

HAMMERSON PLC SUSTAINABILITY-LINKED FINANCING FRAMEWORK

DNV ELIGIBILITY ASSESSMENT

Scope and objectives

Hammerson PLC (hereafter referred to as “Hammerson”) invests in and develops property. The Company manages and develops flagship destination shopping centres and operates throughout the United Kingdom, and also in France and Ireland.

Hammerson has developed a Sustainability-Linked Financing Framework (the “Framework”). The Framework enables the issuance of sustainability-linked Bonds (SLBs), the proceeds of which will be used for general purposes, and as such Hammerson has not identified any ‘Use of Proceeds’ within the Framework. Hammerson has identified two material Key Performance Indicators (KPIs) to the business:

KPI 1: Greenhouse Gas (GHG) emissions reduction (Scope 1, 2¹ and selected 3² in tCO₂e).

KPI 2: Greenhouse Gas (GHG) emissions reduction (Scope 3 operational, tenant-controlled emissions in tCO₂e).

Hammerson will assess its sustainability performance against the following Sustainability Performance Targets (SPTs):

SPT 1: 60% reduction by 31 December 2025 versus 2019 baseline.

SPT 2: 50% reduction by 31 December 2025 versus 2019 baseline.

DNV Business Assurance Services UK Limited (“DNV”) has been commissioned by Hammerson to provide an eligibility assessment of the Framework under which it can finance and support activities for general purposes. Our objective has been to provide an assessment on whether the Framework meets the criteria established within the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles 2020 (SLBP).

No assurance is provided regarding the financial performance of any financial instrument, the value of any investments in a financial instrument, or the long-term environmental benefits of any transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

¹ Location based methodology

² Selected Scope 3 emissions include those attributed to Hammerson’s Scope 3 corporate emissions and directly controlled tenant emissions

Responsibilities of the Management of Client and DNV

The management of Hammerson has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Hammerson's management and other interested stakeholders in the Framework as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by Hammerson. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Hammerson management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol, which incorporates the requirements of the SLBP to create a Hammerson-specific Sustainability-Linked Financing Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a Sustainability-Linked Bond should *"provide an investment opportunity with transparent sustainability credentials"*.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the five Principles:

- **Principle One: Selection of Key Performance Indicators (KPIs).** The issuer of a sustainability-linked bond should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed Sustainability Performance Targets (SPT). The KPI should be relevant, core and material to the issuer's core sustainability and business strategy, measurable or quantifiable on a consistent methodological basis, externally verifiable, and able to be benchmarked externally.
- **Principle Two: Calibration of Sustainability Performance Targets (SPTs).** The SPTs should be ambitious, meaningful and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.
- **Principle Three: Bond Characteristics.** The bond will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The bond documentation needs to include the definitions of the KPI(s) and SPT(s) and the potential variation of the SLB's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.
- **Principle Four: Reporting.** Issuers should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report outlining the performance against the SPT(s) and the related impact

and timing of such impact on the bond's financial and/or structural characteristics, with such information to be provided to investors participating in the bond at least once per annum.

- **Principle Five: Verification (Post-issuance).** The Issuer should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year. The verification of the performance against the SPT(s) should be made publicly available.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Hammerson in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Hammerson-specific Protocol, adapted to the purpose of the Framework, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by Hammerson on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Hammerson management, as well as a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's summary findings are listed below, with further detail provided in Schedule 2:

1. Principle One: Selection of Key Performance Indicators (KPIs).

Hammerson has identified two material KPIs where it commits to future sustainability improvements within a predefined timeline that are aligned with Sustainable Development Goal (SDG) 13 (Climate Action).

- **KPI 1:** Greenhouse Gas (GHG) emissions reduction (Scope 1, 2³ and selected 3⁴ in tCO₂e).
- **KPI 2:** Greenhouse Gas (GHG) emissions reduction (Scope 3 operational, tenant-controlled emissions in tCO₂e).

