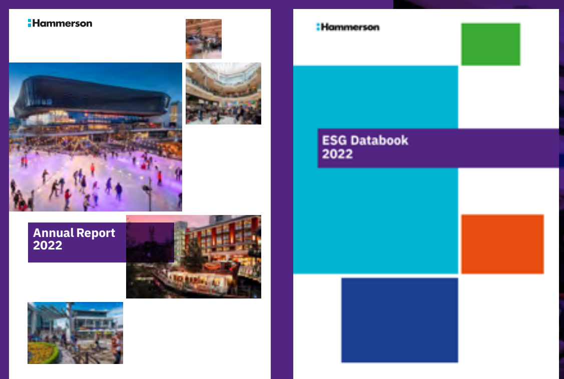
ESG Report 2022

Welcome to our ESG Report 2022. Here we share performance headlines and stories.

The data we refer to in this ESG Report 2022 is shared in our ESG Databook 2022, and in our Annual Report 2022. We recommend these are read alongside this report.



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1. APPROACH

We are reinvigorating our destinations through investment in repurposing public realm and ESG.

1.1 OUR ESG FRAMEWORK

Environmental

> Carbon emissions
> Energy use
> Water use
> Resource use
> Climate risk
> Biodiversity

PRIORITISE

- Net Zero for landlord, occupier & development carbon emissions by 2030
- Energy consumption
- Climate risk management

TRACK

- Water use
- Resource use
- Biodiversity

ALIGNED UN SDGs

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

We invest in renewable energy, work with partners to reduce resource consumption, and are targeting Net Zero carbon by 2030.

Social

> Employment and skills
> Health and wellbeing
> Developing young people
> Local investment and enterprise
> Diversity, Equality and Inclusion
> Gender gap
> Health & safety

PRIORITISE

- Community investment and charity in our prime urban estates to address the areas that are of importance locally
- National charity partner for our assets
- Diversity, Equality and Inclusion
- Health & safety

TRACK

- Application of social value themes

ALIGNED UN SDGs

5 GENDER EQUALITY
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES

Our socio-economic work focuses on delivery of locally relevant projects to support our communities.

Governance

> Decision making & reporting
> Benchmarking
> Management systems
> Modern slavery

PRIORITISE

- Clear and transparent reporting
- Risk management

TRACK

- Our achievement against benchmarks e.g. GRESB, MSCI
- Investor feedback
- Evolution of ESG regulations/reporting

ALIGNED UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES

Our land promotion work at the city level will support infrastructure development and the transition to sustainable communities.

1.2 CEO STATEMENT

Strategic overview
In 2022 the Group delivered another strong year of strategic, operational and financial progress against a challenging economic backdrop. At the beginning of 2022, we could not have foreseen the extent of the volatility of the economic and political environment that unfolded driven by geopolitical events in Ukraine, China's zero covid policy, and political change in the UK.

We do not yet know the full impact of the cost of living crisis, a period of higher inflation and interest rates, and continued supply chain disruption. Moreover, this year highlighted the value of sustainable sources of energy.

We own city centre flagship destinations and adjacent land around which we can reshape entire neighbourhoods. Our strategy recognises the unique position that we have in our urban locations and the opportunities to leverage our experience and capabilities to create and manage exceptional city centre destinations that realise value for all our stakeholders, connects our communities and delivers a positive impact for generations to come.

Our aim is simple and clear – to chart a path to growth that delivers total returns for shareholders through consistent execution against our strategic goals:

- Reinvigorate our assets
- Accelerate development
- Create an agile platform
- Deliver a sustainable and resilient capital structure

Underpinning our strategy is our commitment to ESG. We refreshed our strategy in the first half of 2022 to demonstrate our commitment to Net Zero by 2030 to deliver benefits to our stakeholders, including comprehensive asset by asset plans to achieve our commitments.

ESG overview
To acknowledge the breadth of the sustainability agenda, during 2022 we have realigned our strategy to Environmental, Social and Governance (ESG).

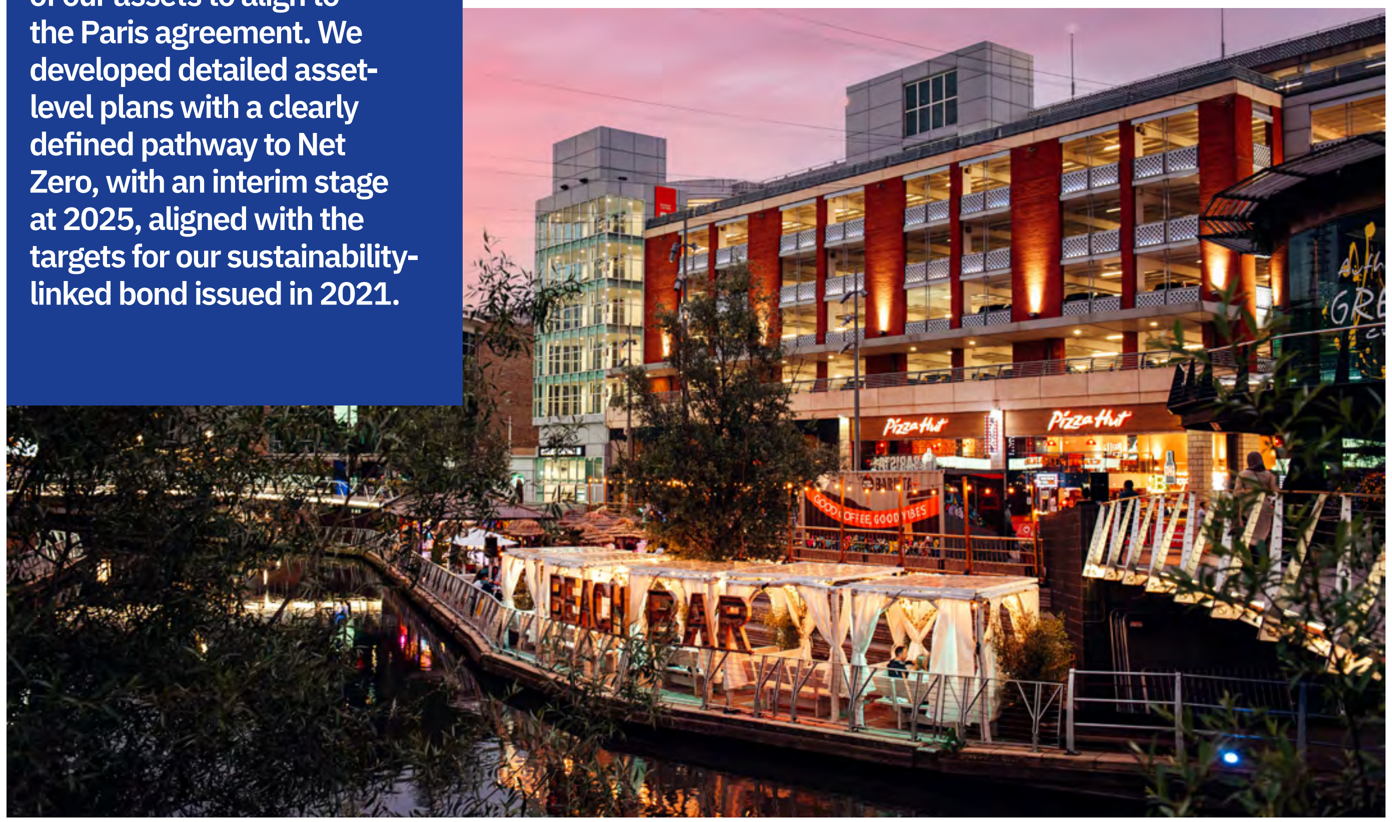
In terms of environmentally **our commitment to Net Zero by 2030 is absolute, and we achieved a 12% reduction in like-for-like Scope 1 and 2 emissions over the course of the year**. In 2022 we invested in an independent assessment of our assets to align to the Paris agreement. We developed detailed asset-level plans with a clearly defined pathway to Net Zero, with an interim stage at 2025, aligned with the targets for our sustainability-linked bond issued in 2021. Each plan considers the lifecycle and needs of both the asset and community, and uses risks and opportunities presented by climate change as the foundation for addressing wider carbon scopes. They contain tailored projects over the next five years to achieve the Group's net zero commitment.

These plans are fully costed as part of the Group's annual business planning process, with total expenditure over the period to 2028 of under £40m on the current asset base. During 2022 we also delivered a range of environmental projects from EV charging, upgraded lighting and building management systems to PV arrays on our assets.

To match our asset-centric operating model, we revised our approach to Social with a new Board-approved strategy that determined that all social value activities would deliver for our local communities, acknowledging that each community in which we operate and support has diverse and specific needs. **In 2022 the Group's social value investment was £2.7m, a 33% increase from 2021 and we engaged with 8,641 individuals on Group organised or supported activities.** In response to the emerging cost of living crisis, we took action to support colleagues on lower salary bands through the award of a salary supplement to all colleagues on annual salaries of less than £/€60,000 and also the March 2023 pay awards were differentiated to benefit those on the lowest salaries.

In terms of Governance, we revised our structures with the ambition to operate in a more diligent way, with all elements of ESG embedded across the business. A central part of this is recognition that Diversity, Equality and Inclusion is far more than a box ticking exercise, but rather encourages ways of working that foster better decision-making processes through inclusion and open dialogue. Valuing this, it is pleasing to report that our senior-management sponsored Affinity Groups continue to attract broad engagement across the Group. We recognise that evolving and improving our Governance structures will remain a focus for Hammerson.

In 2022 we invested in an independent assessment of our assets to align to the Paris agreement. We developed detailed asset-level plans with a clearly defined pathway to Net Zero, with an interim stage at 2025, aligned with the targets for our sustainability-linked bond issued in 2021.



Underpinning our strategy is our commitment to ESG. We refreshed our strategy in the first half of 2022 to demonstrate our commitment to Net Zero by 2030.

Rita-Rose Gagné

1.3 2022 HEADLINES

Environmental

12%
reduction in carbon emissions (Scopes 1 and 2)
Lfl proportionally consolidated YoY change

8%
reduction in total GHG emissions
Lfl proportionally consolidated YoY change

1,500
MWh kWh renewable energy produced on site

2% of UK units F&G EPC rated, down from 12% in 2021

70%
waste recycled, up from 63% in 2021

Social

£2.7m
Social value investment

8,641 individuals engaged in Group organised or supported social value activities

Empl'itude accreditation for Les 3 Fontaines and Les Terrasses du Port in France

152
charities, organisations and groups supported

128
colleagues involved in volunteering

Governance

100%
FLAGSHIP DESTINATIONS WITH
NET ZERO
ASSET PLANS

BENCHMARKS RESULTS

GRESB 2021
Score: 75 ★★★

MSCI ESG RATINGS
Rating: AA

ISS ESG
Rating: C+ PRIME

SUSTAINALYTICS a Morningstar company
Rating: LOW RISK

1.4 SHAPING OUR APPROACH

We carry out materiality assessments every three years to ensure our ESG strategy and reporting remains focused on the issues most relevant for our business and addresses the needs of our stakeholders. Our latest review, undertaken in 2022, engaged with both debt and equity investors, along with brand occupiers, joint venture partners, and colleagues to present a view of material issues for the Group both now, and over the coming decade.

Our material issues

Stakeholders were presented with a comprehensive list of issues related to all three elements of ESG.

