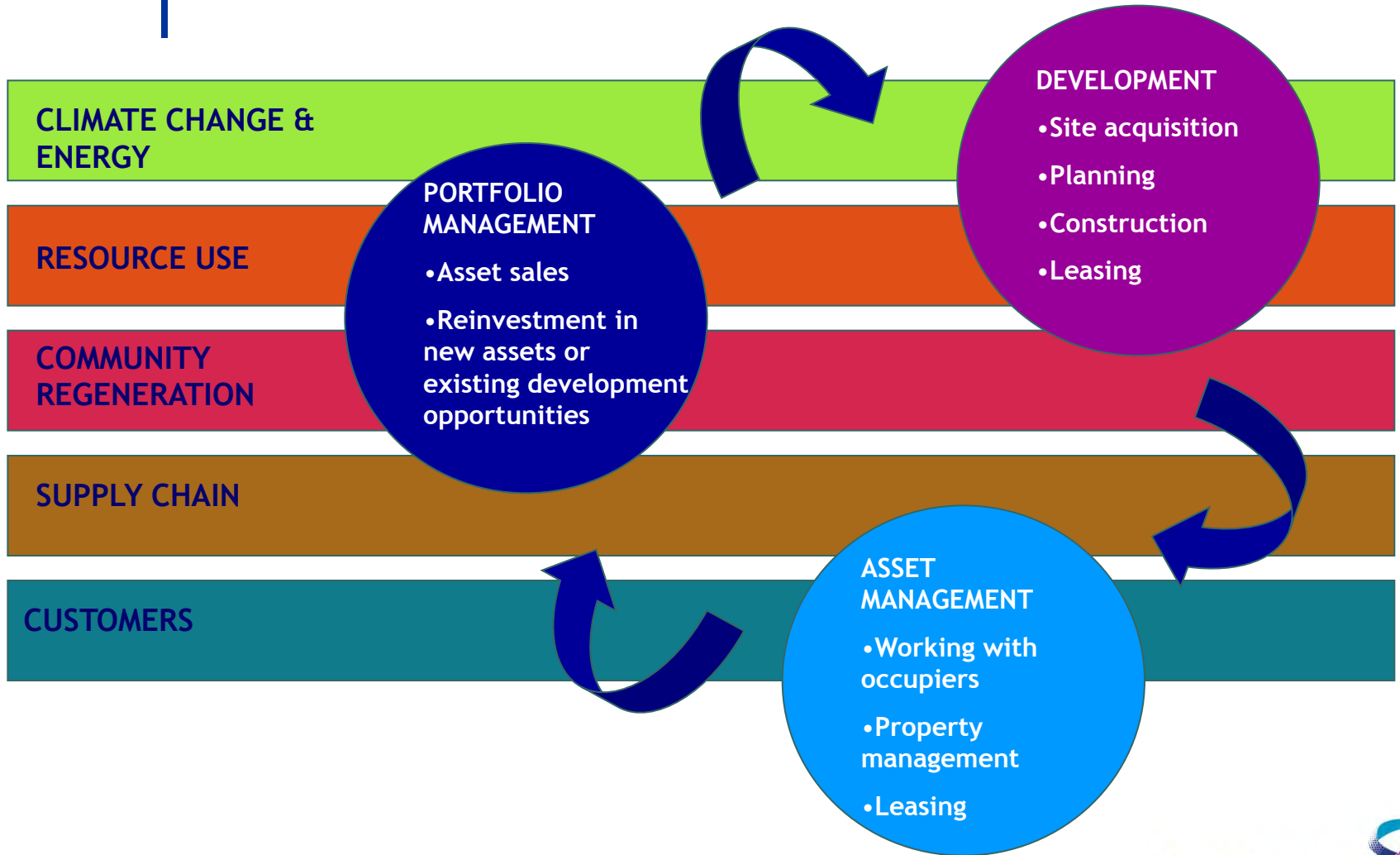


**99 Bishopsgate,
London EC2**

Our material issues



Holistic approach





Relevance of sustainability to business

PUSH FACTORS

- Legislation (environmental, community, reporting)
- Retailers looking to cut running costs
- Retailers' Corporate Responsibility objectives
- Healthy environment