KPI 1 focuses on carbon emissions within Hammerson's operational control and represents c.13% of the total (Scope 1, Scope 2 and Scope 3) emissions. KPI 2 focuses on carbon emissions within Hammerson's controlled assets but from activities controlled and managed by Hammerson tenants, these emissions represent c.70% of Hammerson's total GHG emissions.

Both KPIs are deemed core and material through Hammerson's 2018 materiality report. The materiality review has driven Hammerson's sustainability strategy for which they have identified four key ESG risks they aim to manage through their Positive Places strategy and Net Positive targets. These KPIs fall under one of the four key ESG risks (Carbon) that Hammerson has identified (the others being Resource Use, Socio-Economic Impact and Water). These KPIs support Hammerson's ambitious targets to reduce carbon emissions beyond the Paris goals. This is further supported by Hammerson's commitment as a signatory to Better Buildings Partnership Climate Change Commitment and its publication of a Net Zero Carbon Transition Pathway. The KPIs are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) and are independently assured by a third party confirming their ongoing measurability and verifiability.

The methodology for the calculation of the KPIs is measurable and quantifiable on a consistent methodological basis.

Based on the evidence reviewed, DNV can confirm that the KPIs are relevant, core and material to the company's overarching sustainability strategy. The rationale and process for KPI selection, as well as its definition, measurability and verifiability are clearly defined and are deemed to be robust, reliable and in accordance with the SLBP.

³ Location based methodology

⁴ Selected Scope 3 emissions include those attributed to Hammerson's Scope 3 corporate emissions and directly controlled tenant emissions

2. Principle Two: Calibration of Sustainability Performance Targets (SPTs).

Aligned with the KPIs outlined above, Hammerson has set the following SPTs:

- **SPT 1:** 60% reduction by 31 December 2025 versus 2019 baseline.
- **SPT 2:** 50% reduction by 31 December 2025 versus 2019 baseline.

DNV can confirm the SPTs align with Hammerson's wider goal of being Net Positive for Carbon by 2030. The SPTs use clear calculation methodologies (GHG Protocol), a clear baseline (2019) and include at least three years of historical data.

DNV can also confirm through the peer review analysis provided to us demonstrate that the SPTs are market leading within the European real estate peers. A "Business-as-Usual" (BAU) trajectory has been outlined in the Framework using an optimistic grid factor scenario for the UK. Hammerson has clearly demonstrated that the SPTs go beyond "BAU", this is presented transparently within the Framework. Hammerson has also developed a clear and transparent KPI/SPT re-calculation policy, as the portfolio is actively managed and may be updated to reflect disposal/acquisitions/development of assets.

DNV has assessed the ambition of the SPTs and can confirm that they are aligned with a carbon reduction pathway required to meet the goals of the Paris Agreement. Therefore, the SPTs support the Paris agreement goal of keeping a global temperature this century well below 2 degrees Celsius above pre-industrial levels.

DNV considers SPT 2 particularly stretching as this includes Scope 3 emissions that Hammerson does not have direct control over and must therefore work in collaboration with their tenants and engage with other parties to work on these ambitious decarbonisation goals.

Hammerson has presented three years (2018, 2019, 2020) of historic data within the Framework. Historical data for KPI 1 is independently assured by a third party and has previously been published within their sustainability report.

For KPI 2, Hammerson has not previously reported Scope 3 emissions and therefore the data is not assured. Hammerson has presented three years (2018, 2019, 2020) for this KPI within the Framework and has committed to having these numbers independently assured in the future and publicly reporting them on an ongoing basis.

DNV has also reviewed Hammerson's decarbonisation road map and assessed the planned interventions. While Hammerson details key risks to their ability to meet the SPTs, DNV concludes that the evidence provided demonstrates there is a clear but challenging pathway to meeting the SPTs.

While the SPTs extend only to 2025, DNV notes Hammerson's long-term target of 100% of its assets to be certified Net Zero Carbon by 2040.

Based on the work undertaken, DNV can confirm that the SPTs represent a material improvement in the respective KPIs, are beyond a "Business-as-Usual" trajectory, are consistent with Hammerson's overall sustainability strategy and are set on a predefined timeline in accordance with the SLBP.