The top ten issues which were deemed to be of the greatest material importance were as follows:

1. Reporting, including data and communications
2. Net Zero Carbon pathway for developments and operations
3. Ethical business practices
4. Climate change, risk, action, transition and resilience
5. Impact of ESG on value
6. Compliance with legislation and reporting requirements i.e. TCFD
7. Meeting stakeholder ESG objectives
8. Water efficiency in developments and operations
9. Material use and sustainable procurement, including embodied carbon
10. Energy security, demand and carbon pricing

Figure 1.4.1 Material issues by area

When looked at by E, S and G, the top three issues for each area are shown in the table below. Where scores were extremely close, more than one issue is shown in the relevant tier:

	1ST TIER	2ND TIER	3RD TIER
ENVIRONMENTAL	Net Zero carbon pathway for operations and developments	Water efficiency in operations and developments Material use and sustainable procurement, including embodied carbon Sustainable buildings (retail and non-retail) and building labels (i.e. BREEAM, LEED, HQM, EPC, Passivhaus)	Waste management in operations and developments Physical climate risks CRREM pathways
SOCIAL	Community engagement, investment and social value	Placemaking and community development	Health, safety and wellbeing of colleagues Supply chain
GOVERNANCE	Reporting, including data and communications Ethical business practices Climate change, risk, action, transition and resilience	Impact of ESG on property valuation Compliance with legislation and reporting requirements i.e. TCFD	Meeting stakeholder ESG objectives

Issues on the rise

We explored issues that are increasing in importance for investors.

Ethical business

From a governance perspective, the importance of ethical business practices, highlighted by the sanctions imposed on Russia following the invasion of Ukraine, was deemed to have increased such that it was now a first tier issue.

Biodiversity and Scope 3 emissions

We also mapped out emerging issues which are likely to be material by the time of our next review. These included biodiversity with investors requesting more information in this area, Scope 3 emissions, and water usage.

Evolving our approach to proactively respond to findings

In 2022 we reviewed and reaffirmed our target to be Net Zero by 2030, revising our strategy to focus on how we will achieve this goal, and more closely linking our strategic goals to our approach for managing climate risk.

We continue to focus on energy reduction, trying not to decouple energy and carbon. Energy use is the greatest operational impact we have, and by ensuring we keep our sights on this we can better engage our onsite teams and suppliers to operate as efficiently as possible. This focus is demonstrated on our Net Zero Pathway Hierarchy Figure 1.4.2 shown to the right which ensures we are targeting true reductions in impact, including the use of both onsite and offsite renewables with true additionality. This demonstrates our intention of taking steps to avoid just reflecting improvements made from grid decarbonisation and also to depend on offset as a solution to the climate crisis.

Alongside carbon reduction, delivering social value is our second key ESG strategic goal. Our approach here is also asset, and therefore, community centric. We aim to respond to local needs and build relationships at both a national and local level to achieve our material social objectives.

For more about our approach to managing climate change see section 1.5.

Scope 3 emissions

We have already made a strong commitment to reducing Scope 3 emissions with our Sustainability Linked Bond target of 50% reduction in Scope 3 operational, occupier controlled emissions by 2025 compared with a 2019 baseline. This is aligned with the increasing expectations of investors in this area. We have made good progress in increasing collaboration with our occupiers, with a focus on our top 20 occupiers, and we have also begun the collaboration process with a number of joint venture partners.

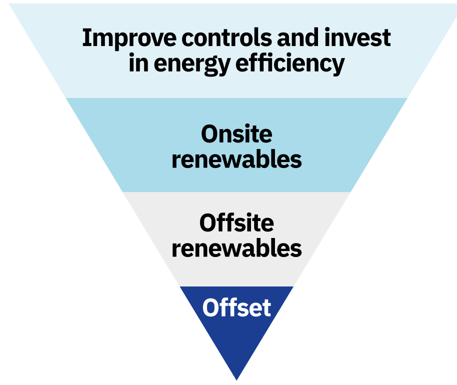
Water

We have been focused on water since 2015 and continue to set annual reduction targets for absolute water consumption and water intensity at each asset. In 2023 we will explore further opportunities for rainwater harvesting, waterless systems and improve metering.

Reporting

The materiality results have informed our ESG reporting for 2022 and we have made a number of design changes to the ESG report resulting in a more streamlined and transparent report that maintains coverage of all key ESG information. Given the greater asset-centric approach, we have provided more asset level detail in our reporting including details of the key ESG foundations and initiatives in place at each asset. We have also adopted this approach for the detailed supporting data in our ESG Databook.

Figure 1.4.2 Net Zero Pathway Hierarchy



Aligning with the UN SDGs

Our work is driven by material issues, however we also map our goals against UN SDGs to provide a view of how we are contributing to global issues.

The relevant UN SDGs are shown on our ESG framework in Section 1.1.

1.5 MANAGING CLIMATE RISK AND OPPORTUNITIES

The Board collectively has overall responsibility for climate risk and wider ESG matters and ensures that risk management is effectively integrated across the Group, including policies, processes, culture and values. The Audit Committee supports the Board in the oversight of risk and is responsible for reviewing the effectiveness of the risk management and internal control system over the course of the year.

The Group Executive Committee (GEC) is accountable for the management of climate-related risks, with the Chief Financial Officer being responsible for the delivery of the Group's ESG strategy.

ESG performance, asset plans, risks and targets are monitored by the GEC who receive information and updates from the Deputy CFO and Head of ESG on a regular basis throughout the year.

The Governance structure for managing Climate Risks is shared in Section 4 Governance.

Management's role in assessing risks and opportunities

The Group's approach to ESG risk identification is the same as towards all enterprise risk across the Group. The Group adopts a top-down and bottom-up approach to ensure comprehensive risk identification and risk appetite is clearly defined. This allows the Group to respond quickly to changes in its risk profile and ensures risk management is factored into strategic decision making whilst embedding a strong risk management culture amongst colleagues with clear roles and accountability.

The Head of ESG is responsible for managing ESG risks and these are formally reviewed twice-yearly by the Audit Committee. The Head of ESG is a member of the Group's Management Committee and reports to the Deputy CFO, who is a GEC member and is also responsible for wider risk management.

The GEC undertakes a twice yearly review of the Group's risk management framework. This ensures that the framework remains relevant, mitigating actions to effectively manage risk are appropriate and any emerging risks are identified. This review includes ESG risks where output is incorporated into our transition plans. Each GEC member is responsible for delivering any relevant climate risk management strategy within their area of responsibility; this includes the Group's energy and carbon reduction strategies, environmental targets for asset and development projects, and social initiatives. As part of the Group's new asset-centric approach, asset managers are ultimately accountable for delivering the strategy for their allocated asset, including initiatives and projects in response to identified sustainability risks.

In 2021, the Group engaged external consultants to identify short, medium and long term risks and opportunities in relations to different climate scenarios. The findings, which are shown on the following page, were presented to the Board and the GEC, and have informed both the Group transition planning and the asset specific Net Zero Asset Plans which were completed in 2022. Also in 2022, we undertook a climate risk review, ensuring the findings from our 2021 work in this space were still relevant.

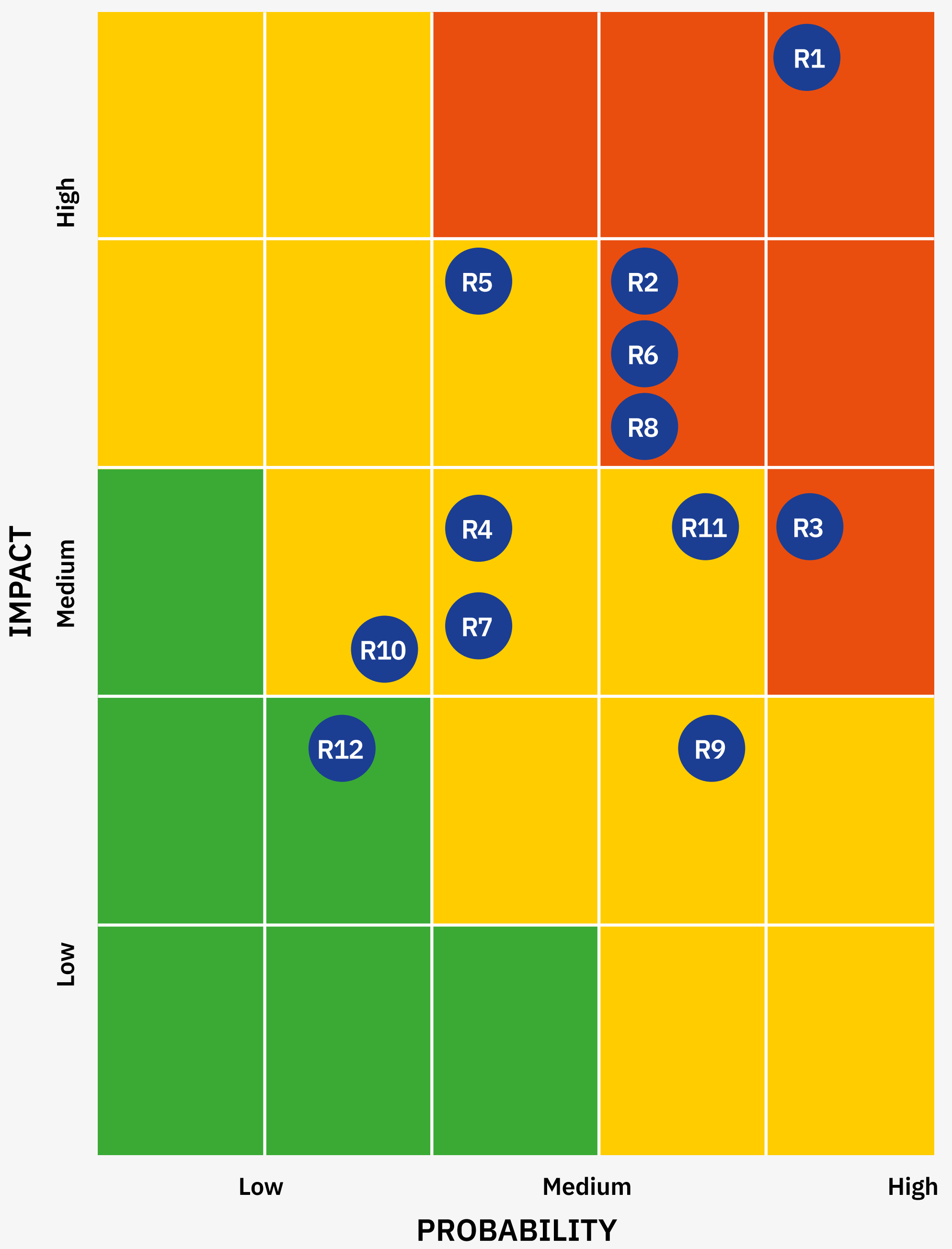
Key climate-related risks and opportunities for the Group

The 2021 climate risk review identified the Group's 12 most material risks (1.5.1) and 13 most material opportunities (1.5.2), in collaboration with colleagues from different functions. These were reviewed during 2022, with only minor amendments required.

The Audit Committee supports the Board in the oversight of risk and is responsible for reviewing the effectiveness of the risk management and internal control system over the course of the year.

Chart 1.5.1 Material Risks

In 2021, the Group identified and assessed its key climate risks with a time horizon and speed of onset.



RISK	DEFINITION	TIME HORIZON	SPEED OF ONSET
R1	Climate-related regulation including carbon pricing, planning regulations, climate adaptation and material choices	Early 2020s	Instant
R2	Climate induced changes to customer preferences for retail and leisure	Mid 2020s	Moderate
R3	Carbon and resource policies targeting reduced resource use and improved circularity	2020s	Rapid
R4	Failure to provide assets in line with market standards	Mid 2020s	Slow
R5	Reduction in the attractiveness of retail sector investments resulting in less investment	2030s	Moderate
R6	Macro economic shocks and impeded economic growth due to climate change or transition	2030s-2040s	Slow
R7	Severe and frequent extreme weather events causing disruption	2020s but ++ in 2030s and 2040s	Instant
R8	Chronic shifts in climate patterns affecting operations and consumer patterns	2030s	Slow
R9	Difficulties insuring assets at risk from physical impacts of climate change	Late 2020s	Moderate
R10	Failure to act credibly on climate change	Mid 2020s	Rapid
R11	Climate induced political activism or social unrest	2020s	Instant
R12	Failure to provide/cost to provide infrastructure demanded by occupiers and investors	Late 2020s	Moderate

Physical climate risk

Physical climate risk reviews for all the Group's assets were carried out in 2019. Using the latest climate change forecasting models (UK CP18 for UK and Ireland and CERFACS in France) exposure to flood, heat and drought (thought to be the most relevant climate events to the Group's portfolio and geography) were examined under a medium GHG emissions scenario, projected out to 2030 and 2050.

