

CONNECTED REPORTING FRAMEWORK

1

CLIMATE CHANGE AND ENERGY

DIRECT COMPANY IMPACTS

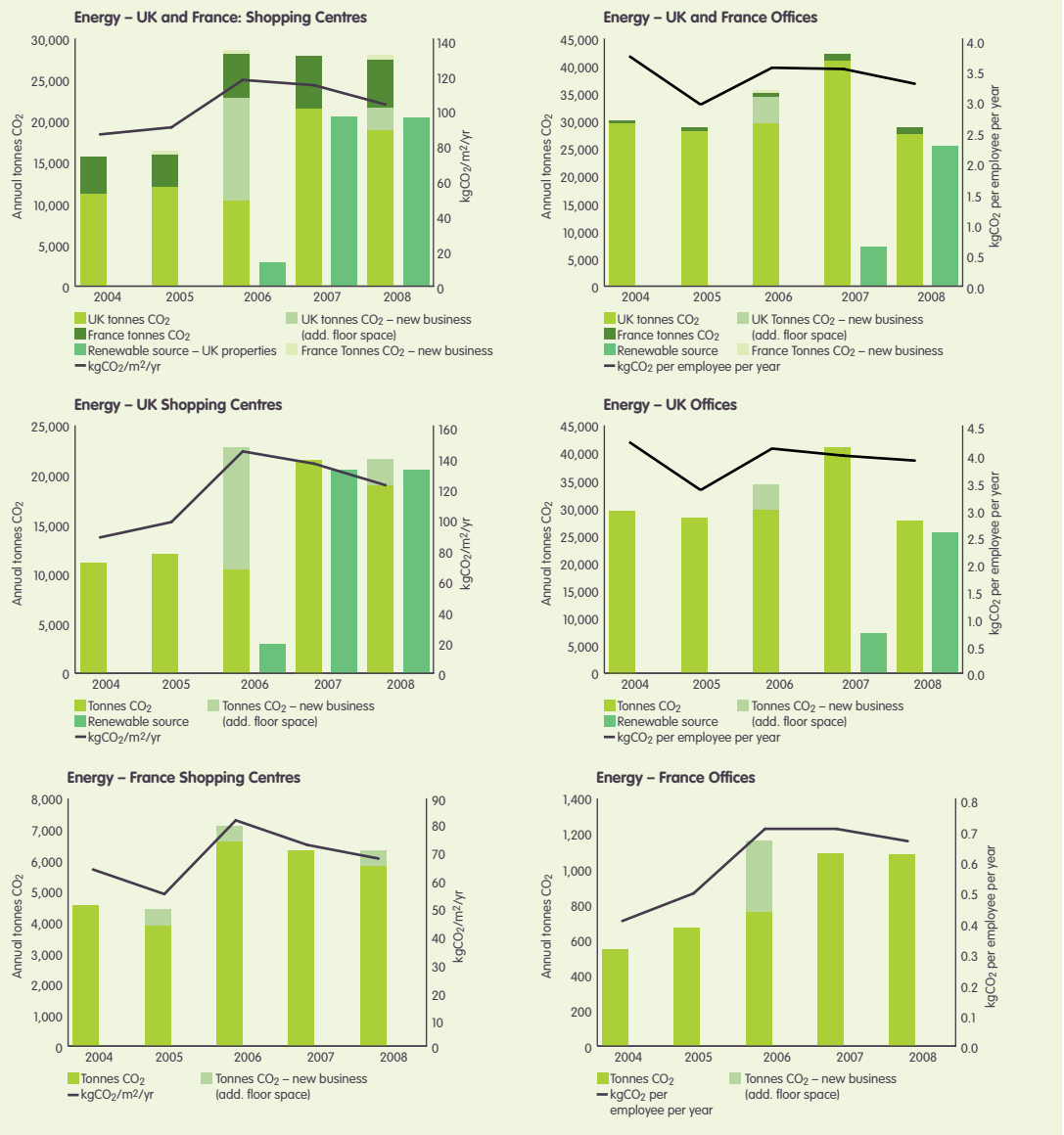
FINANCIAL INDICATOR

ENERGY COST	SUSTAINABLE INVESTMENT	SAVINGS	CARBON OFFSET	CLIMATE CHANGE LEVY
2008 £7,555,502	2008 £1,444,879	2008 £335,200	2008 £11,003	2008 £71,513
2007 £6,223,627	2007 £282,659	2007 £131,671	2007 £13,611	2007 £182,609
2006 £5,515,685	2006 Not measured	2006 Not measured	2006 Not implemented	2006 £205,794