3. Principle Three: Bond Characteristics.

Within the Framework, Hammerson has committed to ensuring the failure to meet the SPTs at the set trigger event/target observation date (31 December 2025) will result in a change to the characteristics of an instrument. These changes may include:

- A coupon increase.
- A premium payable upon redemption of the instrument.
- A payment to a research institute or NGO active in the fields of client research or climate change mitigation.
- A combination of the above.

DNV notes the specific mechanism will be presented in the relevant documentation of the specific transaction. Due to the maturity of the KPIs/SPTs and their detailed re-calculation policy, a fallback mechanism is not required.

Based on the evidence reviewed, DNV can confirm the Bond Characteristics are in line with the requirements of the SLBP.

4. Principle Four: Reporting.

DNV can confirm Hammerson has committed to reporting annually on the KPIs and SPTs which will be available on Hammerson's website. The reporting may include:

- Up-to-date information on the performance of the selected KPI, including the baseline where relevant.
- A verification assurance report on the performance of the SPTs and the related impact, and timing of such impact, on financial performance.
- Any relevant information enabling investors to monitor the progress of the SPTs.

Information may also include when feasible and possible:

- Qualitative or quantitative explanation of the contribution of the main factors, behind the evolution of the KPI/ SPTs.
- Illustration of the positive sustainability impacts of the performance improvement.
- Any re-assessments of the KPIs and/or restatement of the SPTs and/or pro-forma adjustments of baselines or KPI scopes.

DNV can confirm Hammerson has committed to reporting in line with the requirements of the SLBP.

Principle Five: Verification.

DNV can confirm Hammerson has committed to the performance of the KPI/SPTs and related impact, and timing of such impact, on the bond financial and/or structure characteristics, at the relevant reference date(s) will be verified by an appropriately qualified independent party to a limited level of assurance and will be made available on Hammerson's website.

DNV can confirm that Hammerson has committed to obtaining verification in line with the requirements of the SLBP.

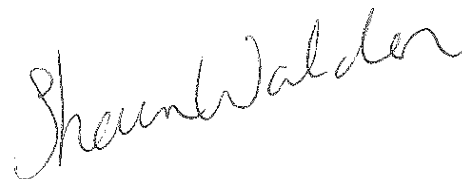
On the basis of the information provided by Hammerson and the work undertaken, it is DNV's opinion that the Hammerson Sustainability-Linked Financing Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of sustainability-linked bonds within the Sustainability-Linked Bond Principles 2020, which is to *"incentivise the issuer's achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified sustainability (ESG) objectives through KPIs and SPTs"*, thereby providing *"an investment opportunity with transparent sustainability credentials"*.

for DNV Business Assurance Services UK Limited

London, 18 May 2021

A handwritten signature in black ink, appearing to read "Richard Strutt".**Richard Strutt**

Senior Consultant and Project Manager
DNV – Business Assurance

A handwritten signature in black ink, appearing to read "Shaun Walden".**Shaun Walden**

Principal Consultant and Reviewer
DNV – Business Assurance

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF HAMMERSON'S KEY PERFORMANCE INDICATORS (KPIs) AND SUSTAINABILITY PERFORMANCE TARGETS (SPTS)

KEY PERFORMANCE INDICATOR (KPI)	SUSTAINABILITY PERFORMANCE TARGET (SPT)	SDG ALIGNMENT
Greenhouse Gas (GHG) emissions reduction (Scope 1, 2 ⁵ and selected 3 ⁶ in tCO ₂ e).	60% reduction by 31 December 2025 versus 2019 baseline.	SDG 13: Climate Action
Greenhouse Gas (GHG) emissions reduction (Scope 3 operational, tenant-controlled emissions in tCO ₂ e).	50% reduction by 31 December 2025 versus 2019 baseline.	