This asset-by-asset analysis allowed us to gain a preliminary understanding of the potential capital projects and future increases in energy costs to alleviate overheating in mall areas. The review also enabled us to assess some of the key transitional risks, for example exposure to medium-term energy and carbon pricing, regional zero carbon policies and short-term energy price volatility.

In 2022 we focused further on the application of our approach at an asset level, undertaking an audit of each asset to identify historic and current performance, opportunities for energy reductions and onsite renewables. The findings of our earlier physical climate risk assessments were also taken into account, although these confirmed our portfolio to have a low exposure, a view supported by our low risk Sustainalytics rating. We identified three different scenarios for each asset, aligned with CRREM pathways, and selected the most impactful interventions to determine a decarbonisation pathway for each. These findings informed our new flagship destination Net Zero Asset Plans (NZAPs) and the transition actions identified above will help embed the outputs of these across our operations.

Stranding risk

The Carbon Risk Real Estate Model (CRREM) tool was used to create pathways to the Paris-aligned 1.5°C target for 20 assets and three developments to help understand the risk of stranding, where the assets would not meet forthcoming legislative requirements.

Chart 1.5.2 Material opportunities

In 2021, the Group identified and assessed its key climate related opportunities with a time horizon and speed of onset.

OPPORTUNITY	DEFINITION	CRITICAL DATE
01	Portfolio adaptation to changing preferences	2030s
02	Priming assets with low carbon infrastructure	Late 2020s
03	Being known as a truly green real estate business	Early 2020s
04	Capitalising on tax incentives	2020s
05	Responding to demand for climate resilient buildings	2030s
06	Leveraging resources in a circular manner improving profitability	Mid 2020s
07	Divest from land and invest in other assets/options	2030s
08	Upgrade infrastructure to attract customers	Mid 2020s
09	Influence and support occupiers with their own sustainability ambitions	Mid 2020s
10	Onsite energy generation	Early 2020s
11	Repurpose car parks for new revenue streams	2030s
12	Attract new talent from carbon intensive industries	2030s
13	Low carbon transition could favour urban locations	Late 2020s

Our strategic response

All the risks and opportunities will be reviewed at least twice yearly by the GEC and Audit Committee to ensure they remain in focus for broader strategic decisions and to update the Group's ESG risks.

The key transition risks and any physical risks identified were accounted for in the newly developed Net Zero Asset Plans (NZAPs), which lay out pathways to Net Zero and work to implement these has already started.

The key opportunities identified will also be monitored and reviewed in 2023, as we look for ways to optimise these.

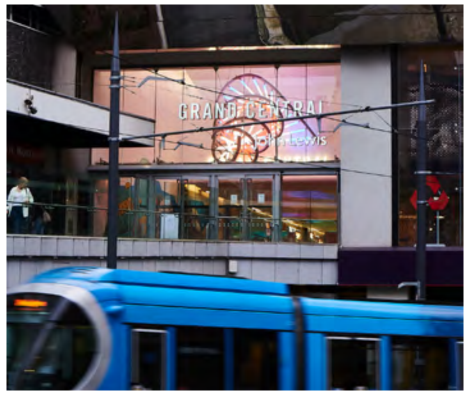
Funding change

Energy, water and carbon efficiency opportunities are identified as part of the submission of projects within the Group's annual business planning process. These are costed and analysed alongside all other business planning actions. ESG projects are prioritised taking account of the environmental benefit in terms of carbon, energy or water and also the financial returns. Projects that deliver energy and cost reductions to the Group's occupiers are recoverable from service charge, although in order to accelerate the delivery of these schemes the Group, and its joint venture partners, can chose to forward fund projects and recover the cost in future service charge years. This has to be approved by occupier associations and involves a relatively short (less than five years) payback. The projects approved for funding are then implemented and monitored jointly by the asset and ESG teams.

Managing financial risks and opportunities

The Group continues to assess where ESG risks may have potential financial impacts in the future, investing in projects to minimise these by acting early and proportionately. The Group recognises that climate risks may adversely impact rental income and operating or capital expenditure in the medium to long term. These impacts could, for example, arise from legislation associated with new environmental standards or carbon taxes; or the closure of assets due to flooding, overheating of enclosed public spaces, or social unrest driven by activist groups.

Depending on the nature, timing and severity of these risks, there could be impacts on the valuation of assets and the cost and availability of debt. Cash flows, balance sheet strength or net rental income could all be adversely impacted. The Group also recognises that there are opportunities that may arise through sound climate risk management, as demonstrated through the issuance of its €700m Sustainability Linked Bond (SLB) in 2021.



The resilience of our strategy

In our 2021 climate-risk assessment, three high level climate scenario narratives were created, according to recognised models from both the Shared Socioeconomic and Representative Concentration Pathways. The models used were SSP1/ RCP1.9, SSP4/ RCP2.6 and SSP5/ RCP8.5, two of which are for a 2°C or lower temperature increase and one for a 4°C increase. The scenario-specific impact, likelihood, time horizon and onset for each risk and opportunity was undertaken. This output from this assessment was presented to the GEC.

For Scenario 1, a steady path to sustainability (1.5°C by 2100), many of the identified risks are assessed as materialising steadily over the course of the current decade with a generally slow onset, this would allow the Group time to adapt its strategy accordingly. The two risks with the highest impact in this scenario relate to climate-related regulation and changes to customer preferences. Physical risk exposure is deemed to be low.

For Scenario 2, a late policy action (2°C by 2100), many of the identified risks are assessed as crystallising in quick succession in the early to mid-2030s. Almost all the risks have a higher impact and likelihood under this scenario. The risks with the highest impacts include climate-related regulation, macroeconomic shocks and policies targeting resource use. The Group's exposure to physical risks is generally greater under this scenario though these have been assessed initially as low in the Group. The strategy would be less resilient under this scenario but there would be opportunities to adapt.

Our management approach

IDENTIFY

The Group has an overall risk management framework for all operational, financial, reputational, climate-related and regulatory risks, which allows the Board to identify, assess and manage the Group's key risks. Those risks are assessed over the Group's strategic horizon which is currently three years.

The framework is reviewed bi-annually, with the Group ESG team feeding in regarding ESG, including climate-related, risks taking into account economic, regulatory and scientific changes. Risks are assessed using a risk heat map with the grid showing the potential impact and likelihood of each residual risk after taking into account mitigations.

A summary of the sub-risks identified by the Group ESG team is incorporated into the Group risk framework which is reviewed by the GEC, Audit Committee and Board.

There is also a separate, more detailed ESG risk framework which is maintained by the ESG team and supports the regular ESG reviews undertaken by the GEC and Audit Committee.

MONITOR

Metrics

We use a range of metrics to assess our exposure to identified risk and opportunities, these include:

- Energy consumption in kWh. This is monitored monthly in arrears and reported per asset, on both an absolute and as an intensity metric
- Energy and carbon price forecasts
- Scope 1, 2, and 3 carbon emissions

Targets

The Group's transition pathway to Net Zero encompasses our key carbon target – to be Net Zero by 2030. We have also published targets for landlord and occupier carbon emissions in our 2021 Sustainability linked bond.

We expect, through the achievement of these targets, that we will reduce our exposure to key identified risk areas including carbon pricing, restricted energy supply, water stress and limitations on resource use. We also expect to benefit from commercial opportunities in the generation of renewable energy, the development of zero carbon developments and successful positive engagement with current and future local communities and other stakeholders.

We agree annual asset level and portfolio level targets that reflect management's reduction expectations taking account of the ESG projects within the asset and corporate business plans.

- Annual gas, electricity and waste targets are set at asset level and are tracked monthly
- Targets are set for the Group's development projects in a project specific Design Brief, including net zero for carbon, tonnes of embodied carbon per m^2, water consumption and % of waste diverted from landfill.
- Compliance with Minimum Energy Efficiency Standards (MEES)

Performance is incentivised with up to 10% of the Group's Annual Incentive Plan (AIP) linked to carbon reduction for senior management, plus other ESG related actions captured within individual's personal ratings for AIP purposes.

MANAGE

Whilst the Group risk process incorporates the most significant ESG risks, the more detailed risk framework maintained by the ESG team is used to manage a wide array of ESG-related risks and includes appropriate mitigation actions to reduce the level of residual risk. The more detailed risks are also fed into the annual asset business planning process.

Asset specific responses

We have developed detailed Net Zero Asset Plans (NZAPs) for each flagship asset with specific interventions over the next five years aligned with CRREM pathways. The NZAPs for our French destinations are designed to ensure that the Group is compliant with local Decret Tertiaire legislation for 40% carbon reduction in shopping centres by 2030.

We explore our NZAPs further in Section 2.4.

Short-term mitigations < three years

The Group continues to invest in energy demand reduction measures so that it is less exposed to carbon pricing. Opportunities for further rollout of renewables is being explored, both onsite and offsite to support the decarbonisation of the portfolio.

We will continue to focus on compliance with Minimum Energy Efficiency Standards as a performance metric in the short and medium term. Now only 2% of UK units have a F or G EPC rating compared to 12% at the beginning of 2022.

We are increasing the use of AI to optimise building thermal energy performance with plans to introduce an enhanced version of our Grid Edge technology at Dundrum in 2023. Other measures to reduce energy consumption delivered in 2022 include a new AI system for car park lighting at Brent Cross and energy efficient equipment upgrades at a number of assets.

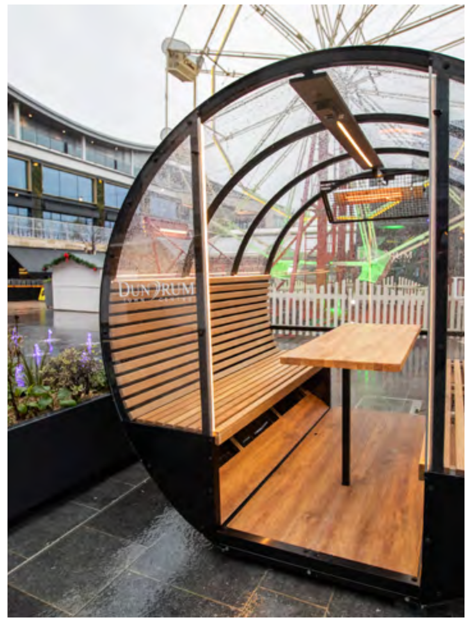
Medium-term mitigations > three years

Actions over a medium time horizon relate largely to occupier fit-outs or development projects. The Group has adopted a minimum BREEAM New Construction rating of Excellent and the LETI (London Energy Transformation Initiative) 2030 best practice targets for operational and embodied carbon and reuse in the Sustainable Design Brief (SDB) for all developments since 2020. In addition, we are targeting Passivhaus principles for the residential elements of any schemes, including Ironworks in Dundrum, a 122 unit residential scheme where construction started towards the end of 2022. These standards will lead to the delivery of designs and ultimately buildings, that are net zero carbon and resilient to climate risk.

Long-term mitigations

These relate to the gradual transition of the portfolio to a more diversified sector split through the repurposing of our existing flagship assets, in particular former department store space, and the development of the Group's city centre land holdings. We are addressing the climate risks by ensuring ESG is a fundamental element of the Group's development strategy.

We have developed detailed Net Zero Asset Plans (NZAPs) for each flagship asset with specific interventions over the next five years aligned with CRREM pathways.



