



Hammerson

# Back

## **OUR 2010 PERFORMANCE**

Corporate Responsibility  
Summary 2010

## David Atkins, Chief Executive



In a year of change we have continued to ensure that corporate responsibility is ingrained in our operations and management.

Our new CR strategy is integral to, and aligned with, our business strategy and we recognise that to deliver a truly sustainable business requires the full commitment of the Board.

### **2010 achievements:**

- Improving the governance and accountability for implementing our sustainability measures.
- Agreeing a new carbon accounting and management policy.
- Agreeing a new biodiversity policy.
- Identifying seven new staff sustainability champions, one from each part of the business.
- Achieving our first long-term carbon emissions target.
- Agreeing a new set of recommendations for volunteering.

Our work in corporate responsibility is central to Hammerson. I'm proud of the achievements we have made to date, but I want to build on these strong foundations as it is clear that we have significant challenges ahead.

The full 2010 CR Report can be viewed online at:  
[www.reports.hammerson.com/cr](http://www.reports.hammerson.com/cr)

## Climate change and energy

We have achieved our first long-term energy target and reduced our consumption by 21% at UK shopping centres.



We have continued to improve the energy efficiency of our portfolio of properties. 2010 marks the end of our four-year target period to reduce carbon emissions by 19% from a 2006 baseline.

Since 2006 we have reduced our carbon emissions by:

- 21% in UK shopping centres (excluding Highcross).
- 13% in French shopping centres (excluding O'Parinor).
- 12.5% in UK offices.

£1.8m

to invest in energy efficiency schemes in 2011

5

French shopping centres complete climate change risk analysis

5

UK shopping centres implement ISO 14001

These reductions have led to a saving of £295,000 across the portfolio.

This is a fantastic achievement but is just the start. We must continue to improve and have set aside £1.8 million to invest in new lighting and voltage optimisation in 2011. We have also set a new long-term rolling target that will deliver a 30% reduction in energy use by 2015 against a 2010 baseline, far exceeding UK government targets.

## Resource use

We launched our first biodiversity policy in 2010 and set out a clear approach to improving the ecology of our portfolio.

Biodiversity is an area where Hammerson needed to improve. In 2010 we completed biodiversity audits at several UK and French shopping centres and created a standard Biodiversity Action Plan (BAP) to use as the foundation for developing localised plans.

Waste continues to be an important focus, with landfill tax increases due in the UK and France. The French government has also set a new 75% recycling target for 2012 and to follow this we have increased our original recycling target from 50% to 75%. Waste audits are underway in France to help us understand better the potential for waste recycling and we continue to work with waste providers to ensure we receive clear and accurate waste data.



11  
biodiversity audits completed  
in UK and France

4  
biodiversity plans completed  
in the UK

54%  
waste recycled in UK offices

29%  
waste recycled in France

## Community



Communities are vital to our operations and working in partnership we aim to maximise the community benefits that arise from our portfolio.

We are committed to a strong and diverse community programme and continue to develop new initiatives and improve our awareness of community needs.

We are increasing the number of skills shops within our portfolio, delivering on our commitment to make training courses available to our local communities. This is particularly important at a time

£400,776

indirect contributions

£631,816

direct contributions

87

staff took part in French community day

when opportunities to retrain and develop new skills will be vital to economic recovery. Following the success of our first bursary project at Aberdeen, we have replicated the initiative at the Rock, Bury.

In France we held our first community day, with staff taking part in projects ranging from cleaning a local lake to helping a community harvest vegetables. The initiative was a huge success, encouraging teamwork and improving internal relationships.

## Supply chain

We took a major step forward this year with the launch of our sustainability questionnaire.

This year we introduced our supply chain sustainability questionnaire, to gather information on our suppliers' approach to sustainability. Four sections – management, strategy, integration and performance – cover a wide range of topics from human rights to energy targets.

The questionnaire is a tool to engage a wide range of suppliers, from legal firms to construction contractors. It has already prompted several suppliers to start to focus

on sustainability issues, with four architectural firms stating that this has reached board level. Our aim is to distribute the questionnaire to suppliers in the UK and France and then to add it to our tender process.

We also introduced our construction measurement template, which aims to standardise the metrics used to manage environmental impacts of construction.

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**52**  
sustainability questionnaires  
completed

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**£230m**  
value of contracts for suppliers  
we engaged on sustainability

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**2,202**  
total number of suppliers

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## Customers

To understand our customers' needs we invited them to present their approach to sustainability to our employees.

We continue to improve our understanding of customer needs through presentations, seminars and one-to-one meetings. With the introduction of Carbon Reduction Commitment we have noticed an increase in our customers' awareness of their

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**15**  
presentations by customers to our employees

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**5**  
green groups formed

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**103**  
green leases signed in France

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energy consumption and our green lease clauses. During the year some of our office tenants delivered presentations on their approach to sustainability at an event entitled 'sustainability through the eyes of the beholder'.

We have completed an audit of tenant water consumption in France. This has provided useful insight into the key areas we need to focus on and allowed us to benchmark customers, which in turn has enabled them to compare stores and identify where there is high consumption and so identify opportunities to save.

## Knowledge and reporting



In the last year we have provided various events and training courses on sustainability to raise awareness and increase knowledge both internally and externally.

We ran our first sustainability awareness week, which included specific forums for retailer and office occupiers and zero carbon buildings. Our retail and office newsletters continue to provide regular insight on sustainability issues.

In 2010 we delivered over 10 corporate responsibility training courses, ranging from ISO 14001 environmental training at our assets to BREEAM 2008 training for our project management and development team.

1  
RetailLab opened

70  
direct employees attended  
CR training

113  
staff (including contractors)  
completed ISO 14001 IOSH  
accredited training course

40  
employees completed  
BREEAM training

Through our ongoing relationship with De Montfort University we opened RetailLab, a facility where retailers can study the sustainability performance of individual fitout components or the entire fitout of their stores.