NON-FINANCIAL INDICATOR

RETAIL

OFFICE



CONNECTED REPORTING FRAMEWORK

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CLIMATE CHANGE AND ENERGY CONTINUED

DIRECT COMPANY IMPACTS

COMMENTARY ON PERFORMANCE

- Our key initial action against the threat of climate change is to reduce our emissions. Since our baseline year of 2006, we have reduced our building energy intensity (expressed as carbon emissions) on a like-for-like basis at our UK shopping centres by 15.6%, UK offices by 4.8%, our French offices by 6.7% and our French shopping centres by 17.8% when normalised by m².
- The 2007 CR Report figures for Bullring did not include the car park energy, which has resulted in an adjustment of 19% in reported energy consumption, requiring a restatement of our data for that year. In order to expand our reporting to France, all data for France has been back-dated to 2006 where available.
- At Highcross we noted a 17.2% increase in carbon emissions following the opening of a major new extension in September 2008. We would expect this to increase further in 2009 as the first full year of operation is completed.
- The absolute reductions in electricity consumption since 2006 have resulted in a saving of £155,840 for Hammerson and our occupiers.
- The reduction in gas and electricity consumption and the sale of Moorhouse and One London Wall resulted in a £1,422,930 saving in energy costs in our office portfolio.
- The £335,200 savings identified are estimated based on sustainability initiatives planned as part our Sustainability Programme for Innovation. At WestQuay, one initiative to change car park lights from T8 to T5 fittings will result in an estimated annual energy saving of £163,000 and 600 tonnes CO₂.
- Sustainable investment in 2008 includes £590,000 of investment in France.
- Energy costs include tenant energy for offices, but not for shopping centres.

INDIRECT COMPANY IMPACTS

COMMENTARY

- The cost for energy in 2008 dramatically increased, with the cost of electricity rising 53% in October and gas, 113%. Despite our reductions in energy consumption, our costs continued to increase.
- At Bullring we delivered our first energy performance contract, with an external company funding changes to car park lighting and recouping them over time through cost savings achieved. This initiative will result in an annual saving of 592 tonnes of CO₂.
- In anticipation of the final Carbon Reduction Commitment scheme, Hammerson have started to evaluate the impact of £12 per tonne cost of carbon at existing assets and for future developments. To understand the cost to Hammerson and our tenants we are completing a full review of our ownership structure, metering and energy contracts in accordance with the CRC requirements.

BENCHMARKS

- **CDP6 – Top in sector, 3rd in FTSE350**
- **FTSE4Good**
- **Dow Jones Sustainability Index (DJSI)**
- **Building Research Establishment Environmental Assessment Methodology (BREEAM)**
- **Energy Performance Buildings Directive**

CONNECTED REPORTING FRAMEWORK

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RESOURCE USE

DIRECT COMPANY IMPACTS

FINANCIAL INDICATOR

COST OF WASTE	COST OF WATER*	LANDFILL TAX	TAX SAVED AS A RESULT OF WASTE AVERTED FROM LANDFILL
2008	2008	2008	2008
£1,719,476	£552,646	£223,501	£195,667
2007	2007	2007	2007
£1,476,922	£599,873	£217,722	£107,798
2006	2006	2006	2006
£1,249,841	£498,363	£232,538	£70,485
SAVINGS ON LANDFILL EXPENDITURE (EXCLUDING TAX) AND SUSTAINABLE INVESTMENT		SUSTAINABLE INVESTMENT	INCOME FROM SALE OF WASTE
2008		2008	2008
£425,418		£32,504	£55,155
2007		2007	2007
£367,369		Not measured	£34,639
2006		2006	2006
£84,506		Not measured	£14,021

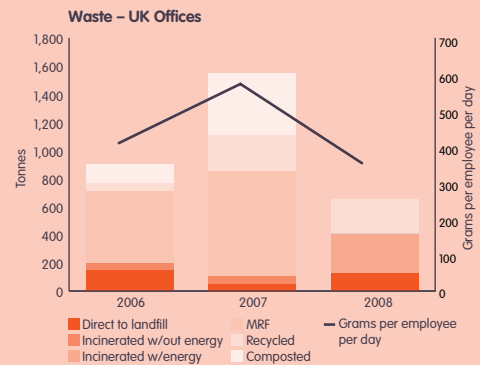
*As we have no historical or planned investment or estimated savings for water, we are unable to provide any further information.