Disclosure

Scope 1, 2 and 3 GHG emissions, related risks and performance against targets are contained within this 2022 ESG Report, alongside narrative about performance against targets and activity in 2022.

Additional information is shared in the 2022 ESG Databook.

1.6 OUR TARGETS

We published our Net Zero Carbon Transition Pathway in 2020 and we continue to use this pathway to set annual, like-for-like and absolute targets across the business.

	2023			2025			2030	
Environmental	5% reduction year-on-year in energy use Maintain a steady annual reduction in water use and set out formal targets for 2024 onwards Assess position against Net Gain Biodiversity targets and set out a Group wide plan	Divert 100% of waste away from landfill, reduce total waste streams and increase recycling rate Continuous improvement in reporting against TCFD recommendations	Implement 2023 targeted activities identified in Net Zero Asset Plans (NZAP) Remove any F&G EPC rated spaces from the business	60% reduction in Scope 1, 2 and selected 3 landlord controlled emissions (tCO_2e) by 31 December 2025 versus 2019 baseline	50% reduction in Scope 3 occupier controlled emissions (tCO_2e) by 31 December 2025 versus 2019 baseline		Achieve Net Zero status by 2030	
Social	All UK, France and Ireland assets to deliver at least four socio-economic initiatives during 2023 covering each of our four material impact areas: Employment and Skills, Enterprise, Health and Well-being and Developing Young People.	Support all colleagues to undertake a minimum of one volunteering day during 2023 All UK and Ireland assets to host work experience placements during 2023	Through colleague fundraising, raise a minimum of £5,000 for our UK corporate charity partner LandAid during 2023	Social targets are annualised to ensure we continue to meet local need				
Governance	Bi-annual climate risk and opportunity assessment Embed ISO 14001, 45001 and 50001 across the Group	Continued implementation of Sustainable Leasing Policy for occupiers Reporting in line with GRI and EPRA requirements and responding to TCFD recommendations	Maintain high rankings in key investor monitored industry benchmarks	Meet all outlined Development Design Standards targeting BREEAM Excellent	All core assets to have accreditation in place such as BREEAM In-Use	All assets to achieve third party accreditation to three standards	All occupier space to be EPC rated B or above	No assets to strand under CRREM

1.7 ASSET PERFORMANCE

Ensuring we have foundations in place at our assets that enable us to monitor, manage and improve performance on energy, water and waste is key to achieving our goals. We are unable to show everything on one spread as there would be too many, but below we provide a headline view of key tools and systems we use for each asset.

KEY

- EV vehicle charging points
- Biodiversity feature
- Water metering
- Energy metering
- On site renewables (PV panels)
- Rainwater harvesting
- Waterless toilets
- Net Zero Asset Plan (documentation)
- Skills and enterprise programme
- Young people/education

UNITED KINGDOM

All UK assets
All our assets in the UK have ISO accreditation: ISO 50001, 14001 and 45001

SCOTLAND

Aberdeen

1

1. Union Square, Aberdeen
EV vehicle charging points, Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation), Young people/education

Our team at Union Square continue to support charity partner Abernecessities, who help disadvantaged families by providing essential and basic necessities. In 2022, we provided mall space to launch their 'No Child Should Go Without Sweet Dreams' campaign, which raised funds to provide beds and cots for children and babies across Aberdeen who have nowhere to sleep.

Birmingham: 2, 3, 4

2. Bullring, Birmingham
EV vehicle charging points, Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation), Young people/education

3. Grand Central, Birmingham
EV vehicle charging points, Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation), Young people/education

4. Martineau Galleries, Birmingham
Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation)

Leicester: 5

5. Highcross, Leicester
EV vehicle charging points, Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation)

We installed floating islands to improve the biodiversity value of the canal that runs through The Oracle.

Reading: 7

7. The Oracle, Reading
EV vehicle charging points, Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation), Skills and enterprise programme, Young people/education

Bristol: 6

6. Cabot Circus, Bristol
EV vehicle charging points, Biodiversity feature, Water metering, Energy metering, Rainwater harvesting, Net Zero Asset Plan (documentation), Skills and enterprise programme, Young people/education

London: 8, 9

8. Brent Cross, London
EV vehicle charging points, Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation), Skills and enterprise programme, Young people/education

9. Centrale, Croydon
Biodiversity feature, Water metering, Energy metering, Net Zero Asset Plan (documentation), Skills and enterprise programme

Southampton: 10

10. Westquay, Southampton
EV vehicle charging points, Biodiversity feature, On site renewables (PV panels), Net Zero Asset Plan (documentation), Skills and enterprise programme, Young people/education

IRELAND

All Ireland assets
We have been proactively engaging with our Irish occupiers to reduce Scope 3 emissions using the smart meters we have installed across our assets. All our Irish assets are certified to ISO 14001 and 45001.

Dundrum Town Centre and Ilac Centre are also ISO 50001 certified and Pavilions is ISO 9001 certified.

The Grid Edge data and artificial intelligence (AI) platform has been successfully deployed at three assets: Bullring in 2018, Grand Central in 2019 and now Dundrum Town Centre in 2022. The technology enables us to flexibly manage heating, ventilation, and air conditioning (HVAC) to avoid unimpactful heating and cooling whilst also enabling us to draw energy from the grid when carbon intensity is lowest or when prices are cheapest. We can also maximise self-consumption from onsite generation.

In 2022, we continued with the installation of metering across our Ireland assets, installing Smart Flow metres at Dundrum Town Centre. The system provides the local management team real-time access to water usage and costs across the asset.

3. Dundrum Town Centre, Dublin

BREEAM: BREEAM-in-Use Very Good
DGNB (German Sustainable Building Council)

Dublin

3
2
1

2. Ilac Centre, Dublin

Where feasible, we continue to install or retrofit rainwater harvesting at our assets. In 2022, our latest system was installed in the Ilac Centre, providing enough water for 1.2 million toilet flushes. The system brings rainwater harvesting across our assets to an estimated 1,700 m³/year.

1. Pavilions, Swords

FRANCE

All French assets
We have BREEAM-in-use accreditations across all our French assets.

1. Les 3 Fontaines, Cergy (Paris region)

BREEAM: BREEAM Construction Excellent
Empl'itude

Aiming to promote job opportunities created by the new extension opening. More on the programme on page xx.

Paris

1
3
2

2. Italie Deux (Paris)

BREEAM: BREEAM-in-Use Excellent
BiodiverCity Life

3. O'Parinor, Aulnay-sous-Bois (Paris region)

BREEAM: BREEAM-in-Use Very Good

4. Les Terrasses du Port, Marseille

BREEAM: BREEAM-in-Use Outstanding/Excellent
Empl'itude

At our Marseille asset we have a connection to the local marine geothermal network called "Thassalia" for hot and cold supply.

Marseille

4

We explore our Net Zero Asset Plans in Section 2.4.

2. ENVIRONMENT

In 2022 we reviewed and reaffirmed our target to be Net Zero by 2030.

2.1 KEY STRATEGIC OBJECTIVES

In 2022 we reviewed and reaffirmed our target to be Net Zero by 2030, revising our strategy to focus our attention on how we will achieve this goal, and more closely linking our strategic goals with our approach to managing climate risk.

Reducing carbon emissions, primarily through energy reduction, then through renewable energy generation, is a strategic priority for Hammerson.

- Hammerson have committed to becoming Net Zero for carbon emissions by 2030, against a 2019 baseline.
- A performance target attached to our Sustainability Linked Bond – to reduce Scope 1 and 2 emissions by 60% by 2025 against a 2019 baseline, provides an interim target.
- A second target linked to the bond focuses our attention on reducing Scope 3 emissions – 50% reduction in Scope 3 operational, occupier controlled emissions (tCO_2e) by 2025 v. 2019 baseline.

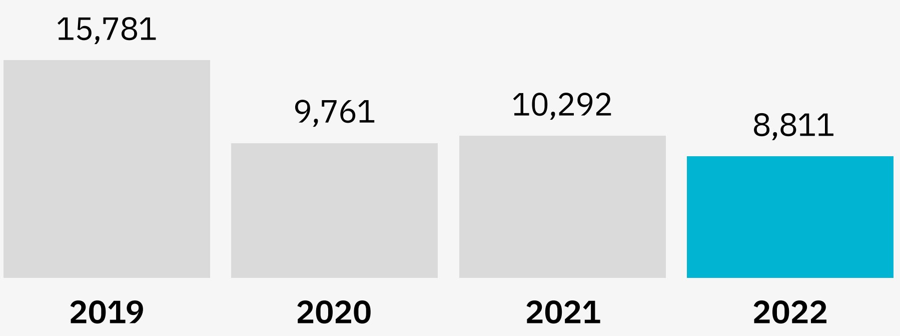
2.2 HEADLINE PERFORMANCE

Figure 2.2.1 Global GHG emissions (Proportionally consolidated)

2022 v 2019
-44.2%

2022 v 2021
-14.4%

Figure 2.2.2 Global emissions
tCO_2e



Our GHG emissions continue to reduce, dropping from 15,781 tCO_2e in 2019 to 8,811 tCO_2e in 2022*

Our carbon intensity has reduced 39%, or by 31% on a Like-for-like basis, since 2019*

% of UK portfolio with F and G EPC ratings 2%, down from 12% at start of the year

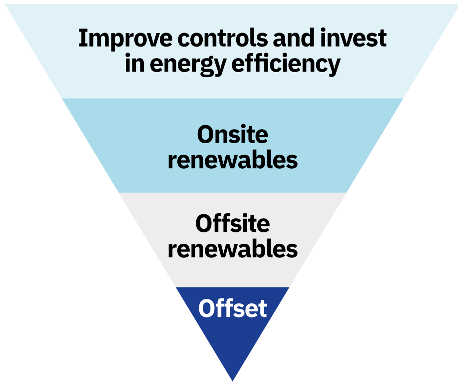
* On a proportionally consolidated basis

2.3 OUR APPROACH

We continue to focus on energy reduction, trying not to decouple energy and carbon. Energy use is the greatest operational impact we have, and by ensuring we keep our sights on this we can better engage our onsite teams and suppliers to operate as efficiently as possible.

This focus is demonstrated on our Net Zero Pathway Hierarchy (shown below) which ensures we are targeting true reductions in impacts, including the use of both onsite and offsite renewables with true additionality. This demonstrates our intention of taking steps to avoid just reflecting improvements made from grid decarbonisation and also to use offset as a solution to the climate crisis.

Figure 2.3.1 Net Zero Pathway Hierarchy



We remain focused on identifying and responding to both the risks and opportunities that climate change presents. In response to our Climate Risk work, ESG responsibilities have been embedded further into all areas of the business and we are enhancing our reporting and data collection through greater use of automation.

We utilise EPC and BER ratings as a tracking tool for changes to energy use in our occupier spaces. With our UK EPCs we are committed to removing F&G ratings from our portfolio. At 31 December 2022, we had reduced the number of F&G rated units in our UK assets to 2%, compared to 12% at the beginning of the year.

We share more on our EPC performance on page 27.

In 2023 we will continue the work we started in 2022 on exploring internal carbon pricing as a way to both drive down the carbon attached to our developments, and to direct funding into carbon and energy reduction activities.

We continue to focus on reducing water use, installing sub-metering and rainwater harvesting where feasible, although recognise that since 2020 water usage has been impacted by the volatile footfall levels we have seen associated with the impact of the Covid-19 pandemic. We also can see seasonal trends in our water consumption which would indicate increased landscaping use in the summer months. This will be explored in 2023 to create robust targets and action plans to manage.

We also remain committed to diverting waste from landfill and recycling. In 2022 we increased our Group recycling rate to 70% (2021: 63%) and diverted 100% of our waste from landfill. Through our new waste contract, signed in 2022, we are resetting our plans to reduce overall waste streams and increase recycling rates. The primary focus in this being food waste segregation and management.

