

Net Positive Vision for Developments

Introduction

Hammerson's Net Positive Places strategy sets out clear targets for the business to be Net Positive by 2030.

Our development pipeline represents a powerful opportunity to make a positive, long term impact on society and the environment and is critical to our achievement of our Net Positive Targets. Society will have to live with the assets we design and build now, for at least the next generation and hopefully longer. It is critical therefore, that our decisions recognise this and are guided by a clear vision of what will make the social, environmental and economic impacts of these assets Net Positive over their lifetime.

Developments should be efficient, adaptable, connected, respond to their local context and support the local community. Success in these areas will support asset value and drive long term investor returns.

This document sets out the issues we need to address through our development processes to achieve this vision. It forms the first part of a suite of three documents designed to support the Development and Project Management teams' delivery of Hammerson's Net Positive targets. The second document is the Sustainability Brief. Consideration of the issues set out in this document will enable a specific set of targets to be set for each development which will form the basis of the Sustainable Development Brief. The Project Team, working with the Sustainability Team will transform the objectives in the Brief into a series of targets and related actions and reporting requirements with responsibilities. This forms the basis of the third document; the Sustainability Implementation Plan.



Positive Social Impacts

Our assets must reflect and respond to the needs and aspirations of the communities within which they operate both now and in the future. They must remain relevant to the communities they serve.

Because we operate in varied locations with many different social, environmental and economic contexts, our developments need to reflect and respond to these different requirements now and be able to adapt as they change over time. Some of the changes our assets will have to accommodate are predictable – we can predict with some certainty, the age profile of the population so we can build into our thinking the needs of a changing demographic. Our assets will provide important economic support in the form of jobs and training, local investment and taxes. They also provide important community facilities – public realm, landscaping, iconic architectural design all of which contribute to a stronger sense of civic pride, part of the intangible but critical network of elements that make up a resilient and successful community that, in turn, supports a successful and resilient retail asset.

Less predictable are changes in technology and how society uses it. The only element that is predictable is that we know it will change. We cannot predict how society will adopt and respond to changes in technology. So our centres have to be designed to accommodate and build on unpredictable technological change. Particularly significant will be how our retail customers respond to technological change. Again, we cannot predict this so we need to provide flexible, efficient real and virtual operating platforms that will support changes in retail operating models whilst generating business benefits for Hammerson.

Each development must set out how it will make a positive contribution to the locally relevant socio-economic issues and how this will be measured.

Positive Environmental Impacts

Our development pipeline uses significant natural and manufactured resources in the process of delivering new assets. These assets then use further resources through their operational phase. The development decisions we make therefore have a dual environmental impact – one during the build phase – the capital or embodied carbon impact – and one during the operational phase. There is absolutely no doubt that decisions made during the development phase of an asset impact on its operational efficiency. It is imperative therefore to understand and minimise the carbon impacts of our materials and supply chain during the development phase and ensure our assets are designed to operate as efficiently as possible over their lifetime. Operating cost and lifecycle carbon impacts must be part of design decisions,

particularly those relating to mechanical and electrical engineering, lighting and renewable energy.

Reconciling rising energy demand with an insecure and restricted supply and rising carbon price is a concern for the economy as a whole. It represents a significant medium term business risk for Hammerson. Our investor stakeholders are well aware of this and want to see the business develop and implement an effective strategy for managing it. Key to this is ensuring we create assets that make minimum negative environmental impacts and contribute to the mitigation of climate change impacts within their communities. They need to be physically and virtually connected in a way that optimises local, district and national networks, both hard and soft. They must be able to accommodate changing future climates efficiently and support a Net Positive environmental outcome for the asset and the business as a whole.

The longevity of our assets means we need to think beyond short or even medium term energy and carbon efficiency. Our biggest assets and schemes have the potential not simply to reduce their own carbon emissions but to enable our communities to reduce their impacts too. As the population urbanises and cities expand, an opportunity emerges to make these new city locations more compact, more connected – physically and virtually – and more self sufficient.