NON-FINANCIAL INDICATOR

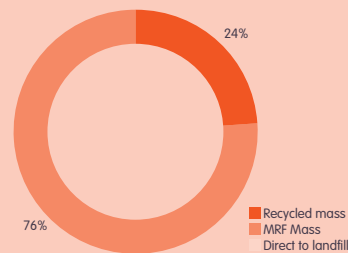
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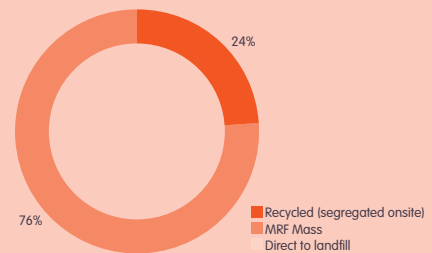
OFFICE



Waste by disposal – French Shopping Centres



Waste by disposal – French Offices



Commentary

The data represented is an estimate of total 2008 waste by weight based on the audits that Hammerson carried out at its shopping centres and offices (see target 23 for further information). The data, however, does not cover Parinor, Faubourg St Honoré and Rue de l'Université as no data was available for these assets. The recycled waste reflects cardboard segregated onsite.

CONNECTED REPORTING FRAMEWORK

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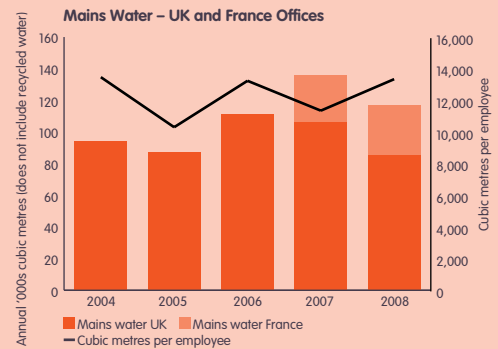
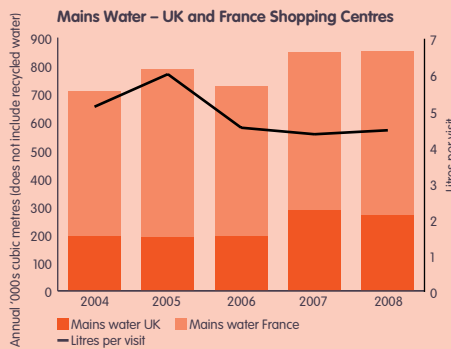
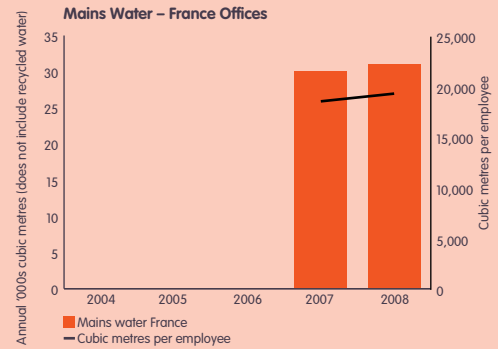
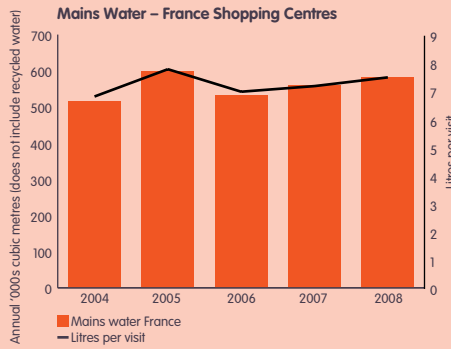
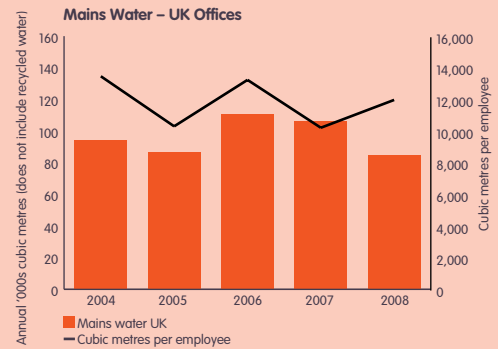
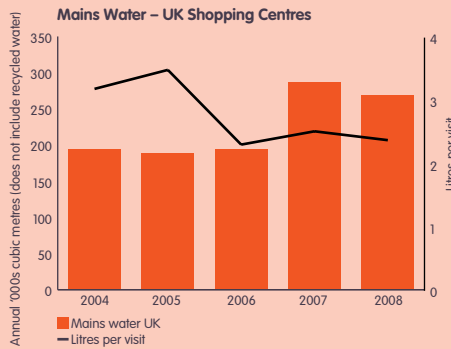
RESOURCE USE CONTINUED