Managing climate risks – We outline our approach to managing climate risks, and share the risks and opportunities we have identified, and how we manage these on pages 12-15.

2.4 KEY ACTIVITY IN 2022

Net Zero Asset Plans (NZAPs)

In 2022 we worked with Arup, the engineering consultancy with a specialism in sustainable development, to develop Net Zero Asset Plans (NZAPs) for each of our flagship destinations. These plans allow us to better understand the transition pathway to Net Zero for each asset and the investments required.

Site audits, including a consideration of plant lifecycles and a review of energy data, have helped to establish the current baseline and opportunities for energy and carbon reduction. The plans take into account physical climate risks, and anticipated grid decarbonisation. Further electric vehicle (EV) charging installations and existing and planned renewable energy generation were also considered during the development of the plans.

The NZAPs, which focus on reducing Scope 1 and 2 emissions from landlord operated areas, align with the UKGBC Net Zero Carbon Buildings Framework Definition – Operational Energy incorporating energy efficiency, renewable energy generation and then offset as a last resort.

Asset specific summaries showing target energy demand and carbon emissions for 2030, compared against three decarbonisation pathways present various intervention measures that could be considered to reduce carbon. Interventions such as air curtain changes, new air handling units (AHU) systems, lighting controls and fine tuning of existing building management systems are identified and the most impactful interventions have been selected for each asset, setting out a pathway for transition to Net Zero on an asset specific basis.

SPOTLIGHT Innovation investments to deliver on our ESG targets

We continue to invest in innovative new ways to reduce our energy use. In conjunction with our innovation team, the ESG team work to identify opportunities, evolve partnerships and aid the delivery of these new approaches. This approach helps to centralise learning to a focused internal team for better application across the Group.

Transitioning to Smart Buildings

The development of our Net Zero Asset Plans allowed us to identify a number of asset level energy saving investments. One such project was the installation of LED lighting and a smart control lighting system across the car park at Brent Cross.

LED upgrades have, and are, being completed at other assets. However, this was the first installation that looked at a robust control mechanism, automated emergency testing, and introduced the concept of a smart building using the Internet of Things (IoT) technology into the portfolio. The LED lights have been mapped to an online platform to create a digital twin of the asset to begin the transition towards a smart building, placing the asset in the position to launch IoT across other operational areas to derive further savings through data analytics and automation.

Key benefits of the project are:

- Forecasted energy savings of 889 MWh per year (-21%), resulting in a Scope 2 emissions reduction of 205 tCO_2e per year (-15%).
- The new LEDs improve the visual appearance of the car park by providing consistent high quality light and fittings.
- The installed MyMesh system provides a wireless connection to each light fitting for individual and zoned control and reporting. Lights can be adjusted based on daylight and occupancy levels. It can also report on faults, lighting hours, energy use, all of which will improve insight and maintenance needs.
- The reduced energy consumption will also result in a service charge cost saving of c. £110,000 per annum..

Utilising artificial intelligence

In 2018 we began a relationship with Grid Edge to trial their smart technology with the aim of reducing energy consumption, and accelerating our journey to Net Zero, and in 2022 we once again extended its application.

The Grid Edge data and artificial intelligence (AI) platform has been successfully deployed at three assets: Bullring in 2018, Grand Central in 2019 and now Dundrum Town Centre in 2022. Deployment of the tool is part of our Net Zero carbon transition pathway which assumes the future installation of the technology at four further assets.

The technology enables us to flexibly manage heating, ventilation, and air conditioning (HVAC) to avoid unimpactful heating and cooling whilst also addressing peak cost periods to align with low carbon generation; this enables us to draw energy from the grid when carbon intensity is lowest or when prices are cheapest. We can also maximise self-consumption from onsite generation.

We are also able to optimise our HVAC strategy by pre-heating or pre-cooling spaces, or by reducing demand during peak cost or CO_2 periods, which enables buildings to avoid unnecessary energy costs and CO_2 emissions.

Key outputs of the collaboration to date include:

- The provision of consumption reporting and alerts to enable the assets to mitigate any wasted energy (electricity and gas) usage on a timely basis.
- Using historic data, Grid Edge and the Bullring team work together to plan optimal heating and cooling strategies seasonally, resulting in estimated reduced energy consumption of 15-20%.
- In less than two months of deployment, Grid Edge enabled Dundrum to save over £10,000 and 24,000kWh by optimising their AHU controls.
- Grid Edge also supports the Group's reporting by analysing average heating and cooling, which informs our heating and cooling strategy.
- Grid Edge also supported a review of air quality at Bullring in response to Covid-19.

Working with our occupiers

Reducing Scope 3 emissions through collaboration

Working with our occupiers to reduce the operational footprint of the spaces they lease from us is key to reducing our Scope 3 emissions. In 2022, investors identified the need for landlords, such as Hammerson, to develop clear plans with regards to reducing these emissions, raising the potential for collaboration between real estate peers and with our occupiers to tackle the energy consumption in their space effectively.

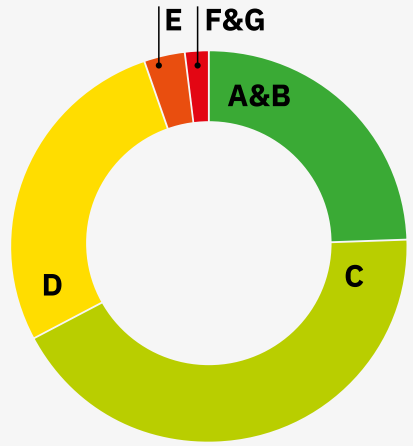
We already had a significant Scope 3 target in place, associated with our 2021 Sustainability Linked Bond, and underpinned by Scope 3 footprinting carried out in 2015 and re-baselined in 2019. In 2022, we began an active programme of occupier engagement, setting out a plan to work with our top 20 occupiers and holding Scope 3 focused discussions with nine of our largest occupier brands. These are the first steps towards establishing collaborative initiatives to reduce energy use in the brand occupied spaces of our assets, and to co-create consumer focused campaigns to tackle travel to our assets. This topic continues to evolve and we will provide an update of our work in 2023 in our next ESG report.

Our occupier fit out guide, which contains both mandatory and voluntary standards for our occupiers to achieve in their store designs, were revised in 2022 to increase further the mandatory expectations around energy consumption and efficiency of installations. Alongside our leasing policy, which was also revised in 2022, these governance changes underpin a clear determination to manage climate risk in partnership with our occupiers and to ensure that they are continuously challenged to do better than before.

Targeting EPC ratings beyond legislative requirement

We continue to improve our EPC ratings, and as shown in Figure 2.4 at 31 December 2022 less than 2% of units across the UK portfolio had F&G ratings compared to 12% at the previous year end. However, we are proactively aiming higher and our new leasing policy, updated in 2022, targets a B EPC level for all units leased beyond 2027; this ensures we stay ahead of increasing legislative requirements around EPC levels.

Figure 2.4 EPC ratings UK Assets 2022



	2022	2021
A&B	25%	13%
C	43%	38%
D	27%	28%
E	3%	9%
F&G	2%	12%

Increasing onsite renewables

The installation of onsite renewables continues to be a valuable part of our pathway to Net Zero. In 2022, PV panels were installed at the Ilac Centre in Dublin and were extended again at the end of 2022 as an onsite offset for the electricity consumption used in producing new signage across the site. In total, the panels will produce 14% of the total energy used at the asset.

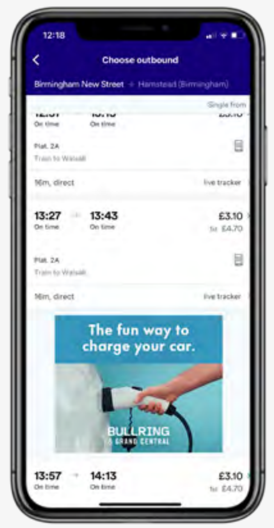
We now have onsite renewable generation at six of our assets, producing an estimated over 1,500 MWh.

Increasing EV charge points

As of the end of 2022 we had over 200 EV charging points across the portfolio.

The 2022 Commonwealth Games in Birmingham presented a fantastic opportunity to promote the 100+ EV charging points we have installed at the Bullring and Grand Central destinations. The use of these EVs was dedicated to the Commonwealth Games fleet for the duration of the games and then became available for our guests to use.

Through geo-targeting data, and data received from the DVLA, we were able to reach owners of electric vehicles using a variety of display formats across their devices, such as banner adverts on weather checking sites and train booking systems.



SPOTLIGHT Energy reduction in France

Our work on energy reduction across our French assets was bolstered in 2022 by the National Energy Saving Plan introduced by the French government. The objective was to reduce national energy consumption by 10%, decreasing reliance on oil and gas from Russia.

We responded with a number of initiatives at our assets to drive down energy use, such as 100% LED lighting and BMS reviews. For the latter, the main focus was on the adjustment of schedules and processes to deliver savings including:

- Optimising time schedules for lighting and HVAC equipment
- Regular audits to identify unnecessary consumption and the implementation of sub-metering
- Decreasing asset temperature
- Closing car park levels when usage is low

The changes delivered a 10% reduction in consumption and the decision has been made to maintain the adjusted schedules and build on them further in 2023 to derive more savings.

We have established BREEAM In-Use across three of our four French assets with Italie Deux achieving Excellent, O'Parinor Very Good and Les Terrasses du Port Outstanding. Three assets also ranked A in EPC ratings renewed in 2022.

SPOTLIGHT Water efficiency in Ireland

In 2022, we continued with the installation of metering across our Ireland assets, installing Smart Flow meters at Dundrum Town Centre and water meters in each individual unit at the Ilac Centre, Dublin.

The Dundrum Smart Flow system gives the local management team real-time access to water usage and costs across the asset. One leak alert identified a 12,000 litres/hour leakage. which had it remained undetected would have drastically altered the water usage trajectory for our asset, and cost €262,000 per year in water charges.

Where feasible, we continue to install or retrofit rainwater harvesting at our assets. In 2022, our latest system was installed in the Ilac Centre, providing enough water for 1.2 million toilet flushes. The system brings rainwater harvesting across our assets to an estimated 1,700 m^3 per year.

SPOTLIGHT Biodiversity in Reading, UK

Through the ISO 14001 system we have biodiversity actions plans in place at certified assets in UK and Ireland. We are conscious there is more we can do, and are looking to develop a group-wide approach in 2023, including how Net Gain will impact our approach whilst also considering the anticipated requirements of TNFD (Taskforce on Nature related Financial Disclosures).

Floating river beds at The Oracle
Together with Reading Abbey Quarter Business Improvement District and the Canal and River Trust, The Oracle team planted a series of floating beds along the Kennet Canal. The 94m^2 of bedding were quickly established with 1,300 reeds, sedges and other flowering plants, planted into 'Biomatrix', a 100% recyclable, non-toxic material.

The newly installed beds lay a short distance from the Delphi Bridge, outside the restaurants and bars at The Oracle Riverside.

The onsite team enlisted the help of 31 students from Redlands Primary School to assist with planting, and the project linked extremely well into their national curriculum learning on photosynthesis.

The floating beds will soon be attracting birds and insects, provide wonderful shelter for fish and other species in the canal, and will greatly enhance the wider Reading River network.

3.SOCIAL

Delivering social value is our second key ESG goal.

3.1 OUR APPROACH

Our approach here is also asset-centric, and therefore, community centric.

We aim to respond to local needs and build relationships at both a national and local level to achieve our material social objectives of:

1. Building skills and employment
2. Developing young people
3. Encouraging and supporting local investment and enterprise
4. Supporting health and wellbeing

These areas provide the Group with the greatest potential to support positive change through partnerships and collaboration, and those that have been identified as most relevant to the communities in which our assets are located.

