

Upstream Sustainability Services

Verification Statement



To the Stakeholders of Hammerson plc.

Upstream Sustainability Services, (a division of JLL Ltd, hereafter referred to as Upstream), has been engaged by Hammerson to verify its 2017 performance against a set of selected Corporate Responsibility (CR) performance measures in its 2017 Corporate Responsibility report.

Scope of work

Verify to a 'limited level' of assurance Hammerson's reported progress against the following eight qualitative and quantitative multi-year CR performance measures, using Hammerson's calculation methodology¹ – these are:

1. Achieve 100% diversion of construction waste from landfill for the UK shopping centre and retail parks portfolio, (2020 target)
2. Achieve 98% diversion of construction waste from landfill for the French shopping centre and retail parks portfolio, (2025 target)
3. Extend our place-making impact assessment across the UK portfolio, (2017 target)
4. Deliver a centre-based retailer engagement activity across UK and French shopping centres that have been held and managed for at least 12 months, (2017 target)
5. Meet 100% of irrigation demands and 25% of flushing demand from non-potable water for all new developments and major extensions entering planning and design after 1st Jan 2015, (annually, 2016-2020)
6. Build 2 MW renewable capacity into our existing assets and new developments, (2020 target)
7. Community design workshops to be held for UK shopping centre developments and major extensions by the end of RIBA Stage 2, (annually, 2016-2020)
8. Ensure that 100% of Hammerson employees who have been employed for 12 months or more have received sustainability training by 2017, (2017 target).

Verify to a 'limited level' of assurance Hammerson's reported progress against the twenty-six qualitative and quantitative 2017 CR performance measures, using Hammerson's calculation methodology.² For a list of these targets refer to Appendix 1.

Methodology

Upstream uses an in-house verification methodology which is based on the main requirements of the ISAE3000 and AA1000 assurance standards. These include independence and impartiality, the development of a verification plan and the testing of a sample of data back to its primary source evidence.

In order to complete the above Scope of work, Upstream:

- Conducted limited verification of the eight multi year CR measures and twenty-six 2017 CR measures specified back to primary (invoices, site plans, feasibility studies, training records) and secondary (data collation and calculation tools such as spreadsheets and other records, press releases) evidence to support the reported performance for the environmental CR measures referred to above;

- Conducted verification-related discussions with Hammerson's Group Head of Sustainability, its Sustainability Data analyst, its Environmental Manager, its Environment and Energy Manager, senior leaders from France, HR representatives and relevant shopping centre and retail parks property managers, and consultants;
- Recalculated the performance as needed, based on evidence provided through the verification process.

Limitations and exclusions

The following limitations and exclusions apply:

- Data outside the defined reporting period of the 2016 calendar year;
- Financial information in Hammerson's Connected Reporting Framework and Annual Report.

Conclusions

Based on the scope of work and the methodology outlined above, nothing has come to Upstream's attention to indicate that the specified CR measures performance are not fairly stated as follows:

1. Diversion of construction waste from landfill (UK): **On track.**
2. Diversion of construction waste from landfill (France): **No activity; No construction projects carried out in France in 2017.**
3. Place-making impact assessment: **Achieved (2017).**
4. Retailer engagement: **Achieved (2017).**
5. Renewable capacity: **On track (2017).**
6. Irrigation demand and flushing demand: **Achieved (2017)**
7. Community design workshops: **No activity (2017).**
8. Training: **Partially achieved (97% across UK & France in 2017).**

For an overview of the twenty-six 2017 CR measures please refer to Appendix 1.

About Upstream

Upstream provides leading advice on sustainable property and environmental sustainability strategies. Its team has extensive experience in verifying environmental data, information, systems and processes.

Due to this expertise and experience, we have the competencies required to conduct this limited verification engagement. We are bound by the **JLL Code of Business Ethics** which covers conflicts of interest.

Upstream has been working with Hammerson plc. for six years and has provided support on its sustainability programme. The verification team has not been involved in the delivery of these other services for Hammerson plc. We do not consider that there is any conflict of interest between these other services and this verification engagement.

A handwritten signature in blue ink, appearing to read 'Darren Berman', is written over a horizontal line.

Darren Berman

Upstream Sustainability Services
February 2018

¹ For verification of target performance 'target wording' was used as a methodology.

² For verification of target performance 'target wording' was used as a methodology.



Appendix 1: 2017 Annual Targets³

1. Continue to extend LED lighting across the portfolios: **Achieved.**
2. Begin implementing energy audit recommendations for the French assets: **Achieved.**
3. Roll out Waterblades where feasible: **Achieved.**
4. Improve our metering and monitoring of water demand through new utility management platform project: **Partially achieved (project still underway).**
5. Continue to manage at risk EPC compliance: **Achieved.**
6. Upgrade systems to improve efficiency of environmental incident reporting. Prepare for transition to ISO 14001 2015 Standard: **Achieved.**
7. Identify top ten retailers to engage with on Net Positive: **Achieved.**
8. Build profile of Positive Growth Awards across UK Shopping Centres: **Not achieved.**
9. Launch an updated supplier survey in the UK, develop supplier survey for Hammerson France: **Achieved.**
10. Deliver one innovation project with a key supplier: **Achieved.**
11. Establish cross portfolio delivery partner for market leading community engagement focused on areas of asset specific need: **Achieved.**
12. Continue to build engagement with investors: **Achieved.**
13. Establish a monitoring and reporting structure for each Net Positive Pillar: **Achieved.**
14. Deliver net zero carbon, BREEAM Outstanding retail park: **Achieved.**
15. Install PV on one existing asset: **Achieved.**
16. Carry out PV feasibility studies in at least 3 further sites in France: **Achieved.**
17. Deliver one further Eco-Pod: **Achieved.**
18. Publish updated True Value of Retail research: **Achieved.**
19. Establish asset specific community engagement targets for each UK asset: **Achieved.**
20. Establish a cross portfolio programme that has a positive impact on asset specific local skills and employability profiles: **Achieved.**
21. Ensure key recommendation from the Community Access Forum are incorporated in the new phase of the Brent Cross development: **Achieved.**
22. Maintain staff engagement in volunteering activities: **Achieved.**
23. Support a further six senior leaders through the Cambridge Institute for Sustainable Leadership (CISL programme): **Partially achieved (five senior leaders completed the programme).**
24. Extend sustainability training and develop new learning programmes using the business wide online training platform: **Achieved.**
25. Conduct staff survey: **Achieved.**
26. Continue to actively encourage staff engagement in sustainability through Butterfly Bank, Community Day and Volunteering opportunities: **Achieved.**

³ Referred to in this Verification Statement as 2017 CR measures.



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