PULL FACTORS

- Reducing costs for Hammerson
- Differentiation from competition
- Attractive to stakeholders: joint venture partners, investors, local authorities, occupiers
- Company values
- Attracting and retaining talent
- Brand value
- Community engagement
- Increased footfall in shopping centres



Reducing energy and carbon

Our Input:

- Series of small actions by individuals and teams
- Sustainability initiatives programme
- T8 - T5 lighting; natural ventilation; voltage optimisation; active energy management
- Investment programme beginning 2010 designed to reduce carbon by an additional 20% above the target

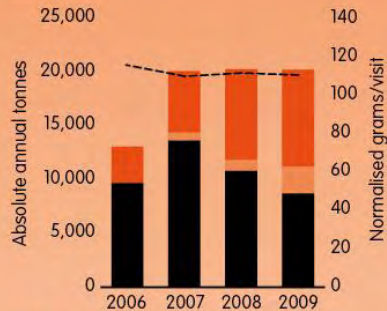
Energy UK	2007 £	2008 £	2009 £
Energy cost	6,200,000	7,500,000	10,500,000
Investment	283,000	855,000	53,000
Estimated savings	132,000	335,000	980,000

Asset performance: Carbon

Asset	Tonnes CO ₂ e (2006)	Tonnes CO ₂ e (2009)	Reduction (%)
Espace Saint Quentin	566.99	393.27	-30,64
Les 3 Fontaines	904,10	680,42	-24,74
Grand Maine	549,40	423,41	-22,93
Place des Halles	987,84	836,15	-15,36
Bercy 2	448,67	423,33	-5.65
Italie 2	1549,55	1544,93	-0,30
<i>O'Parinor</i>	<i>1552,28</i>	<i>1125,70</i>	<i>-27,48</i>
Portfolio	6558,84	5427,21	-17.25

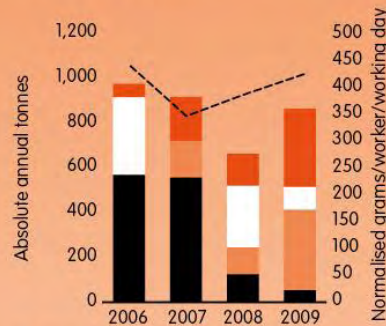
Resource Use

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



■ Landfill
 ■ Recycled/re-used/composted
 ■ Incinerated waste (use as fuel)
 -- Grams/visit

Offices (UK)
Annual waste production by final disposal route



■ Landfill
 ■ Recycled/re-used/composted
 ■ Incinerated waste (use as fuel)
 ■ Materials Recovery Facility – recovery rate not known
 -- Grams/worker/working day

Waste UK	2007 £	2008 £	2009 £
Total waste cost	1,477,000	1,720,000	1,473,000
Money saved in landfill tax	117,000	254,000	370,000
Income from sale of waste	35,000	55,000	44,000

Waste

- Recycled 53% of waste in UK shopping centres
- 94% of waste diverted from landfill in UK offices

Water

- Reduced by 10% in UK shopping centres
- Reduced by 29% in French shopping centres
- Water audits, higher efficiency fittings, replacement of ageing equipment