We wish to shape, deliver and support at least four socio-economic initiatives annually at each of our assets, covering our four material impact areas. Where we have specific programmes of activity, such as our work experience placements, we want to ensure these are rolled out across our portfolio, with a target for all UK and Ireland assets to host work experience during 2023.

We also wish to support the wellbeing of our colleagues by helping them to feel more connected to the local community. We will facilitate a minimum of one day of volunteering per colleague per year, and support colleague fundraising, where we aim to raise a minimum of £5,000 for our UK corporate charity partner LandAid during 2023. Our local charity bursaries will also continue, enabling our asset teams to invest in charitable organisations making a positive difference in their local communities.

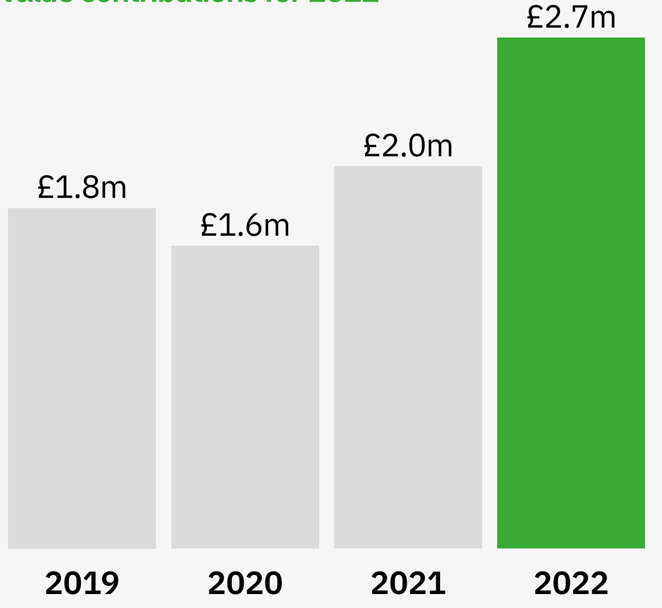
3.2 HEADLINE PERFORMANCE

Our social value activity has overall increased by £0.7m, or 33%, in 2022 with the below initiatives contributing to the increase:

- Donation of additional retail units at Centrale and Whitgift in Croydon to local charities, organisations and groups.
- Cash and retail units donations to support Festival Du Regard, a large scale Photographic Art Festival at Les 3 Fontaines in France.

Figure 3.2.1 Social value contributions

33% increase in social value contributions for 2022



During 2022 we partnered with 152 charities, organisations and groups and positively engaged with 8,641 individuals.

On the following pages we share examples of work aligned to each of our four material social objectives.

3.3 KEY ACTIVITY IN 2022

1. Building skills and employment

Our assets are an important part of their local economies, creating employment opportunities for thousands of people in the UK, France and Ireland. Throughout 2022, we have continued to collaborate with our occupiers and partner with organisations such as local authorities to support individuals furthest from the jobs market into employment and key achievements were:

Jobcentre Plus partnerships

At Brent Cross, we continued our partnership with Jobcentre Plus to support 'Let's Talk Shop', a jobs brokerage service which focuses on a career pathway into retail. During 2022, through one-to-one engagement with our retailers and the jobs fairs held onsite, 70 local residents were placed into employment at the asset.

In Bristol, a joint jobs fair with Bristol City Council, our occupiers and other local employers engaged over 700 people seeking employment including several refugees who had recently arrived in the UK fleeing conflict in Ukraine.

While in Centrale and Whitgift, our collaboration with Jobcentre Plus focused on placing local unemployed disadvantaged young people into work through 'Kickstart', a 'speed dating' style jobs fair.

> "A massive thank you for giving us a life changing opportunity of hosting our Kickstart recruitment event at Centrale. The atmosphere was buzzing. The local community were so happy and so many young people were offered Kickstart opportunities. Please extend my heartfelt gratitude to your warm and caring team."
>
> JOBCENTRE PLUS

Reducing textile waste and building new skills

At Centrale and Whitgift, we have partnered with Croydon ReUse Organisation to establish the Textile Repair Café within a previously vacant unit providing an opportunity for local residents to gain new skills. Through workshops delivered by Croydon ReUse Organisation volunteers, attendees learn how to repair, refashion and recycle old textile items rather than throw them away. In addition to up-skilling, the Café aims to educate workshop attendees on thinking twice before disposing of old or damaged items.

68 workshops held since March 2022

> "We've had great feedback from participants and the informal nature of our workshops allows attendees to socially interact with others whilst gaining valuable, transferable skills. The Café not only helps the environment, but helps participants too at the time of a cost of living crisis when purchasing new clothes might not be an option."
>
> **Croydon ReUse Organisation**

2. Developing young people

We have partnerships at a national level to support our goal of developing young people. We will continue to nurture these relationships, building on shared learning to continuously evolve and expand our delivery of programmes with successful outcomes. Key achievements in 2022 included:

Lion/Brave/CuchulainnHeart Challenge

We have continued our support of the highly acclaimed Lion/Brave/CuchulainnHeart Challenge with funding and colleagues volunteering as business mentors and judges to support the programme. The Challenge is a high impact programme with pupils gaining valuable skills and knowledge they can use at school and in future employment. Following the programme, pupils report a significant improvement in the skills to progress with their future career aspirations alongside an increase in confidence and self-belief.

> "As a father I was keen to learn more about the specialist programmes shaping the minds of our future generation. The Challenge not only took the pupils out of their comfort zones, but it also presented real life working issues such as working to tight deadlines and working with new people to overcome potential animosity."
>
> HAMMERSON VOLUNTEER

462 secondary school pupils engaged in a challenge in 2022

3. Encouraging and supporting local investment and enterprise

We support a number of enterprise focused initiatives which provide mentoring, interview panels and investment funds to support budding entrepreneurs. Key examples in 2022 included:

Entrepreneurial Barnet

In 2022, we collaborated with Middlesex University and partnered with Barnet Council to support a business start-up competition for local residents and university students to apply for seed funding to start or develop their business idea.

Following the competition's application process, 30 entrepreneurs attended a series of workshops, masterclasses, tailored one-to-one mentoring sessions and pitching challenges before finalists were selected to present their business idea. Shortlisted finalists were invited to deliver a five minute Dragons' Den style presentation pitch explaining the concept of their business idea, the problem it sets out to solve, marketing strategy and financial modelling to a panel of renowned entrepreneurs and business leaders including Hammerson's Chief Financial Officer.

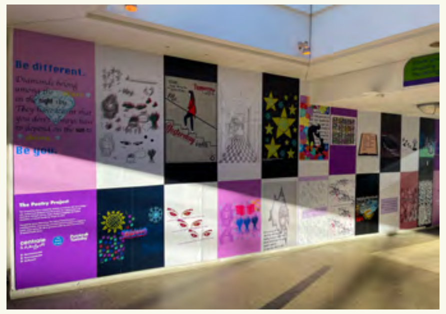
Securing first prize with £9,000 seed funding was Eva Dojackova to launch 'Suit Me', an up-cycling clothing business selling women reworked designer suit jackets previously worn by men.

4. Supporting health and wellbeing

Beyond being places to shop, our flagship destinations are places of life with an ever increasing diversity of offer, where people meet to have quality time together. We want to make our assets as accessible and inclusive as possible. In 2022 we delivered a range of customer focused engaging events and activities in partnership with local organisations and disability support groups, key examples were as follows:

Purple Tuesday

Each year, our UK assets support Purple Tuesday, the annual national campaign that aims to promote better accessibility for customers with a physical or mental disability and to highlight what can be done to create a more inclusive customer experience.



At Centrale and Whitgift, we partnered with Coulsdon Sixth Form College and The Poetry Project to create a piece of artwork linked to Purple Tuesday. Founded by James McInerey, The Poetry Project focuses on creating positive, empowering and motivational messages on display in public areas across the UK to promote wellbeing and raise awareness of mental health issues.

Through a competition process, we tasked Coulsdon Sixth Form College students to research the aims and objectives of Purple Tuesday and Poetry Project quotes to create relatable pieces of engaging artwork. A collage of students' artwork has been permanently installed at a prominent location within the asset. Coulsdon Sixth Form College commented that in addition to their pupils understanding more about the issues and stigma surrounding mental health, the opportunity to participate in this project has increased confidence and aspirations amongst students.

#NoBull campaign for Mental Health Awareness Week

It's estimated that one in four people in the UK experience a mental health problem each year, with research suggesting Covid-19 has led to a significant increase in anxiety, stress and depression.

During Mental Health Awareness Week, we collaborated with mental health charity Birmingham Mind, the NHS and Living Well UK to deliver #NoBull, a high profile campaign which saw the iconic bull at The Bullring removed from public view to encourage people to talk about mental health. For the first time since installation, the iconic bull was 'boxed' out of sight, with messaging around not covering up mental health issues and promoting the support available locally, including a pop-up wellbeing drop-in hub within The Bullring.

The campaign resulted in a phenomenal amount of media coverage:

385 local residents engaged to discuss their mental health or that of a friend or family member

24.8m PR reach

18 pieces of press coverage

3.4 INVESTING IN OUR PEOPLE

We invest in the health and wellbeing of our people through offering training and development opportunities; providing access to healthcare benefits including private medical cover and our Employee Assistance Programme; and by helping our colleagues to connect and give back to their communities through volunteering and fundraising.

Our health and safety policies aim to protect not just those visiting our assets or offices but also those working in them. We also aim to support asset-based colleagues who have encountered challenging or traumatic experiences at our assets with support and face-to-face counselling.

See 'Our colleagues' section on page 24 of our 2022 Annual Report for more about our investment in our people.

Affinity Groups

The most successful businesses from both a colleague and value creation perspective are those that champion diversity. It can deliver great innovation, a far deeper understanding of customers, and colleagues develop a more varied range of skills and outlooks as a result.

Continuing on our journey to shape a more diverse and inclusive culture at Hammerson is a priority for both the Group Executive Committee (GEC) and the Board. We are committed to accelerating progress in this important area and our work during 2022 has further shaped our colleague and DE&I strategy.

Our four colleague-led Affinity Groups: LGBTQ+, Race & Ethnicity, Women, and Wellbeing continued to make great strides in raising awareness, creating conversations and highlighting educational resources, sharing personal stories and support around these important topics. A GEC member sponsors each Affinity Group to drive further momentum and action on matters of importance to our colleagues, partners and communities.

During 2022, the Affinity Groups organised and delivered a series of events that utilised both in person and online content to raise awareness and understanding of the unique challenges faced by our diverse colleague base. Events included:

The **Wellbeing** group supporting Blue Monday and Stress Awareness Month, with yoga sessions, baking classes, self-care Friday and gratitude journalling. In May, they ran Mental Health Awareness sessions, including the Resilience Espresso Session webinar, with Om Phoenix; this gave tips on stopping and pausing, recognising the signs of stress or burnout, building resilience and learning practical tips and techniques to assist with stress levels. Over 70 Attendees joined the event to express themselves and speak honestly about mental health.

The **Women's** group hosted a panel discussion for International Women's Day with journalist Farrah Storr and a number of our own colleagues.

During Pride month the **LGBTQ+** group had film showings of Pride, and visited the Queer Britain museum all of which were followed by participant discussions.

For Black History Month the **Race and Ethnicity** group collaborated with mental health charity Movember and the Wellbeing group to deliver a panel discussion on mental health affecting our black and ethnic minority colleagues, friends and family.

As we move into 2023 we have assigned a new Diversity and Inclusion Engagement Manager, who reports directly to our Chief People Officer. DE&I targets have been built into team and personal objectives, allowing us to assess performance in this area across the Group.

A GEC member sponsors each Affinity Group to drive further momentum and action on matters of importance to our colleagues, partners and communities.