Our developments need to look for good opportunities to connect with, develop or support district systems that will enhance physical connectivity with our community, enable closed loops to develop and local energy, water and waste needs to be served. As demand for energy escalates over the life time of our assets our concerns will shift from using less of a plentiful supply to having a consistent, affordable and reliable supply. Our assets need to be designed to respond to this completely different energy supply/demand context.

Each development must set out how it will minimise carbon emissions, both embodied and operational, use of virgin materials and generation of waste through the development phase. There must be a clear link to the delivery of an asset that also minimises carbon emissions over its lifetime whilst taking opportunities to enable local communities to reduce their carbon emissions and reliance on centralised energy sources. The Sustainability Brief must set out what benchmarks will be used and how performance will be measured, in line with our Net Positive strategy.

Positive Business Impacts

Our overarching aim is to develop, own and operate assets that generate strong, consistent investment returns. Addressing the challenges set out above will support this by increasing the connection between our assets and their local and regional communities and optimising their operational efficiency. However, to maintain and drive demand for space in our assets we also need to consider the changing business needs of our retail customers. Our assets must continue to provide the most effective platform and channel via which retailers of both goods and services reach consumers. Traditionally this channel and platform has been the shop unit within

the centre, but we are already seeing this change as new channels and platforms sweep away the familiar traditions. Our Centres are evolving to increasingly become event-hosting , exhibition hubs providing experiences, information and leisure for consumers alongside merchandise.

This places different requirements on our physical space. Our assets will need to be able to perform a variety of new functions from providing business, education and community engagement spaces to offering health care, fitness and leisure to an increasingly ageing, diverse and connected population. They will have to accommodate regular physical change efficiently, without generating waste and with powerful physical and virtual connectivity. This will require clear foresight and creativity in design and thinking.

Delivering our vision for Positive Places

There is no one-size-fits-all solution to delivering Net Positive development projects. Each development is different but we must, at the earliest stage, consider how it will respond to the key issues outlined here. Working with our internal development teams initially and then with the wider master planning and design teams, addressing each of these areas will ensure our internal teams and consultants are clearly briefed to address each issue and develop a response that works for each development.

Social impacts



- Strategy for community engagement
 - Framework for consistent, active community engagement throughout the development programme and beyond including targets and KPIs
 - Provision and management of public realm
 - Economic regeneration and inward investment
 - Employment and skills strategy - during and post construction
 - Inclusive environments
- Entertainment and leisure provision
- Responding to demographic change
- Flexible structures
- Access to natural environments
- Transport and connectivity
 - walkable neighbourhoods
 - easy access for local catchments
 - access via a range of transport options
 - electric car charging infrastructure
 - digital connectivity for variety of users and with capacity for expansion



Environmental Impacts

- Climate change and adaptation
 - weather extremes and flood risk
 - building orientation
 - solar gain
 - daylight penetration
- designing for future climates
- Capital/embodied energy and carbon
 - minimise carbon in major structural elements
 - designing out waste
 - designing in flexibility
 - selecting and sourcing materials to minimise embodied carbon
- Construction waste management
 - Targets and KPIs
 - Reduce, reuse, recycle, report
- Operational energy and carbon
 - use of real data from existing assets to inform the predicted energy requirements of the design
 - application of renewable technologies
 - connectivity with district networks
 - capacity building for future renewable technologies
- carbon life cycle assessment to understand full impact of materials and plant selection.
- Operational waste management – use of real data from existing projects to design to optimise waste management including recycling
- Potable water consumption – minimising use of potable water; rainwater harvesting for irrigation
- Bio-diversity
 - protecting and enhancing local biodiversity
 - post construction management strategy



Business Impacts

- Build in resilience to technological, environmental and social change
- Build connection with local and regional communities
- Optimise operational efficiency
- Respond to changing retailer needs and business models
- Accommodate variety in events, exhibitions, leisure and entertainment
- Design in physical and virtual flexibility and capacity
- Enable innovation to capture new business opportunities

Next steps

A review by the internal development team of each of the issues set out here will inform initial thinking and priorities in the drafting of a sustainability brief for each Hammerson development that reflects the Net Positive strategy of the business. The template for the development brief is downloadable from the Hammerson Positive Places website.