Asset Performance

Waste

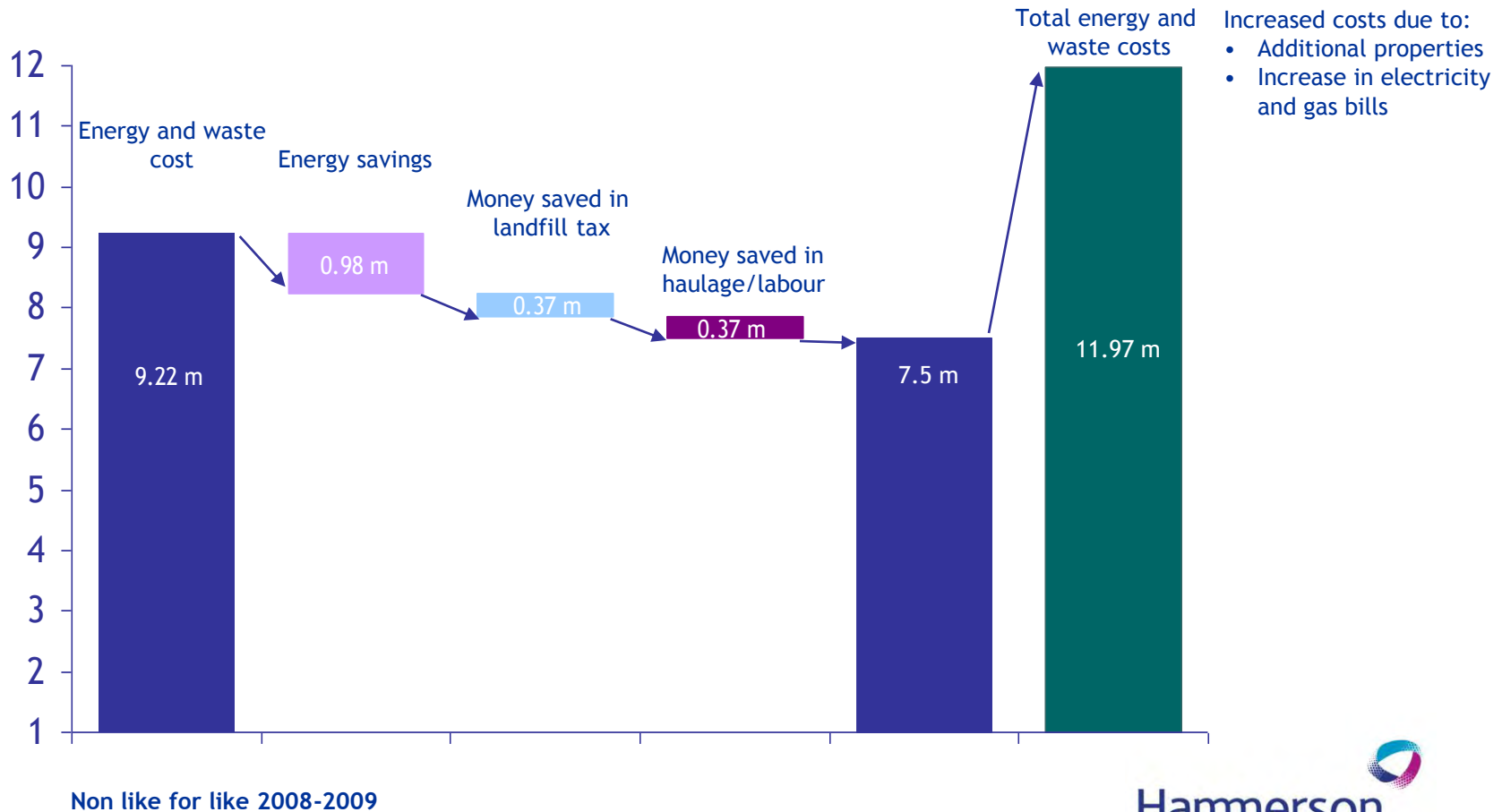
Asset	Waste Recycled (%)	Waste Diverted from Landfill (%)
Bullring	73.19	73.19
Highcross	67.43	68.03
Brent Cross	49.52	53.42
WestQuay	44.71	97.26
Queensgate	41.61	53.26
The Oracle	35.78	39.14
Portfolio	53.53	64.07

Water

Asset	Water consumption (%)	Water consumption per worker (2009)
Exchange Tower 1	32	7.7
Exchange Tower 2	-15	9.3
99 Bishopsgate	- 11.61	10.3
10 Grosvenor Street	- 11	12.0
Stockley House	- 53	6.3

Reducing Energy/Waste Costs (UK)

£ million



Non like for like 2008-2009

Hammerson





Community Investment

Asset	Total Direct Investment	Indirect Investment (Leverage)
Bullring	£829	£285,373
The Oracle	£5,624	£184,289
WestQuay	£310	£113,495
Highcross	£3,046	£81,131
Queensgate	£295	£70,321
Brent Cross	£18,041	£36,940

Benefits to Hammerson

- Indirectly increases likelihood of gaining planning permission
- Skilled workforce for retailer customers, reducing costs to them and improving customer experience
- Proportion of wealth generated spent in shopping centre
- Hammerson reputation enhanced

Supply Chain: Managing Risk

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





Customers: Engagement

- First company to implement Green Leases in UK and France - 698 signed since 2007
- Environmental Co-ordinators at shopping centres
- Green Groups at shopping centres
- Partnership with De Montfort University to create StoreLab - Opens June
- Tenants' Sustainability guide
- Waste management
- Ongoing engagement and liaison



