

5 | CUSTOMERS

Following our introduction of a Green Lease in the UK in 2007, our focus in 2008 was on persuading retailers to adopt the lease and on extending it to France.

370

GREEN LEASES SIGNED SINCE INTRODUCTION

By the end of 2008, 370 retailers and office occupiers had signed Green Leases with Hammerson, representing £33.6 million in rental income.

85%

CUSTOMER SATISFACTION

Hammerson carries out annual consumer satisfaction surveys at its UK and French shopping centres. In France, 85% of visitors surveyed rated their experience as satisfying or very satisfying. In the UK, 83% of visitors agreed or strongly agreed that they enjoyed their visit.

For the second year running, we ran sustainability exhibitions in our UK and French shopping centres.

Hammerson has two principal CR objectives relating to its occupiers and visitors to its shopping centres. The first is to build positive relationships in order to encourage repeat business from occupiers, and frequent visits and increased spend from visitors to the centres. The second is to work with occupiers and shopping centre customers to reduce their impact on the environment.

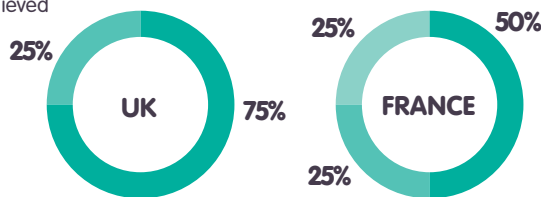
Shopping centre visitor surveys continue to provide a key measure of customer satisfaction. These are carried out annually in the UK and biannually in France. Our UK survey showed that 83% of visitors agreed or strongly agreed that they enjoyed their visit. In the last survey carried out in France, in 2007, 85% of visitors surveyed rated their experience as satisfying or very satisfying.

For the second year running, we ran sustainability exhibitions in our UK and French shopping centres (see case study on page 39). A survey carried out to gauge the success of the event demonstrated that 91% of visitors interviewed thought that a shopping centre was a suitable location for a sustainability exhibition; 84% agreed it fitted with the centre's brand image; and 80% thought we should continue to hold sustainability exhibitions at the centre.

Hammerson has taken a tripartite approach to engaging occupiers on sustainability issues; the Green lease; Tenants' Sustainability Guide and creating exemplar fit-outs. We have been successful in implementing the first two, with 370 Green Leases signed since its introduction in 2007. We are now concentrating on helping our occupiers to deliver sustainable fit-outs in 2009 and continue our efforts to improve communication and collaboration to the benefit of both parties. With this in mind, Hammerson will be rolling out the Better Buildings Partnership Memorandum of Understanding to existing tenants.

In 2008, we extended the Green Lease to France. Since its adoption in October, we have signed eight Green Leases (see case study page 39). We also extended the scope of the Tenants' Sustainability Guide, creating a version suitable for offices in the UK, and beginning work on a guide for the French retail portfolio. In France, we also succeeded in identifying six tenants at Italie 2 shopping centre in Paris to partner with to create an exemplar sustainable fit-out.

■ Achieved
■ In progress
■ Not achieved



OBJECTIVES

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

Performance against targets

62% ACHIEVED
25% IN PROGRESS
13% NOT ACHIEVED



ACHIEVED

- Develop a Green Lease.
- Identify key customers to partner with to create an exemplar sustainability best practice fit-out. (Counts as three targets: Operations UK; Operations France; Development UK.)
- Develop a tenants' sustainability guide for all office tenant fit-outs.

IN PROGRESS

- Design post-occupancy evaluations for all newly completed projects and carry out the evaluations six months after development completion.
- Develop a tenants' sustainability guide.

NOT ACHIEVED

- Design post-occupancy evaluations for all newly completed projects and carry out the evaluations six months after development completion.

● UK
● France

Igor Aglat, Director, Retail Leasing



CASE STUDY GREEN LEASE IN FRANCE

Following the success of the Green Lease in the UK in 2007, we decided to adapt the lease for France in 2008. Awareness of sustainability issues has grown enormously over the past 18 months in France, and retailers are looking for ways to improve their performance. In addition we are working on lease renewals in the shopping centre portfolio, so this seemed like an ideal time to introduce the Green Lease as standard.

The French lease is not markedly different from its UK parent: it commits the occupier and owner to work together to improve sustainability performance. What does differ is that while the UK lease points towards specific, Hammerson-organised initiatives in the shopping centre portfolio, in France, reflecting the constrictions of the co-ownership structure, the emphasis is on environmental and social policy and how this might translate into initiatives.

We were extremely proud to be the first to launch a Green Lease in France, and even more pleased that retailers appeared to welcome it: since introducing the lease in October, it has been signed by eight retailers – a 100% success rate. The lease emphasises communication: Hammerson agrees to communicate with retailers on the success rate of sustainability initiatives at each centre; and retailers agree to provide Hammerson with information on their consumption of natural resources. By working together, both retailer and owner can anticipate future changes in legislation, share best practice and improve their performance – both sustainable and financial.



CASE STUDY ECO DAYS

In 2008, Hammerson organised a sustainability awareness campaign both in its shopping centres and at its office in Paris.

The exhibition "Eco Days" was held in partnership with Unicef, Toyota and fairtrade organisation Max Havelaar at our six largest shopping centres in France. The exhibition focused on the three main facets of sustainability: environmental (including climate change, pollution, biodiversity, water, waste); social (employment, diversity, public health); and economic (business, consumption; the wealth divide). Titled "A for Achats" (purchases); "T for Transport" and "M for Maison" (Home), three displays provided day-to-day examples of ways in which consumers could make positive changes to their lifestyles.

The exhibition moved in November to Hammerson's Paris office at Washington Plaza, as a part of Hammerson's objective to raise awareness among employees. We also invited employees from surrounding offices, attracting around 100 more people to the exhibition.

Similar exhibitions were held in the UK in 2008: "Pamper the planet" at WestQuay, Southampton; "Green Matters" at Brent Cross, London and "Don't blame Daisy" at The Oracle, Reading.