SPOTLIGHT Delivering social value through our French assets

As a result of our focus on enhancing skills and employment opportunities for local communities two of our French assets, Les 3 Fontaines and Les Terrasses du Port, have been awarded the Empl'itude label, and we plan to broaden this to the other two French assets in 2023. Empl'itude is the first territorial CSR label in France which promotes the actions and best practices of organisations in terms of employment, human resources and societal commitment.

> "In Paris, we are also focused on ensuring local employment opportunities, and signed an agreement in May 2022 with the City of Paris to promote employment opportunities to the communities close to Italie Deux."

At Les 3 Fontaines, the opening of the new food court in September 2020 and the major extension in March 2022, presented an unprecedented employment opportunity. We were keen to ensure these opportunities benefitted communities local to the asset. Fountains of Employment was established to connect local audiences with the wide spectrum of positions created including those with brands and service companies. This dedicated system gives job seekers access to employment offers, and the chance to apply, supported by local employment agents. Key results were:

- 150 job offers published through Fountains of Employment, spanning 50 retailers.
- 1,248 individuals visited Fountains of Employment, with 61% of these being under 25 years old.
- A number of our brands hosted job seeker sessions, including Kiabi, Adidas, La Casa de Las Carcasas, Boulangerie des 3 Fontaines.

In Paris, we are also focused on supporting local employment opportunities, and signed an agreement in May 2022 with the City of Paris to promote employment opportunities to the communities close to Italie Deux. The agreement identifies priority audiences to engage including the unemployed, those with no higher education and disabled workers.

In Italie Deux we opened the first SKOLA shop in inner Paris. SKOLA is the face of a charity called Foundation Apprentice d'Auteuil, and aims to give 16-30 year olds practical experience of working in sales as part of a Diploma programme. Of 20 individuals who worked at SKOLA, 18 went on to achieve a Retail diploma, which allows them to work for retail companies as a shop assistant or shop manager.

18 of 20 individuals, who worked at SKOLA, went on to achieve a Retail diploma, which allows them to work for retail companies as a shop assistant or shop manager.

4. GOVERNANCE

In terms of Governance, we revised our structures with the ambition to operate in a more diligent way, with all elements of ESG embedded across the business.

4.1 STRATEGIC OBJECTIVES

In 2022, we revised our approach to sustainability to enhance our alignment with market and investor expectations and restructure around the three pillars of ESG. We are committed to reaching Net Zero by 2030; maintaining our position as an ESG leader in the round validated by strong benchmarking; and ensuring the highest standards of operational performance and corporate governance. This includes evolving our data quality and transparent reporting.

To achieve our aims we need to maintain the support of our occupiers, customers, partners, the communities affected by our operations, our colleagues, and our equity and debt investors. Collectively our stakeholders have numerous and changing demands on the way the business conducts itself. We endeavour to maintain the right balance as these demands continue to evolve, and to treat everyone in line with our values. We recognise that evolving and improving our governance structures will remain a focus for Hammerson.

4.2 INDUSTRY BENCHMARK PERFORMANCE

100%
FLAGSHIP DESTINATIONS WITH NET ZERO ASSET PLANS

All UK and Ireland assets certified to ISO 14001 and 45001

Revised volunteering policy agreed in 2022

GRI and EPRA compliant reporting

Redesigned ESG Report and Databook for 2022

GRESB 2021
Score: **75**

MSCI ESG RATINGS
CCC B BB BBB A AA AAA
Rating: **AA**

ISS ESG
Rating: **C+ PRIME**

SUSTAINALYTICS
a Morningstar company
Rating: **LOW RISK**

4.3 GOVERNANCE CHART

Managing climate and transition risks, and delivering social value across our assets, requires us to embed ESG across the Group and to support our teams in building the capabilities required to deliver against our ESG goals.

The Board collectively has overall responsibility for climate risk and wider ESG matters and ensures that risk management is effectively integrated across the Group, including in its policies, processes, culture and values.

The Audit Committee supports the Board in the oversight of risk and is responsible for reviewing the effectiveness of the risk management and internal control system over the course of the year.

A clear governance structure with ownership at senior level and a set of strong foundations is key to our approach and the Group's governance structure is shown on the chart below.

CFO

The Group Executive Committee (GEC) is accountable for the management of climate-related risks, with the Chief Financial Officer being responsible for the delivery of the Group's ESG strategy.

DEPUTY CFO

ESG performance, asset plans, risks and targets are monitored by the GEC who receive information and updates from the Deputy CFO (GEC member) and Head of ESG on a regular basis throughout the year.

HEAD OF ESG

The Group Management Committee (GMC) meet weekly and review leasing, project progress and any operational issues arising around ESG, with larger issues elevated to the GEC. Our Head of ESG is part of the GMC.

ESG operational performance is monitored throughout the year by the Head of ESG. The French ESG lead meets with the Head of ESG at least twice a quarter to discuss activity and performance.

Our Community Manager leads our social value initiatives, working closely with our onsite teams.

ESG TEAM

4.4 BUILDING CAPACITY THROUGH COLLEAGUE TRAINING AND DEVELOPMENT

We invest in ESG training for colleagues across the Group, from training as part of our onboarding of new colleagues, through to role specific training for operational staff.

Key ESG-related training outcomes for 2022 included, but were not limited to:

82 colleagues participated in environmental related training including two online modules: Sustainability Overview for Hammerson Employees and Refresher for IEMA Environmental Awareness.

6 internal workshops were created and delivered for French colleagues to increase awareness of climate change.

83% of colleagues were trained by Cl!mate Fresk representing over 228 hours of training time.

4.5 STRONG MANAGEMENT SYSTEMS

We have worked hard over the last few years to embed management systems ISO 14001, ISO 45001 and ISO 50001 across the Group.

We have these in place across all UK and Ireland assets (except for ISO 50001 at Swords Pavilions) with ISO 14001 also in place in France. We are rolling out ISO 45001 and ISO 50001 in France over the next two years.

To support these certifications and robust ESG management we are adopting BREEAM in use across our flagship portfolio with certification in place in France and Ireland already.

In addition to this, Dundrum Town Centre also has Deutsche Gesellschaft fur Nachhaltiges Bauen (DGNB) certification in place which recognises sustainable building practices and encourages optimisation.

As we enter 2023, the way we manage our assets is changing. Jones Lange LaSalle (JLL) is taking on operational management aspects for all UK assets, and we are excited by opportunities to utilise their extensive ESG experience at asset level. As part of this change we are reviewing the capabilities of our management systems to ensure these reflect best practice for us as a business.

4.6 ROBUST ENERGY PURCHASING

We have bespoke procurement strategies in each country in which we operate to ensure we address energy pricing, in addition to consumption, as all components need appropriate governance.

Within France we operate a semi flexible model which means we can undercut the extreme market rises. In Ireland we have a tracker product to ensure we do not pay above market rates. Finally, within the UK we have a fully flexible procurement model which enabled us to forward purchase energy out to September 2025 at rates notably lower than the market and enabling us to mitigate the risks to the market volatility seen in 2022.

4.7 CLEAR SET OF POLICIES

There are a number of policies that lay out key ESG principles. The application of these delivers continued improvements across the business. Below we highlight the key ESG policies and some of the outcomes in 2022.

We undertake an annual review of the Group's ESG policies, with all external policies approved by the Board. This enables us to ensure we continue to meet regulations in all applicable areas, to reflect any learnings and feedback on the policies, and to evolve our approach as the business evolves and transforms.

In 2022, the review identified the need for a standardised group-wide volunteering policy, as our approach across the Group had become fragmented. A new policy was developed, approved by the GEC, and provides clarity and consistency and encourages colleague volunteering.

POLICY	DESCRIPTION	POLICY APPLICATION AND OUTCOMES
Energy policy	Sets out the Group's commitment to endeavour to use best practice in the design and operation of the Group's assets to minimise energy demand across multiple time horizons and procure energy in a responsible manner	The UK and Ireland flagship destinations procured 100% renewable electricity in 2022. We also undertook audits and compliance reviews within the ISO 50001 compliant energy management system. To transition the Group to Net Zero by 2030 we completed Net Zero Asset Plans for each flagship asset, identifying projects to address building controls, energy efficiency and onsite renewable through the application of the energy hierarchy.
Environmental policy	Includes the Group's overarching commitment to design and build properties using sustainable materials and practices and managing assets under the Group's control efficiently to ensure compliance and continually improve environmentally.	In 2022, we maintained our ISO 14001 and ISO 50001 accreditation across the UK and Ireland. To ensure we continue to improve and embed proactive environmental management we have also implemented an ISO 14001 compliant management system in Chateaudun (our corporate office in Paris) and two French destinations (Les Terrasses du Port and O'Parinor).
Climate change policy	Sets out the Group's commitment to develop and implement climate change management and mitigation strategies at a corporate and asset level. Recognising three climatic scenarios and the risks and opportunities that arise from these scenarios.	The Group identified colleagues in core roles across the business to participate in a Climate Scenarios workshop in 2021. To build on this, throughout 2022 we reviewed risks and opportunities and mapped these across the assets to confirm the deliverablility of the areas identified. To support this we have revised our development standards with a view to ensuring they address climate risks and opportunities by addressing climate change within the design process.
Biodiversity policy	Aims to ensure that opportunities to protect, enhance and restore biodiversity are maximised while ensuring that any negative impacts resulting from the Group's business operations are minimised.	In 2022 we acknowledged that in order to address our operational impacts we need to not only focus on climate change but more robustly work on biodiversity net gain to ensure we minimise our contribution to the global biodiversity crisis. We continue to install beehives and pollinator planting regimes and also encourage education to position our assets as supporters of local biodiversity in the areas in which we operate. A good example of this work in 2022, was the installation of floating river beds on the River Kennet. The team at The Oracle worked with the Canal and River Trust and the Reading Abbey Quarter BID to plant 1,300 aquatic plants on these beds. Also in 2022, Italie Deux in Paris was awarded the BiodiverCity Life Label.
Volunteering policy (internal)	Aims to clarify the volunteering policy and approach adopted to align to our wider asset centric strategy. Serving the communities in which we operate.	In 2022 we developed a new group-wide Volunteering policy to align our approach to volunteering across the Group. This policy reaffirms Hammerson's asset-centric approach and demonstrates how volunteering underpins our approach to enhancing social value and the link to our people's contribution to this.
Charitable donations policy (internal)	Documents how we support charitable causes in relation to donations and match funding.	This is our second social value focused policy which documents our commitment to match funding for causes our people are passionate about.

4.8 COLLABORATING WITH OUR STAKEHOLDERS

From an ESG perspective we have identified Occupiers, Colleagues, Communities, Partners, and Investors as our key stakeholder groups. We endeavour to undertake activities each year with each of these groups in order to build our relationships and to develop collaborative opportunities to drive positive change.

OCCUPIERS

HEADLINE ACTIVITY
Meetings with key occupiers to discuss collaborative ways of working, especially on Scope 3 emissions.

MORE ON ACTIVITY
Reducing Scope 3 emissions will be impossible without strong collaboration with our occupiers. Teams across our Irish assets have made great headway in 2022 to build relationships with occupiers that will help us to better understand energy consumption within their spaces, and in turn facilitate a better mapping of Scope 3 emissions across the Group.

We also continue to strive to improve the quality of our data in this area. In France, where our occupiers now submit their data to the Government, we are exploring ways to access this data and hence reduce the administrative burden of collecting this data.

Our management teams at the Ilac Centre, Pavilions and Dundrum Town Centre have all committed to taking monthly manual readings of our occupiers' energy meters. These readings enable us to identify any unusual or excessive consumption and to speak directly to the occupiers to gain insight and explore actions to reduce energy usage.

These proactive actions also mean we have more data to inform the Scope 3 footprint of our assets and inform actions for managing down occupier consumption in a cost effective and supportive way across the Group.

AMBITIONS
- To obtain accurate data for electricity and gas for over 50% of our occupiers to contribute to our SLB SPT2 Scope 3 commitments.
- Further engagement with our occupiers to ensure a collaborative approach to ESG is adopted in an asset-centric way.
- Improve data automation and consistency in approaches across all territories to enable Group targets to be validated and met.

