

# Our people

## Culture aligned with business strategy

At Hammerson we believe our culture is vital in supporting the delivery of our strategic priorities.

Our values; ambition, respect, collaboration and responsibility, continue to guide our day-to-day behaviours and define how we work with colleagues and external stakeholders. But our culture is more than just our values. We are committed to developing a truly inclusive environment where colleagues can bring their 'whole self' to work and maximise their contribution.

In support of this objective, in 2017 we developed the next phase of our Diversity and Inclusion strategy and this will inform our activities through to the end of 2019. Our commitment to drive meaningful and sustainable change in this area was also evidenced by our actions during the course of the year with particular highlights being our recognition of National Inclusion Week and World Day for Cultural Diversity and the launch of our UK Shopping Centre Apprentice Programme. This initiative, which has so far seen us employ three apprentices across our UK portfolio, allows us to attract young people into the property industry and for them to undertake a Level 2 accreditation in Facilities Management or Business Administration.

The Company's culture and values are reinforced by our Code of Conduct which includes matters associated with anti-bribery and sets the ethical tone at Hammerson. All colleagues are expected to follow its guidance on personal behaviour, dealing with stakeholders, anti-fraud measures, share dealing, and security of information. In addition we have a suite of policies in place including a Whistleblowing policy.

The Company runs an induction programme for new starters specifically covering internal controls at which the Code of Conduct and whistleblowing procedures are explained. In 2018 we will introduce an online training module to augment the existing training on anti-bribery and corruption. Colleagues will be required to undertake the training module including a short test of their understanding of a bribery risk and the policies and procedures in place at Hammerson. Colleagues are also required to keep a gifts and entertainments register in which they record gifts and entertainments offered to or received from third parties.



## Headcount

| Group      | UK and Ireland | France     |
|------------|----------------|------------|
| <b>587</b> | <b>449</b>     | <b>138</b> |

## Voluntary staff turnover

| Group        | UK and Ireland | France      |
|--------------|----------------|-------------|
| <b>12.0%</b> | <b>13.2%</b>   | <b>8.7%</b> |

These are reviewed from time to time by the General Counsel and Company Secretary to ensure that gifts and entertainments are of an acceptable level.

The Company subscribes to the independent charity Public Concern at Work so that colleagues may have free access to its confidential helpline and counselling service.



**See the Risks section on page 61, the Audit Committee report on page 85 and the section on compliance with the UK Corporate Governance Code on page 117.**

## A positively engaged team

Growth in recent years has seen our headcount increase and by the end of 2017 Hammerson directly employed 587 people across the UK, France and Ireland.

We go to great lengths to attract the best people available and retaining and developing talent remains a key objective. To this end we continue to monitor voluntary employee turnover and, in the 12 months to December 2017, this figure stood at 10% for our UK and Ireland property and corporate teams. In France, the corresponding figure was 8.7% and within our UK shopping centre operations business we experienced 18.2% churn; a figure that continues to track below our 20% objective for this area of the organisation.

Such high levels of retention continue to provide the solid foundation from which our employees grow, develop and fulfil their potential. But we recognise that employee engagement is more than simply retaining people; it is about ensuring they remain highly motivated and positively engaged with the business as a whole.

We continue to measure this through our annual employee survey where we have set ourselves the target to achieve a positive engagement score – as measured by the Great Place to Work Trust Index – of at least 70%. In 2017 we achieved a score of 71% for our UK and Ireland business and 72% in France. Furthermore, just over 75% of our employees responded positively to the key engagement statement "taking everything into account I would say this is a great place to work".

Enhanced management information now allows us to consider the results of the survey in more detail and we were delighted to see that many functions across the Group achieved engagement scores greater than 80%. This proves to us what can be achieved and ensures we remain focused on improving engagement still further throughout the organisation.

## Employee survey highlights

- **Over 80% employee participation**
- **71% Trust Index Score in UK and Ireland**
- **72% Trust Index Score in France**
- **75% of employees state Hammerson is “a great place to work”**
- **Lowest ever gender differential in engagement scores; down to 1%**



During the course of 2017 we continued to develop our internal communications strategy. In November we launched our new Group Intranet as well as OnDemand, our new internal communications brand. In addition, employees were kept well informed on a wide range of business matters via regular presentations, management briefings and intranet announcements

## Developing talent and planning for the future

The competition for talent within the European real estate market is tougher than ever and the need for us to develop our own talent pipeline has never been greater. For some years our response to this challenge has been to invest heavily in our people; from the junior surveyors on our UK Graduate Programme to senior managers looking to develop their skills and further their careers.

In support of this, 2017 was a year in which we significantly improved our training and development offering to the business whilst continuing to focus heavily on senior management succession.

In the summer we launched the Hammerson Learning Management System (LMS) to our UK and Ireland business. This platform enables us to host a broad suite of e-learning materials which colleagues are encouraged to use for professional and personal development. Furthermore, the LMS provides a direct link to QA Training's extensive menu of personal development and management programmes; the utilisation of which increased significantly during the year. In the future, we will use the LMS across the entire Group and use it to improve our induction and on-boarding programmes as well as offering a one-stop-shop for all statutory and compliance training.