DIRECT COMPANY IMPACTS

NON-FINANCIAL INDICATOR

RETAIL

OFFICE



CONNECTED REPORTING FRAMEWORK

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RESOURCE USE CONTINUED

COMMENTARY ON PERFORMANCE

- We have not historically measured waste in France. In 2008 we initiated a measuring and monitoring programme by conducting a waste audit. This will form a basis for measuring and monitoring going forward.
- The Material Recycling Facility (MRF) serving The Oracle shopping centre had been reporting a recycling rate of 40%. Following an audit, this figure has been adjusted to 2.5%. As a result of this, and other reporting discrepancies, our waste recycling figures had to be adjusted for 2007 by 981 tonnes. This demonstrates how our accuracy in measurement remains dependent on the reliability of reporting in our indirect supply chain.
- We managed and monitored the waste recycling of all fit-out contracts at Cabot Circus. This not only reduced our costs by £600,000 but increased the waste recycling on retail fit-out to 85-95%.
- Monitoring and measurement of water consumption in all our assets has been a business priority in the UK since 2006, and this is reflected in the reduction in absolute water consumption of 6.2% for UK shopping centres between 2007 and 2008. So far we have not been able to achieve the same performance improvements in our UK offices, where there has been an increase of 8.5% in like-for-like properties, as it is much harder for us to control our tenant behaviour than visitor behaviour in the shopping centres.
- In France, monitoring and measurement of water consumption has only been undertaken for the first time in 2008 and our water consumption has increased by 3.8% for shopping centres and 4.1% for offices. In 2009 we will investigate the accuracy of some of the water data in more detail and have a target to put in place action plans to reduce our consumption.
- Hammerson recognises the need to increase the investment in water reductions and as such has set a target to review water usage in the existing portfolio, setting a long-term target in 2010.
- In 2007 a faulty meter accounted for an increase in base line water consumption by 38% at Oracle. In 2008, Oracle worked hard to improve management of water consumption resulting in a 22% reduction, so saving £30,228.

INDIRECT COMPANY IMPACTS

COMMENTARY

- The cost of landfill tax continues to increase by £8 per tonne per annum. The current charge is £32 per tonne. In France, the 2009 landfill tax is €15 per tonne.
- We engaged WRAP to develop a recycled content target for Sheffield. This identified the difference between materials used according to asset class (retail, residential and car park) and the impracticality of setting a single overreaching target. As such, all Sustainability Implementation Plans now include a reference to the Sheffield research project by WRAP and we are in a position to specify targets for different building uses.

BENCHMARKS

- Waste Resource Action Programme (WRAP)
- BREEAM
- Forest Stewardship Council (FSC)




CONNECTED REPORTING FRAMEWORK

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COMMUNITY REGENERATION

DIRECT COMPANY IMPACTS

FINANCIAL INDICATOR	TOTAL CASH AND TIME INVESTED (HQ)	TOTAL CASH AND TIME INVESTED (SHOPPING CENTRES)	CHARITY DONATIONS	VISITOR COLLECTIONS
	2008	2008	2008	2008
	£364,330	£609,792	£212,375	£136,560
	2007	2007	2007	2007
	£38,700	£531,480	£112,670	£167,383
	2006	2006	2006	2006
	£88,206	Not measured	£117,944	£67,380

NON-FINANCIAL INDICATOR	JOBS	DEVELOPMENT COSTS	JOBS CREATED	PREVIOUSLY UNEMPLOYED
2003 Bullring	£500m	5,500	 76%	
2008 Highcross	£350m	2,000	 72%	
2008 Cabot Circus	£500m	4,000	 50%	

COMMENTARY ON PERFORMANCE

- We created 6,000 retail and leisure jobs as a result of our development of Cabot Circus, Bristol and Highcross, Leicester.
- Through our employment charter we were able to leverage match funding and other funding streams with our partners. This, combined with a cash injection of £320,000, allowed us to provide education and training for jobs in Bristol and Leicester.
- When the UK Government decided to decrease VAT by 2.5%, Hammerson introduced a policy to donate the VAT reduction in car park tariffs to local charities. This has resulted in £64,000 being donated to charity. All car park users can claim their money back if they do not wish the money to be used for donations.
- Hammerson has formed Spitalfields Together, a partnership with Deutsche Bank, Allen & Overy and East London Business Association (ELBA) to develop a better understanding of the needs of the communities in Tower Hamlets and Hackney, where we have several major future development projects.