COMMUNITIES

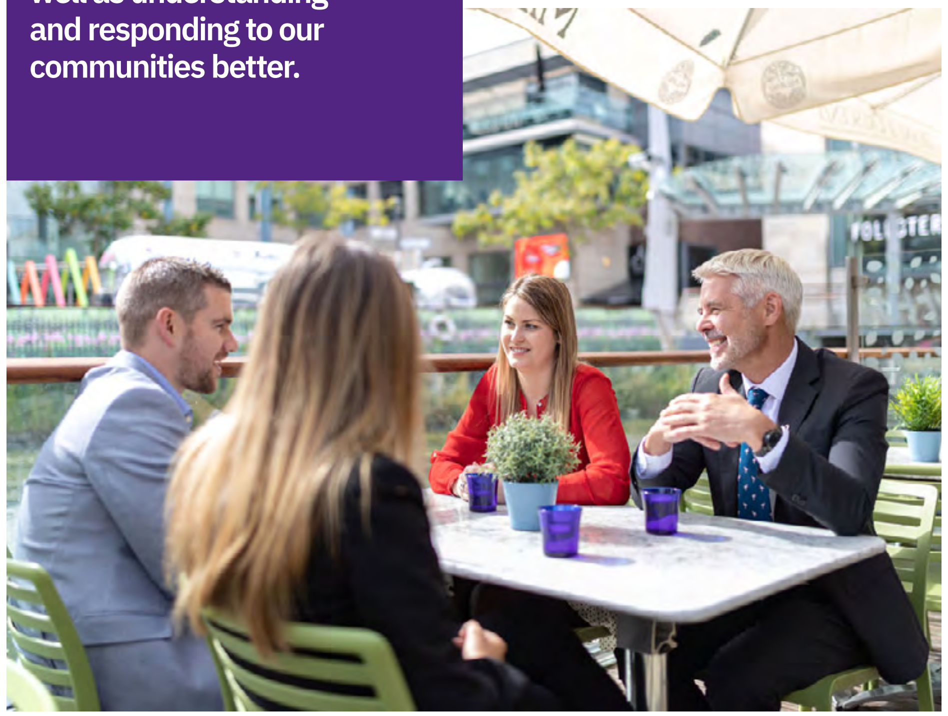
HEADLINE ACTIVITY
£2.7m social value investment delivered in 2022.

MORE ON ACTIVITY
During 2022 we partnered with 152 charities, organisations and groups and positively engaged with 8,641 individuals.

Our colleagues also actively engaged with our local communities and in 2022, 128 colleagues volunteered time to support worthy causes.

AMBITIONS
- Embed new Group Volunteering policy and hold corporate "Giving Back Day" to support local charities, organisations and groups.

Our Affinity Network helps us to connect with and support all colleagues across the Group, as well as understanding and responding to our communities better.



COLLEAGUES

HEADLINE ACTIVITY
Numerous colleague events held by Affinity Groups (LGBTQ+, Race and ethnicity, Women, and Wellbeing) fully supported by senior leadership team.

MORE ON ACTIVITY
Our Affinity Network helps us to connect with and support all colleagues across the Group, as well as understanding and responding to our communities better.

Early in 2023 we created a new role for a Diversity and Inclusion Engagement Manager to provide full-time resource in this area. More information on our Affinity Groups and how we engage with colleagues is on page 34.

AMBITIONS
- Undertake engaging programme of colleague events in 2023 to increase awareness and understanding of diversity, equity and inclusion across the Group.

PARTNERS (JV PARTNERS)

HEADLINE ACTIVITY
Engaged with JVs to demonstrate the Group's strategic approach to ESG and the material areas in which we focus.

MORE ON ACTIVITY
We engaged with our JV partners on our focus on material issues as identified in our materiality review. We also moved from Sustainability to a more inclusive approach with ESG aligned to our JVs needs.

We continue to target reductions in emissions at our assets. For Scope 1 and 2 emissions, we completed NZAPs for all flagship destinations to transition the assets to Net Zero and incorporated a number of bespoke requests for certain JV partners. For Scope 3 emissions, we have ongoing discussions with a number of JV partners, including GIC and AXA, regarding a collaborative approach to occupier engagement.

AMBITIONS
- Meet with JVs to obtain approval for the Annual ESG Plans, including projects in each assets NZAPs.
- Obtain BREEAM in use certification across the flagship portfolio.
- Support JV certification and standards to meet their ongoing compliance and reporting needs.
- Progressing action plans to collaborate on reducing Scope 3 emissions over the first half of 2023.

This move improves our supply chain management and leverages extensive experience and market knowledge via JLL.

PARTNERS (SUPPLIERS)

HEADLINE ACTIVITY
Continue to adopt supplier engagement and reviews to improve our supply chain impacts and encourage best practice.

MORE ON ACTIVITY
During 2022 we adopted a procurement platform to automate and ensure consistent application of our Supplier code of conduct and related Sustainable procurement policy. We also introduced new supplier questions to our pay system, and reviewed our development supply chain questionnaire to align to the refreshed development standards.

AMBITIONS
- For 2023 we continue to rationalise our supply chain. For the UK portfolio we have partnered with JLL to deliver property management and asset operations. This move improves our supply chain management and leverages extensive experience and market knowledge via JLL.

INVESTORS

HEADLINE ACTIVITY
Complete investor meetings and ongoing engagement on ESG as required.

MORE ON ACTIVITY
In 2022 we carried out a materiality review, where we spoke to both our equity and debt investors, as well as our joint venture partners to understand their view of material issues for both the Group and with regards to making their investment decisions. We share more about the outcomes on page [xx].

AMBITIONS
- Redesign ESG Report and supporting Databook to improve disclosure and transparency, and better align to materiality.
- Undertake ESG strategy promotion to Investors via a road show.

4.9 BENCHMARKING, STANDARDS AND ASSURANCE TO MONITOR OUR PERFORMANCE

We use a number of benchmarks and standards to monitor our performance across different aspects of the business, from our developments to our risk levels and reporting. We employ internal and external assurance for our data management and reporting.

Green Building accreditation

We continue to strive for BREEAM Excellent across all our development work. A live example in this area is at The Ironworks project at Dundrum Town Centre which is one of the first Irish residential schemes to have been designed to achieve BREEAM Excellent. The scheme incorporates a number of environmental features including PV, greenroofs, rainwater harvesting, heat pumps and EV charging.

The Ironworks project at Dundrum Town Centre is one of the first Irish residential schemes to have been designed to achieve BREEAM Excellent.

As we move into 2023 we intend to apply BREEAM In-Use, beginning with at Dundrum Town Centre and French assets. Whilst our NZAPs focus on carbon and energy reduction, BREEAM focuses on a wider, more holistic approach to ESG at an asset-level. It is also well recognised by international investors and has been a regular request as we have engaged with investors over recent years.

We share more on the certifications and standards across the Group in Section 6.3 of our ESG Databook 2022.

Publishing our Net Zero pathway

We published our Net Zero Pathway in 2020. Our pathway goes beyond Net Zero and includes Scope 1 and 2 emissions, operational and embodied, and Scope 3 emissions from the occupier areas of our managed portfolios.

We share performance against our carbon emission targets in Section 2, and provide data in Sections 2, 3 and 4 of our ESG Databook 2022.

Benchmarks

We participate in a range of industry benchmarks annually including GRESB, MSCI, ISS ESG.

Our ISS ESG rating was recently reaffirmed C+, being one of the most highly scored property companies in that band for 2022. We also maintain our Prime status, which is granted to industry leaders who fulfil demanding performance expectations aligned with recognised standards and regulatory developments.

After maintaining GRESB 4 stars for a number of years, we were disappointed to see our score drop to 3 stars. On review, this was in the most part driven by shortcomings in our submission. We have made a number of changes to address this issue and are therefore targeting a return to a 4 star ranking this year.

GRI, EPRA and TCFD aligned reporting

We report in accordance with the core option of the Global Reporting Initiative (GRI) standards and European Public Real Estate Association (EPRA), for which we have consistently achieved a Gold award.

We aim to report on an operational basis for all aspects of our business, including assets owned in conjunction with third-parties where we are the operator.

We have three core strands of reporting:

1. Proportionally consolidated (on an economic ownership basis)
2. GRI and EPRA compliant non-financial disclosures
3. Mandatory GHG reporting (100% basis)

The scope and approach for each strand of reporting is outlined in our Section 1 Basis of Reporting, in our ESG Databook 2022.

Assurance

The data we report is subject to an internal verification process by the ESG team. In addition, for 2022 a combination of BDO LLP and JLL have assured key ESG indicators, targets and disclosures included in both our Annual Report and this ESG Report, to the International Standard on Assurance Engagement 3000 (ISAE 3000). We provide their limited assurance statements for our 2022 ESG data.

The scope of our assurance is detailed in Section 1 of our Hammerson ESG Databook 2022.

We share our assurance certificates in Section 7 of our ESG Databook 2022.

4.10 GLOSSARY

Additionality
The concept of any emissions reductions created by the business being in addition to reductions that would have happened anyway through, for example, a statutory obligation on an energy company to produce clean energy.

Anaerobic digestion
The process by which organic matter is broken down to produce biogas and biofertiliser, in the absence of oxygen in a sealed, oxygen-free tank called an anaerobic digester.

DEFRA carbon factors
Carbon factors published annually by the UK Government to standardise the calculation and reporting of green house gas emissions generated in the UK.

GHG emissions (Greenhouse Gas emissions)
Emissions of those gases that contribute to the greenhouse effect.

IEA carbon factors
Carbon factors published annually by the International Energy Agency to standardise the calculation and reporting of green house gas emissions across the globe.

Joint Venture Partner
A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. For us, we have joint venture partners for a number of our assets, whom jointly own and drive decisions on these assets.

Location Based carbon factors
Carbon factors that reflect the mix of renewable and non-renewable power being supplied to the national energy grid.

Market Based carbon factors
Carbon factors that reflect the source of the energy being purchased from the energy grid. Renewable energy supported by a Renewable Energy Guarantee of Origin will have a low or zero factor, energy that is not renewable will have a 'brown' energy or residual factor applied that does not reflect the impact of renewable power being supplied to the grid.

Net Zero Carbon
Achieving an overall balance between emissions produced and emissions taken out of the atmosphere.

Offsetting
Compensating for emissions or impacts flowing directly from business operations by enabling emissions or impacts to be reduced from activities beyond the corporate value chain.

Physical risk
Business risk posed by the physical effects of climate change, for example high temperatures, flooding, storm damage and fires.

Proportionally consolidated portfolio
Reporting against this portfolio measures sustainability performance and key impacts in proportion to The Group's percentage of ownership in an asset or joint venture.

REGO-backed
A renewable energy contract that has a Renewable Energy Guarantee of Origin to certify that the supply is from a renewable source.

Regulated energy
Energy used to light, heat or cool a building.

Scope 1 emissions
Direct emissions from reporting company-owned or controlled sources.

Scope 2 emissions
Indirect emissions from the generation of purchased energy.

Scope 3 emissions
Indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Task Force for Climate Related Financial Disclosures (TCFD)
Voluntary climate-related financial disclosures developed by the Financial Stability Board.

Transitional risk
Business risk posed by regulatory and policy changes implemented to tackle climate change.

Unregulated energy
Energy used for all activities other than lighting, heating or cooling a building.

UN SDGs
United Nations Sustainable Development Goals. 17 goals designed to support the delivery of a sustainable world by ending poverty and other deprivations through strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Zero regulated carbon
Carbon emissions from the lighting, heating and cooling of a building have been reduced to zero.

If you have any questions about our ESG strategy or the information contained within this document please contact:
investorrelations@hammerson.com

For more information:
www.hammerson.com