Achievements

- ISO 14001 WestQuay
- CDP6&7 - top in sector
- BREEAM Excellent at Head Quarters
- 12th Sunday Times Best Green Company
- Estates Gazette Green Property Company of the year
- 3rd Global Perspectives on Commercial Real Estate



Responding to your feedback

Issue raised

Introduce environmental criteria into buy / sell decisions

Establish link between sustainability and value

Legislation: improve reporting and reduce operational and financial risk

Improve communication of corporate governance, HR

Our response

Introduction of pre-assessment checklist which takes environmental and social issues into account.

**Partnership with industry bodies on joint research
Improved Connected Reporting Framework**

New reporting linking risks and opportunities to upcoming legislation

**Code of Conduct published on website
New HR policies and practices**



Human Resources

<p>Communicate our Vision & Values</p> <p>✓</p>	<p>Deliver Business Process Improvements</p> <p>Ongoing</p>	<p>Conduct group-wide review of Internal Communications</p> <p>Ongoing</p>
<p>Introduce a clear System of Rewards</p> <p>2010</p>	<p>Conduct an Annual Staff Survey</p> <p>✓</p>	<p>Implement a clear & consistent Flexible Working Policy</p> <p>✓</p>
<p>Invest in Leadership Development</p> <p>Ongoing</p>	<p>Launch learning and development options</p> <p>2010</p>	<p>Roll-out new Skills & Development Frameworks</p> <p>✓</p>



Responding to legislation: CRCEE Scheme

- Mandatory government scheme to encourage energy efficiency
- Puts a price on carbon
- All businesses who consumed over 6,000 MWh in 2008 will qualify as full participants
- All businesses who consumed between 3,000 and 6,000 MWh will need to submit an information disclosure
- Participants are put into a league table each year and rewarded or penalised depending on performance



Summary

- Improved link between sustainability and value
- Acting on feedback
- Well-positioned ahead of environmental and social legislation
- Improved communication of corporate governance
- HR initiatives to improve employee performance and wellbeing
- Review of CR strategy and materiality study in 2010



Appendices



How we manage CR

- CR Group, chaired by Chief Executive, agrees overall strategy and objectives
- Targets set for five material areas
- Targets delivered by three working groups (Operations, Development, Corporate)
- Focus on improving measuring and reporting
- Focus on disclosure through participation in indices (FTSE4Good, DJSI); Global Reporting Initiative and Carbon Disclosure Project



