

LEGISLATION UK

Hammerson's business is subject to environmental and social legislation. We seek to surpass legislative obligations.



CLIMATE CHANGE AND ENERGY		
DATE	NAME OF POLICY AND BRIEF DESCRIPTION	OUR ACTIONS
2008	<p>Climate Change Act</p> <p>This requires a reduction of 26% in UK carbon emissions by 2020 and 80% by 2050. The Government will set, and monitor progress against, five-year carbon budgets. Principal measures affecting Hammerson are Energy Performance Certificates (EPCs) required for all buildings and the Carbon Reduction Commitment, which requires all large organisations to monitor and report on total UK energy emissions by October 2009.</p>	<p>Hammerson continues to reduce its carbon emissions. We are targeting a 19% reduction by 2010 for UK properties against a 2006 baseline. In 2008, Hammerson was named climate leader in its sector by the Carbon Disclosure Project (CPD6) as a result of our work in reducing emissions and improving reporting.</p>
2008	<p>Carbon Budget</p> <p>The first Carbon Budget has been issued by Lord Turner, setting out where carbon emissions must be reduced.</p>	<p>Hammerson is participating in a UK Green Building Council working group on the Code for Sustainable Buildings. We are also working with the Better Building Partnership to improve the owner-occupier relationship and develop a toolkit for carbon reduction.</p>
2008	<p>Energy Performance of Buildings Directive – Energy Performance Certificates (EPC) – Display Energy Certificates (DEC)</p> <p>All commercial buildings new, let or sold, must have an Energy Performance Certificate. Display Energy Certificates (DECs) show the actual energy usage of a building, the Operational Rating, and are required for buildings occupied by public bodies.</p>	<p>Hammerson has commenced the rollout of EPCs in line with the Government's timetable for phased introduction. This is complete for the office portfolio and ongoing for the retail portfolio. We continue to take part in LES-TER, an industry initiative to align owners' and occupiers' interests in reducing emissions and the Upstream Benchmarking Programme. Hammerson is investigating the application of DECs, as we believe actual consumption to be more relevant than the theoretical EPC.</p>
2008	<p>Carbon Reduction Commitments (CRC)</p> <p>The CRC is a cap and trade scheme which will require companies to submit their carbon emissions for inclusion in a league table. The companies ranked higher will be rewarded financially, with those ranked bottom paying a penalty. The CRC has been through several consultation phases, with final consultation taking place in March 2009.</p>	<p>Hammerson is working with the Carbon Trust to obtain a Carbon Standard which equals 50% of the CRC score in year one. Hammerson is taking part in the consultation through the BPF CRC working group. Half-hourly meters are required throughout the portfolio before the commencement date. Hammerson is mapping its metering types, energy contracts and ownership structures.</p>
2008	<p>Planning Act</p> <p>This outlines a legal duty for national policy statements to consider climate change. It will impact developments, with local authorities required to consider the extent to which prospective developments both mitigate and adapt to climate change, with councils being given legal powers to require renewable energy systems to be included for new developments in order to grant planning permission.</p>	<p>Hammerson already draws up Sustainable Implementation Plans for each of its developments. We are developing a community framework this year with Business in the Community in anticipation of Local Authority Impact Assessments.</p>

RESOURCE USE

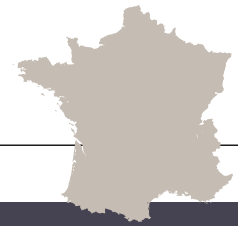
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1996, 2002, 2004, 2005	Landfill Tax Regulations and Landfill Regulations Landfill tax will increase £8 per tonne year-on-year until 2011, from a current level of £32.	Hammerson has commenced a programme to reduce waste to landfill across the portfolio. We completed a pilot project to reduce waste in occupier fit-outs at Cabot Circus.

COMMUNITY REGENERATION

DATE	NAME OF POLICY AND BRIEF DESCRIPTION	OUR ACTIONS
2008	Local Democracy, Economic Development and Construction Bill This aims to strengthen and streamline local democracy by passing more power and responsibility to local authorities, communities and citizens. It also aims to ensure that tenants' views are heard on housing issues and aims to increase transparency and public accountability for construction contracts.	Hammerson carried out research into best practice community consultation in 2008 and will implement this for future schemes. We continue to work closely with our local authority and social enterprise partners and continue to improve our measurement of community investment through the London Benchmarking Group.
2010	Welfare Reform White Paper The White Paper proposals include enabling private and voluntary sector organisations to pay for support to get people back to work from subsequent benefit savings and piloting a return to work for jobless parents with children over a specified age.	Hammerson is not legally affected by this legislation. However a change in legislation relating to jobless parents' support will significantly increase the pool of workers suited to Hammerson's pre-employment retail training schemes.