INDIRECT COMPANY IMPACTS

COMMENTARY

- Hammerson measures the impact of its developments on the surrounding city economy. For example, the opening of Highcross is expected to boost net spending in the city by around £58 million per year. This is forecast to give a direct boost of about £31 million per year to the city's GVA and an annual £19 million boost to the wages of those employed in Leicester. The direct net impact of the scheme is expected to boost employment by around 710 jobs in addition to the 2,000 created at the scheme itself.
- Through our partnership work with the public sector we have been able to promote jobs to people in disadvantaged communities, assisting in the achievement of local government targets on employment, inclusion and social mobility.
- Creating a trained local workforce minimises job displacement, reducing the recruitment costs for our tenants.
- We re-entered the Business in the Community CR Index in 2008 in which we scored Bronze.

BENCHMARKS

- London Benchmarking Group
- Business in the Community

CONNECTED REPORTING FRAMEWORK

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SUPPLY CHAIN

DIRECT COMPANY IMPACTS

FINANCIAL INDICATOR

COST OF ALL GOODS AND MATERIALS

2008
£501.7m

2007
£463.6m

2006
£322.9m

UK SUPPLIERS WE HAVE ENGAGED WITH ON SUSTAINABILITY (VALUE OF CONTRACTS)

2008
£235m

2007
£290m

2006
Not measured

NON-FINANCIAL INDICATOR

UK



COMMENTARY ON PERFORMANCE

- In 2008 we developed Sustainability Implementation Plans for nine developments and pipeline projects. This includes Union Square, Aberdeen, our current major development project.
- We published our first Responsible Procurement Policy.
- We issued environmental sustainability questionnaires to over 50 different suppliers as part of the materials selection process for Sevenstone, Sheffield, a potential future development. Information received was used to inform the specification.
- We have employed sustainability consultants on all future developments to influence and direct our design team.

INDIRECT COMPANY IMPACTS

COMMENTARY

- We recognise the importance of influencing our supply chain. As such, we have commenced a programme of engagement with key suppliers ranging from Sir Robert McAlpine to MITIE.
- We have engaged with many of our consultants directly through our sustainability workshops on future developments. Their ideas are incorporated in the Sustainability Implementation Plans for each project.

BENCHMARKS

- Green Property Alliance Responsible Procurement Principles
- ISO 14001
- BRE Green Guide
- BSI Responsible Procurement

CONNECTED REPORTING FRAMEWORK

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CUSTOMERS

DIRECT COMPANY IMPACTS

FINANCIAL INDICATOR

NET RENTAL INCOME (£M)

2008
£299.8m

2007
£275.7m

2006
£237.4m

GREEN LEASE VALUE (£M)

2008
£33.6m

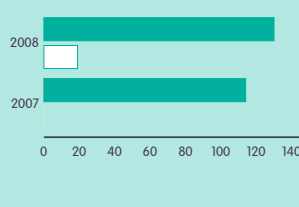
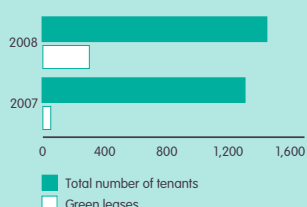
2007
£12.2m

2006
Not measured

NON-FINANCIAL INDICATOR

RETAIL

OFFICE



COMMENTARY ON PERFORMANCE

- We have encouraged our tenants to measure, monitor and manage their impacts through our Green Lease and Tenants' Sustainability Guidelines for both office and retail, with over 370 environmental leases being signed since inception.
- We have introduced environmental and social awareness days for our staff in the UK and France. We also issue a quarterly newsletter to staff, to be extended to France in 2009, and continue to provide training. New employees are provided with a one hour induction by the Head of Sustainability.
- We completed comprehensive staff commuter surveys in both France and the UK. This information has been used to improve our reporting on the carbon footprint at both offices.
- Hammerson have been working with a number of tenants on a new financial model and design for an "Eco" store, which will make use of natural daylight and improve the quality of the indoor environment while reducing typical energy consumption by 55%, so lowering energy bills for the occupier.

INDIRECT COMPANY IMPACTS

COMMENTARY

- We are a founding and board member of the Better Building Partnership (BBP) and chair the owner-occupier working group. One of the BBP working groups has produced a memorandum of understanding which Hammerson intends to trial with tenants in the coming months.
- We held 'Green Weeks' in the UK and 'Eco Days' in France at all of our shopping centres, raising awareness of sustainability issues among the public and employees.
- We began our roll-out of Energy Performance Certificates (EPCs) in April 2008. All new, let or sold properties will include an EPC in line with 2006 legislation.
- Hammerson is part of the BPF Carbon Reduction Commitments working group aimed at improving landlords' and tenants' understanding of the scheme and providing feedback to the Government as part of the final consultation on how the CRC programme could be improved.

BENCHMARKS

- BCSC
- British Council for Offices
- Better Building Partnership