Legislation - an ever-changing landscape

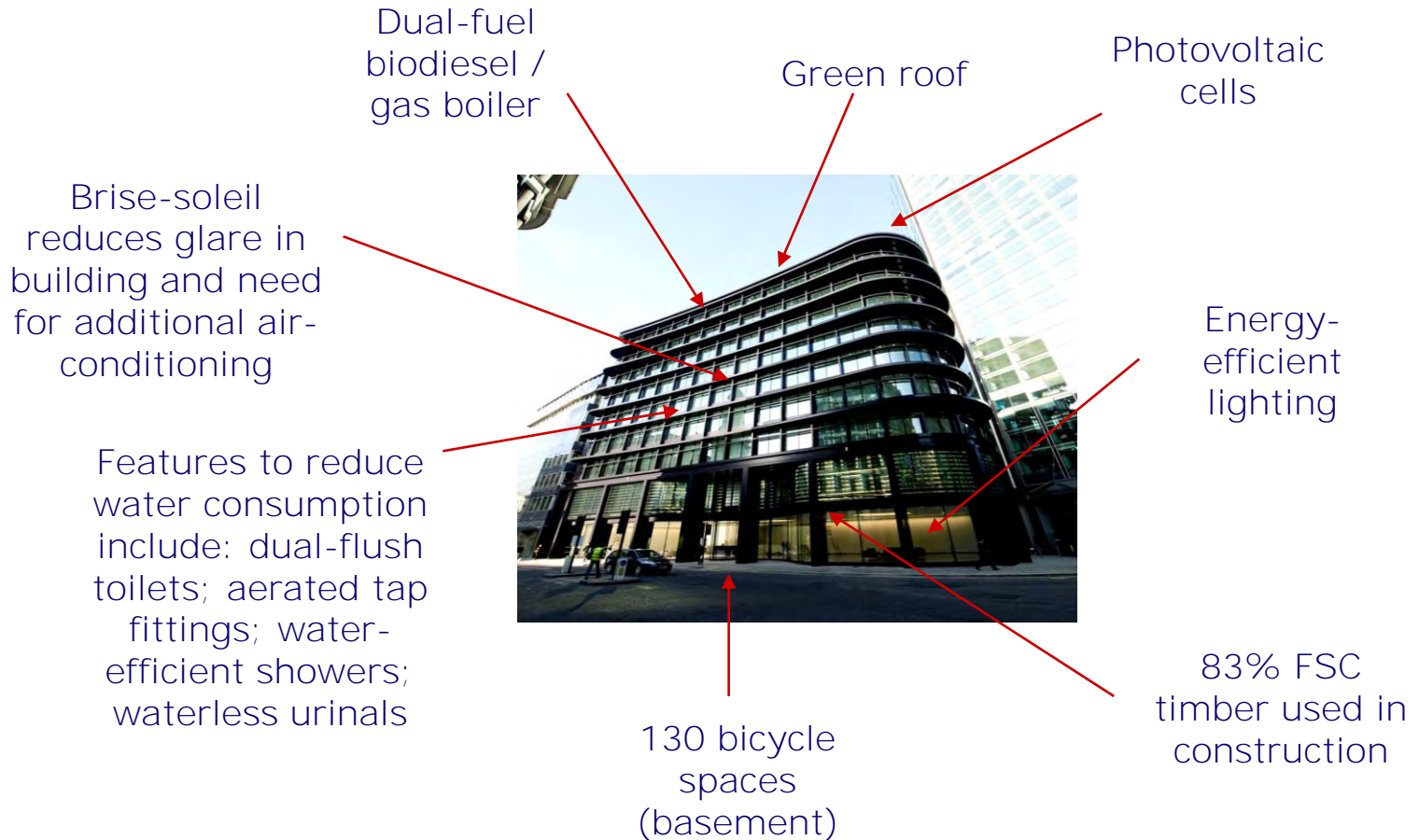
- Consultation on the draft order to Implement the Carbon Reduction Commitments (CRC)
- Consultation on Proposals for Amending Part L and Part F of the Building Regulations
- Consultation on the Government's Heat and Energy Saving Strategy
- Consultation on PPS 4, 5 and 6 - regeneration and social impact assessments
- Consultation on PPS1 and 22 - Renewable energy
- Consultation on Renewable Electricity Financial Incentives
- Transition to a Low Carbon Economy
- Review of the Enhanced Capital Allowances scheme by the Treasury.
- Consultation on the Defra Draft Carbon Reporting Guidance

WestQuay Southampton: creating value through saving energy

- Switch from T8 lighting to sensor driven T5 lighting
- Cost £340,000
- Savings £120,000 p.a.
- Carbon saving 750 tonnes p.a.
- Energy saving 23% (despite increasing opening hours by 14% during installation)



60 Threadneedle Street BREEAM Excellent



Job creation and training

- 4,000 jobs created in Bristol; 2,000 in Leicester; 1,000 in Aberdeen (2008 - 2009)
- Partnerships with National Skills Academy, Skillsmart, Job Centre Plus and private sector
- Financed through match funding
- Aim to provide education and training programmes for local people and support retailer recruitment
- Programme underway to establish Skills Shops at each of Hammerson's UK shopping centre assets



Work Highcross and Jobs 4 U

Highcross, Leicester

- 72% of people offered jobs at Highcross were previously unemployed
- 52% living in priority wards
- 67% from BME group



Union Square, Aberdeen

- 15,000 people registered with website
- 80% of tenants used service when recruiting
- 30 retailers signed up to Local Employment Partnership
- Six jobs fairs





Investor feedback 2009

Feedback

- Improve employee training and development
- Improve Environmental Management Systems
- Implement biodiversity strategy
- Create a sustainable supply chain
- Sign Copenhagen communique

Solutions

- Internal training and development plan completed Jan 2010
- ISO14001 being rolled out across the portfolio
- Biodiversity strategy will be developed end 2009
- Sustainability questionnaire being issued to all suppliers
- Signed Copenhagen communique



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