⁵ Location based methodology

⁶ Selected Scope 3 emissions include those attributed to Hammerson's Scope 3 corporate emissions and directly controlled tenant emissions

SCHEDULE 2: SUSTAINABILITY-LINKED BOND ELIGIBILITY ASSESSMENT PROTOCOL

1. Selection of Key Performance Indicators (KPIs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	KPI – material to core sustainability and business strategy	<p>The issuer’s sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the issuer’s core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry or sector and be under management’s control. The KPI should be of high strategic significance to the issuer’s current and/or future operations.</p> <p>It is recommended that issuers communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability-Linked Financing Framework May 2021 • Annual Report 2020 • Sustainability Report 2020: Our Journey to Net Positive • Our Net Zero Carbon Transition Pathway • True Value of Retail, Our Socio-Economic Footprint 2020 • Achieving Net Positive 2020 • Our Environmental Footprint 2017 	<p>Hammerson has identified two material KPIs where it commits to future sustainability improvements within a predefined timeline and are aligned with Sustainable Development Goal (SDG) 13 (Climate Action).</p> <ul style="list-style-type: none"> • KPI 1: Greenhouse Gas (GHG) emissions reduction (Scope 1, 2⁷ and selected 3⁸ in tCO₂e). • KPI 2: Greenhouse Gas (GHG) emissions reduction (Scope 3 operational, tenant-controlled emissions in tCO₂e). <p>KPI 1 focuses on carbon emissions within Hammerson’s operational control and represents c.13% of the total (Scope 1, Scope 2 and Scope 3) emissions. KPI 2 focuses on carbon emissions within Hammerson’s controlled assets but from activities controlled and managed by Hammerson tenants, these emissions represent c.70% of Hammerson’s total GHG emissions.</p> <p>Both KPIs are deemed core and material through Hammerson’s 2018 materiality review and support Hammerson’s ambitious targets to reduce carbon emissions beyond the Paris goals. This is further supported by Hammerson’s commitment as a signatory to Better Buildings Partnership Climate Change Commitment and its publication of a Net Zero Carbon Transition Pathway.</p>

⁷ Location based methodology

⁸ Selected Scope 3 emissions include those attributed to Hammerson’s Scope 3 corporate emissions and directly controlled tenant emissions

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1b	KPI - Measurability	<p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.</p> <p>Issuers are encouraged, when possible, to select KPI(s) that they have already included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate the historical performance of the KPIs selected.</p> <p>In situations where the KPIs have not been previously disclosed, issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p>	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> Sustainability-Linked Financing Framework May 2021 	<p>After reviewing the evidence, DNV can confirm the KPIs chosen are measurable, quantifiable, stretching and have a clear target date in place. They are also benchmarkable against peers in the same sector.</p> <p>From the documents assessed we can confirm:</p> <ul style="list-style-type: none"> There is historical data in place for each KPI over the last three years Each KPI is externally verifiable against international and national reporting standards and frameworks (GHG Protocol) Each year, Hammerson assures its GHG emissions by a third-party and releases a statement on its website, and in its annual sustainability report, to verify this has taken place. <p>DNV can confirm that the measurability of the KPIs is clearly defined and that there is historical data in place. Information on this is published in the annual sustainability report.</p>
1c	KPI – Clear definition	<p>A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology</p>	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> Sustainability-Linked Financing Framework May 2021 	<p>Based on the Framework, DNV can confirm the scopes, parameters, and calculation methodologies for the two KPI’s are clearly defined and are calculated and reported in line with the GHG Protocol.</p>