## Highlights

£557k

saved in landfill tax

£2.47m

cost of energy in France

£40k

income from the sale of waste in France

7

internal sustainability champions

2

bursary projects created

£1.66m

total cost of waste in the UK

£1.23m

total energy efficiency investment

248

number of employees given Health and Safety training

16th

in The Sunday Times best green companies

3rd

year in row placed top in sector in the CDP

77

score in DJSI to achieve bronze award

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# Forward

**OUR NEW STRATEGY**  
Corporate Responsibility  
Summary 2010

## Our 5 relationships and 12 measures – the heart of our new strategy



Our vision is “to be the best at demonstrating value to us and our communities through sustainable property.”

Sustainability continues to grow in importance as we aim to reduce costs, increase income and improve the value of our portfolio.

In 2010, we created a new CR strategy, which defines our next set of long-term goals and measures. Alongside this, we also reviewed our community strategy, which is essential to our ability to grow the business and to meet the new localism agenda.

### **Our approach included:**

- A benchmarking study against peers and wider sector leaders.
- An analysis of legislative and regulatory norms.
- Interviews with over 70 stakeholders.
- Internal senior management workshops.

See our online report for more details.

### **Key measures:**

- Reduce carbon emissions from 2010 by 20% (2015).
- Reduce water consumption from 2010 by 12% (2015).
- Increase waste recycling to 75% (2013).
- Biodiversity action plans at all retail assets (2015).
- Complete full life cycle assessment for 2 assets (2011).

The full CR strategy can be viewed online at:  
[www.reports.hammerson.com/cr/strategy](http://www.reports.hammerson.com/cr/strategy)

## 1 Employees

We need to provide our staff with the tools and information to deliver our sustainability vision.



Over the last three years we have continued to increase the knowledge of our staff about sustainability. As a wide-ranging topic with frequent changes in legislation and local requirements, it is critical that we keep staff up-to-date.

We also have a sustainability champions system so that employees with a particular interest in sustainability can get more involved in Hammerson's sustainability work.

We provide appropriate job-specific training to give our staff the skills to perform their role to the best of their ability and to make effective, quick and informed decisions.

We are implementing new strategies for volunteering and charity donations, aimed at improving skills-based learning. This is linked with our commitment to improve training and development for our own staff.

6

completed research papers, including two with a partner (eg university, NGO, etc) (2012)

100%

employees to complete CR training (2011)

## 2 Customers

Customers are the lifeblood of our business and engaging with them on sustainability is core to our new CR strategy.

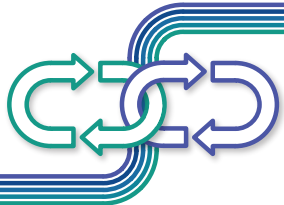
Customers are a priority within our business strategy, and we are targeting closer relationships to ensure we understand their needs and respond to them efficiently and effectively.

100%

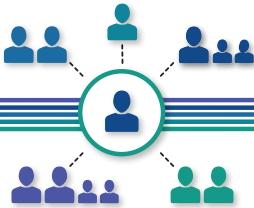
of customers engaged  
(surveys/meetings/  
presentations) (2013)

Improving sustainability performance in our portfolio reduces costs, such as energy and waste, which in turn reduces costs for our customers. To help deliver these improvements we are engaging with our customers through one-to-one meetings, presentations and external forums.

We have reviewed our customers' approach to sustainability and are developing detailed customer plans to work with them on sustainability improvements. With initiatives such as our RetailLab we will continue to share knowledge and solutions with our customers.



### 3 Community



Our projects and assets play a major role in many communities, they are social hubs that provide jobs and economic stability.

**2014**

Community plans for all developments and managed assets

**75%**

of community activity to be long-term community investment (2014)

We are committed to providing benefits to the communities we work in and we are always looking for ways to improve the support we can provide. Our approach is to work in partnership with our communities, which is vital to our involvement in the new Local Enterprise Partnerships.

With our new community strategy we intend to deliver long-term community plans, linked to jobs, skills, training, charities, schools, universities and volunteering.

We developed our new strategy following a review of the issues and needs that are most important to our communities and Hammerson. In 2011, we will implement our new community approach within our French operations.

## 4 Investors

Environmental, Social and Governance considerations are now a key factor in investor screening and decision making.

We understand how important it is to engage with our key shareholders, to understand their needs and ensure that our approach and reporting provide confidence that Hammerson is delivering leadership in sustainable property.

In the last two years we have increased the scope and breadth of our engagement programme with investors. The Connected Reporting Framework has given

them insight into the link between Hammerson's environmental, social and financial sustainability. With our ongoing work to identify the link between sustainability and financial value, we endeavour to show how sustainability can influence shareholder value.

In order to protect our investors and provide long-term stability, we continue to review and manage risks to the business arising from new legislation and other external factors.

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Engage with **TOP 20**  
investors on sustainability (2013)

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## 5 Supply chain

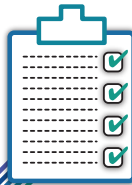
We understand that we are only as good as the suppliers that provide services to us.

Suppliers are a key part of our sustainability programme and we work with them to reduce their impacts and of the products and services we buy from them.

We engage with our suppliers through various methods and the initial engagement tool is our bespoke sustainability supply chain questionnaire, which aims to gain an understanding of suppliers' approach to sustainability.

50%

of suppliers by value to be engaged (2015)



We continue to benchmark suppliers on sustainability issues against peers in their sector and across our wider supply chain. We engage directly with those that we feel are performing poorly to help them understand our requirements, to determine reasons for poor performance, and to identify ways that Hammerson can assist.