LEGISLATION FRANCE

Growing environmental awareness in France has resulted in proposals for extensive legislation, which we have included for the first time in our 2008 CR report. The principal legislation is the Loi Grenelle de [l'Environnement] I and II. The Grenelle is a draft bill made up of 151 articles designed to combat climate change, protect diversity and safeguard against climate change and risks to public health. It represents the legislative outcome of a series of round tables launched in 2007 and is composed of representatives from central government, local government, employer organisations, trade unions and NEO's.



CLIMATE CHANGE AND ENERGY		
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2009	<p>Energy efficiency for new buildings Article 4 of the Grenelle Bill I</p> <hr/> <p>A new threshold of 50kWh/m²/year for new build. New developments must enforce these energy efficiency requirements.</p>	<hr/> <p>Hammerson will include stretching energy efficiency targets in its Sustainability Implementation Plans for new developments in France based on the Grenelle threshold.</p>
	<p>Energy efficiency for existing buildings Article 2 and 30 of the Grenelle Bill II</p> <hr/> <ul style="list-style-type: none"> • Compulsory energy efficiency improvement measures for commercial buildings over the period from 2012-2020. • Compulsory energy meters within the next five years. 	<hr/> <p>Hammerson monitors, measures and reports on its energy waste in France and is focusing on improving the accuracy of its monitoring.</p>
	<p>Energy savings certificates Article 5 of the Grenelle Bill I</p> <hr/> <ul style="list-style-type: none"> • Possible introduction of a trading system based on energy savings certificates for property companies. 	<hr/> <p>Secondary legislation will complement the Bill and Hammerson is likely to engage directly with the Government on this issue.</p>
	<p>Renewable energy Article 4 and 30 of the Grenelle Bill II</p> <hr/> <p>A mayor cannot cite the use of renewable energy or renewable materials to reject a planning application.</p>	<hr/> <p>Hammerson is tracking discussions on the Bill and secondary legislation.</p>
2007	<p>Transport Finance Act 2007</p> <hr/> <ul style="list-style-type: none"> • A premium is granted to buyers of low polluting cars. • Buyers of highly polluting cars will be taxed. 	<hr/> <p>Hammerson France has been monitoring its carbon footprint at its head office and will implement an action plan in 2009. In 2008 Hammerson France also committed to preferential procurement of low polluting cars in its car fleet policy.</p>
2006	<p>Energy Performance certificates (Diagnostic de Performance Energétique DPE) Secondary legislation (Décret n° 2006-1147/14) Septembre 2006 Grenelle Bill</p> <hr/> <ul style="list-style-type: none"> • DPEs are currently compulsory for any transactions or lease renewal. • However the guidance note from the government has not been released for shopping centres yet. Therefore DPE can only be produced for offices. • The DPE will be compulsory for new buildings that obtained planning permission after 1 July 2007. 	<hr/> <p>Hammerson has already produced DPEs for its two managed offices. One of its targets for 2009 is to implement DPEs in shopping centres when the government releases secondary legislation.</p>