Throughout 2017 we maintained the Group's senior management succession plan and this was reviewed with the Board as part of our established governance. Our meaningful investment of time and energy in this area once again yielded positive results and all of our senior management vacancies were filled with internal candidates. This was particularly satisfying within our Paris office where, following the departure of two senior managers, we were able to restructure the management team by promoting talent from within.

## Ever more inclusive

Our objective to develop a more inclusive business is well established. It is also supported by pragmatic activities; all designed to deliver sustainable change for the benefit of our customers, partners, employees and shareholders.

During 2017 we continued to implement our Diversity and Inclusion strategy whilst developing our plans for the next two years. As part of our objective to improve female representation in senior management roles we increased our target slightly from 30% to 33%; aligned with the voluntary objective set by the Hampton-Alexander review. By the end of the year female colleagues occupied 33.3% of such roles across our UK and Ireland management team. The position in France continues to be more challenging where only one of our 11 senior managers is female.

In looking to the future, we have previously stated an objective that at least 30% of the senior management roles on the Group's senior management succession plan have female colleagues identified as potential successors within the medium term (ie. 1-3 years). This target has also been increased to 33% and, as at the end of 2017, 35.1% of these roles had female successors identified.

Whilst the attention given to gender representation in senior management roles is understandable, we remain focused on ensuring that female colleagues are well represented in the Group's 'professional' level roles. This enables us to benefit from greater diversity on a day-to-day basis and also ensures we are well placed to achieve the objectives stated above. As at the end of 2017, 47% of the Group's professional positions were filled by female colleagues; something we are immensely proud of.

We are mindful that healthy gender representation in itself does not make an organisation truly inclusive and, in looking to support both male and female parents, we significantly improved our maternity and shared parental leave policies and terms in 2017. Furthermore, we continue to promote the benefits of flexible working for all of our colleagues and, as at December 2017, over 6% of our workforce have an agreed flexible working arrangement in place.

As a matter of course, we welcome and fully consider all suitable applications for employment, irrespective of gender, race, ethnicity, religion, age, sexual orientation or disability. All employees are eligible to participate in career development and promotion opportunities. Support also exists for employees who become disabled to continue in their employment or to be retrained for other suitable roles.

Chart 21

**All employee numbers and gender split**

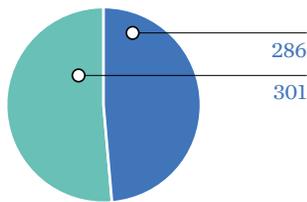


Chart 22

**Board**

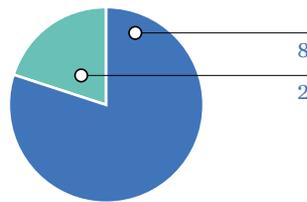


Chart 23

**Senior management (excluding Board)**

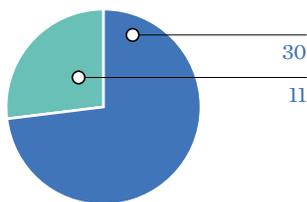
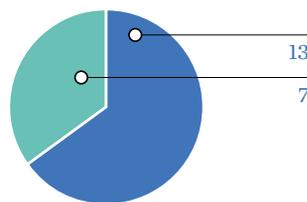


Chart 24

**Shopping Centre General Managers**



■ Male  
■ Female

**Gender pay gap reporting**

Following legislation introduced by the UK government, companies with more than 250 UK employees are now required to publish their gender pay gap. This is an important step as the requirement for organisations to be more transparent about pay should highlight unfair practices and speed up the process of putting them right.

We are not required to report our gender pay gap as neither of our UK employment entities employs more than 250 people. However, with a combined UK headcount of almost 400, we are committed to striving for gender equality across the business and our decision to publish is a clear demonstration of this commitment. The tables below show the gender pay picture for Hammerson in accordance with the government requirements.

Table 25

| Pay element   | % difference |
|---|--------------|
| Difference in mean hourly rate of pay                 | 47.1%        |
| Difference in median hourly rate of pay               | 35.6%        |
| Proportion of male employees who received bonus pay   | 91.1%        |
| Proportion of female employees who received bonus pay | 89.6%        |
| Difference in mean bonus pay                          | 66.6%        |
| Difference in median bonus pay                        | 48.6%        |

We are mindful that these figures suggest that a significant pay gap exists between male and female employees at Hammerson. However, this is a consequence of male employees occupying the majority of UK senior management roles. This is illustrated by the quartile distribution below:

Table 26

| Quartile split | % Male | % Female |
|----------------|--------|----------|
| Lower          | 21.7   | 78.3     |
| Lower middle   | 38.5   | 61.5     |
| Upper middle   | 58.7   | 41.3     |
| Upper          | 63.7   | 36.3     |

For some years we have undertaken our own internal pay audit, albeit based on a slightly different formula to that required by the UK government for gender pay gap reporting purposes. At the heart of this analysis has been consideration of the salaries paid to male and female colleagues carrying out like-for-like work and we have always been satisfied that this demonstrates the fair pay and reward practices that exist within the Company.

We are committed to reducing our gender pay gap over time and our on-going efforts to foster an inclusive culture will help us to achieve this. In addition, we will continue to leverage our competency based selection processes to ensure that we recruit and promote female talent within the business. We strongly believe that this approach will result in increased female representation in more of our more highly paid senior management positions in the future.