2. Calibration of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting - Meaningful	The SPTs should be ambitious, realistic and meaningful to the issuer's business and be consistent with the issuers' overall strategic sustainability/ESG strategy	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability-Linked Financing Framework May 2021 • Annual Report 2020 • Sustainability Report 2020: Our Journey to Net Positive • Our Net Zero Carbon Transition Pathway • True Value of Retail, Our Socio-Economic Footprint 2020 • Achieving Net Positive 2020 • Our Environmental Footprint 2017 	<p>Aligned with the KPIs outlined above, Hammerson has set the following SPTs:</p> <ul style="list-style-type: none"> • SPT 1: 60% reduction by 31 December 2025 versus 2019 baseline. • SPT 2: 50% reduction by 31 December 2025 versus 2019 baseline. <p>The targets are ambitious as Hammerson has already achieved in 2019 a 12% reduction in carbon emissions intensity year on year for the like for like (LFL) portfolio and a 20% reduction in the 3 years to the end of 2019. Hammerson achieved a 29% reduction in 2020, however it should be noted that this reduction would have been impacted by the COVID-19 Pandemic. These additional targets represent further commitments to meaningful decarbonisation goals.</p> <p>They are also deemed meaningful because it addresses a key environmental challenge for Hammerson and the industry generally. According to Hammerson, operational Scope 3 emissions represent approximately 70% of total GHG emissions from the business in 2019, tenant-controlled emissions are recognised by the industry as challenging to control. The inclusion of emissions outside of Hammerson's direct control as part of SPT 2 is additionally meaningful as it will require Hammerson to partner with tenants to jointly reduce GHG emissions.</p> <p>DNV can confirm the SPTs are ambitious, realistic, meaningful and align with Hammerson's wider goal of being Net Positive for Carbon by 2030. The SPTs are consistent with Hammerson's overall strategic sustainability and ESG strategy as outlined in the supporting evidence provided to DNV. DNV concludes the SPTs are consistent with the SLBP.</p>

2b	Target Setting - Meaningful	SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the bond.	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability-Linked Financing Framework May 2021 • Carbon Emissions Target Benchmarking April 2021 	<p>After reviewing the evidence, DNV can confirm that the two SPTs represent a material improvement in the respective KPIs. We can confirm that the SPTs are science-based with clear calculation methodologies and with three-year (2018, 2019, 2020) historic performance reported.</p> <p>Hammerson has demonstrated a likely scenario using an optimistic grid factor scenario for the UK to develop a "Business as Usual" trajectory which DNV considers plausible. The SPTs clearly go beyond business as usual. Hammerson has also signed up to or are part of voluntary industry-wide initiatives demonstrating further commitments beyond BAU.</p> <p>DNV can therefore confirm that the SPTs represent a material improvement in the respective KPIs, going beyond a "Business-as-usual" (BAU) trajectory and, where possible, are compared to a benchmark or an external reference. We consider this to be adequately supported by the documentation provided by Hammerson and consistent with the SLBP.</p>
2c	Target Setting – Benchmarks	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The issuer's own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the issuer's peers where comparable or available, or versus industry or sector standards and/or 	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability-Linked Financing Framework May 2021 • Carbon Emissions Target Benchmarking April 2021 	<p>DNV can confirm the SPTs use clear calculation methodologies (GHG Protocol) and a clear baseline (2019). Hammerson has presented three years (2018, 2019, 2020) of historical data for KPI, which has been independently assured by a third party.</p> <p>For KPI 2, Hammerson has not previously reported Scope 3 emission and therefore the data is not assured. Hammerson has presented three years (2018, 2019, 2020) for this KPI within the Framework and has committed to seeking independent assurance on the reporting of this KPI on an ongoing basis.</p> <p>DNV can also confirm the SPTs are market leading within the European real estate peers and are beyond "Business as Usual" which is presented transparently within the Framework. DNV has assessed the ambition of the SPTs and confirmed they are aligned with a carbon reduction pathway required to</p>

		<p>3. Systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets) or official country/regional/international targets or to recognised Best-Available-Technologies or other proxies</p>		<p>meet the goals of the Paris Agreement. The SPTs support the Paris agreement goal of keeping a global temperature this century well below 2 degrees Celsius above pre-industrial levels.</p> <p>Hammerson has also developed a clear KPI/SPT re-calculation policy (which is critical for an actively managed portfolio).</p>
2d	Target setting – Disclosures	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. The timelines of target achievement, the trigger event(s), and the frequency of SPTs 2. Where relevant, the verified baseline or reference point selected for the improvement of KPIs as well as the rationale for that baseline or reference point to be used 3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place 4. Where possible and taking into account competition and confidentiality considerations, how the issuers intend to reach such SPTs 	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability-Linked Financing Framework May 2021 • Our Net Zero Carbon Transition Pathway • Deloitte Assurance Statement 2021 	<p>It is DNV’s opinion that Hammerson’s disclosures on target setting are adequate for the following reasons:</p> <ul style="list-style-type: none"> • For both SPTs, the timelines to achieve targets and the trigger events, are clearly disclosed in the Framework and other documentation, as detailed in 2b. • Both SPTs are to be measured and reported against a relevant baseline year of 2019. • Clear re-baselining policy. • Clear road map to SPT achievement. • DNV considers Hammerson’s SPTs realistic, as detailed in 2b, and Hammerson has clearly described how it intends to reach the KPIs in supporting documentation. <p>DNV can confirm that both SPTs’ disclosures on target setting make clear reference to: the timelines, trigger events and frequency of SPTs, the baseline and rationale for improvement of the KPIs, potential recalculations, and how Hammerson intends to reach such SPTs. DNV confirms that this is clearly outlined in the Framework and consistent with the SLBP.</p>