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DATE	NAME OF POLICY AND BRIEF DESCRIPTION	OUR ACTIONS
2009	<p>Biodiversity Article 20 and 21 of the Grenelle Bill I</p> <ul style="list-style-type: none"> • Creation of biodiversity conservation areas to encourage territorial continuity. • Creation of a compensation principle for the conservation of biodiversity. 	<p>Hammerson France already includes biodiversity considerations in its charter for retail parks. In 2009, Hammerson UK will be rolling out a biodiversity programme on some UK assets, which could be transferred to France in future. Hammerson is tracking discussions on the Bill and secondary legislation.</p>
2009	<p>Environmental impact studies Chapter III of the Grenelle Bill II</p> <p>This article aims at transposing some aspects of the European directive (85/337/CEE) passed in 1985 regarding the requirements for environmental impact studies in the planning process.</p>	<p>Hammerson is tracking discussions on the Bill and secondary legislation.</p>
2009	<p>Waste Article 77 and 79 of the Grenelle Bill II</p> <ul style="list-style-type: none"> • Obligation for developers to carry out a diagnostic regarding the waste produced on any building that is demolished. • Waste management plans compulsory for all construction sites. 	<p>Hammerson is accustomed to waste management plans for its UK developments and has been actively engaging with French contractors during 2008 in order to monitor their waste disposal during construction.</p>
2009	<p>Finance Act Article 39 of the Finance Act for 2009 regarding the tax on polluting activities (taxe générale sur les activités polluantes)</p> <p>The 2009 Finance Act raised the tax on polluting activities, equivalent to landfill tax. The tax was €8.21/tonne in 2008 and will increase to €15 Euros/tonne in 2009. This will have an impact on both Hammerson's construction sites and managed assets.</p>	<p>Active policies to reduce waste disposed to landfill will reduce the financial implications associated with the rise in this green tax.</p>

OTHER SOCIAL ISSUES		
DATE	NAME OF POLICY AND BRIEF DESCRIPTION	OUR ACTIONS
2010	<p>Equal pay audits Article L.2323-47 of the "Code du travail"</p> <p>In 2009, companies under 300 employees operating in France will have to monitor salaries between men and women as well as reporting on actions carried out to improve working conditions for disabled employees.</p>	<p>Hammerson France's HR department is preparing for the introduction of this legislation.</p>

LEGISLATION EU

EU directives inform UK and French legislation. We monitor these directives to ensure we are well prepared for national legislation.

CLIMATE CHANGE AND ENERGY		
DATE	NAME OF POLICY AND BRIEF DESCRIPTION	OUR ACTIONS
2008	Energy and climate change package This includes a binding target for the energy mix for all EU member states to include 20% renewable energy.	Hammerson incorporates onsite renewable energy production (including photovoltaics and waste-to-energy plants) in its development portfolio and its most modern assets. Additionally, we undertook an analysis of the business case for onsite renewables on managed assets in 2008 and will be taking forward some recommendations in 2009 and 2010.
2007	Floods Directive 2007 Requires Member States to map the assets and humans at risk from flooding and to take coordinated measures to reduce this flood risk. Reinforces the rights of the public to access this information and to have a say in the planning process.	Hammerson is in the process of undertaking a thorough climate change adaptation strategy for all of its managed assets in the UK and France, including an assessment of flood risk.
2002	Energy Performance of Buildings Directive 2002 The principal objective was to promote the improvement of the energy performance of buildings through cost-effective measures. There are four main aspects: <ul style="list-style-type: none">• Establishment of a calculation methodology for the energy performance of buildings;• Minimum energy performance requirements;• Energy performance certificates for buildings built, sold or let;• Inspections of boilers and air-conditioning systems.	See comments in UK and French legislation tables.

RESOURCE USE		
DATE	NAME OF POLICY AND BRIEF DESCRIPTION	OUR ACTIONS
2008	<p>Waste Framework Directive 2008</p> <ul style="list-style-type: none"> • Requires EU member states to set recycling targets for non-hazardous construction and demolition waste of 70% by 2020. • Includes a provision which would enable the European Commission to adopt EU-wide end-of-waste criteria for specified wastes. • The obligation for Member States to set up waste prevention plans. 	<p>Hammerson has been setting recycling targets for its operations and construction activities for a number of years and is thus well positioned to prepare for the implications of this target.</p>
2000	<p>Water Framework Directive 2000</p> <p>Draws together a number of older directives and requires Member States to adopt an integrated approach to the protection of ALL waters and the enhancement of aquatic ecosystems. Includes a number of ambitious objectives, including: from 2010, Member States must ensure that water pricing provides adequate incentives to use water efficiently and that the various economic sectors contribute to the environmental recovery of the costs of water services.</p>	<p>Hammerson has been setting water efficiency targets for its operations for a number of years and is thus well positioned to prepare for the implications of this target.</p>
2004	<p>Environmental Liability Directive 2004</p> <p>According to the 'polluter pays principle', all sectors with potential to harm species or habitats may be affected by the proposed Regulations.</p>	<p>Increasing implementation of ISO 14001-certified Environmental Management Systems on Hammerson's managed assets is leading to improved environmental risk management.</p>