3. Bond Characteristics

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Bond Characteristics – SPT Financial/structural impact	The SLB will need to include a financial and/or structural impact involving trigger event(s) based on whether the KPI(s) reach the predefined SPT(s).	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> Sustainability-Linked Financing Framework May 2021 	<p>Within the Framework, Hammerson has committed to ensuring the failure to meet the SPTs at the set trigger event/target observation date (31 December 2025) will result in a change to the characteristics of an instrument. These changes may include:</p> <ul style="list-style-type: none"> A coupon increase. A premium payable upon redemption of the instrument. A payment to a research institute or NGO active in the fields of client research or climate change mitigation. A combination of the above. <p>The exact details of which will be specified in the relevant documentation of future specific transactions (i.e. Final Terms of the Sustainability-Linked Bond). DNV can therefore confirm that the inclusion of trigger event(s) under the Framework is in line with the requirements outlined by the SLBP.</p>
3b	Bond Characteristics – Fallback mechanism	<p>Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained.</p> <p>Issuers may also consider including, where needed, language in the bond documentation to take into consideration potential exceptional events.</p>	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> Sustainability-Linked Financing Framework May 2021 	<p>Due to the maturity of the KPIs/SPTs and their detailed re-calculation policy, a fallback mechanism is not required.</p>

4. Reporting Commitments

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Reporting	<p>Issuers of SLBs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond’s financial and/or structural characteristics 3. Any information enabling investors to monitor the level of ambition of the SPTs <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB’s financial and/or structural characteristics.</p>	<p>Including management interviews, DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability-Linked Financing Framework May 2021 	<p>DNV can confirm Hammerson has committed to reporting annually on the KPIs and SPTs which will be available on Hammerson’s website. The reporting may include:</p> <ul style="list-style-type: none"> • Up-to-date information on the performance of the selected KPI, including the baseline where relevant. • A verification assurance report on the performance of the SPTs and the related impact, and timing of such impact, on financial performance. • Any relevant information enabling investors to monitor the progress of the SPT. <p>Information may also include when feasible and possible:</p> <ul style="list-style-type: none"> • Qualitative or quantitative explanation of the contribution of the main factors, behind the evolution of the KPI/ SPT. • Illustration of the positive sustainability impacts of the performance improvement. • Any re-assessments of the KPI and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope.

4b	Second Party Opinion	Publication of any pre-issuance external review, such as a second party opinion, or if relevant a verification of baselines.	Including management interviews, DNV also undertook a review of: <ul style="list-style-type: none"> Sustainability-Linked Financing Framework May 2021 	Hammerson has committed to conducting a second party opinion on the Framework, meeting the SLBP. This includes an assessment of the KPIs selected, benchmark and baselines selected, and the credibility of the strategy to achieve them.
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5. Verification

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
5a	External Verification	Issuers should have their performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year, and for each SPT trigger event.	Including management interviews, DNV also undertook a review of: <ul style="list-style-type: none"> Sustainability-Linked Financing Framework May 2021 	Hammerson has committed to the performance of the KPI/SPTs and related impact, and timing of such impact, on the bond financial and/or structure characteristics, at the relevant reference date(s) will be verified by an appropriate qualified independent party to a limited level of assurance and will be made available on Hammerson’s website.