

MCARTHURGLEN™ GROUP




Sustainability Policy

August 2010

General Policy Statement for Sustainability

- The corporate policy of McArthurGlen is to reduce carbon emissions, use and conserve natural resources in such a manner that will place a minimal demand on the environment and produce minimal waste to preserve the local, national and global environment.
- Environmental management will be achieved through the continued implementation of our own environmental management system, the sharing of best practice, reductions in utilities consumption and compliance with European and country specific regulatory requirements.
- McArthurGlen will focus on safe and proven technologies and operating practices in order to realize the Company's duty of care to Customers, Employees and Brand Partners.
- It is the aim of McArthurGlen to improve the quality of service it provides to its Brand Partners and Investors by maintaining the highest level possible in environmental performance.
- McArthurGlen recognises the local and wider international implications associated with wiser management of fossil fuels, water usage and pollution both from environmental and financial aspects.
- This policy will be supported and implemented through the adoption of McArthurGlen key commitments to environmental management which will be reflected in departmental and personal goals within the organisation.
- McArthurGlen will continue to work with Brand Partners and Employees to raise environmental awareness and share best practice initiatives and ideas.
- A declared goal of McArthurGlen is to achieve and maintain accreditation to ISO 14001 for all centres and to reduce our carbon footprint.



Julia Calabrese
Chief Executive Officer

Key Commitments

- The Chief Executive of McArthurGlen regards the promotion, maintenance and improvement of environmental management systems as one of the Company's declared objectives.
- The Company will take all reasonably practicable steps to prevent environmental impact to any surroundings in which the Organisation operates. In addition it shall undertake continual monitoring through key performance indicators and use audit reports to make continual improvements and achieve reductions in energy consumption contributing to a saving in local pollution and depletion of natural resources.
- The ultimate responsibility for compliance with current legislation remains with the Chief Executive Officer, however the Company has appointed a Health, Safety and Sustainability Manager and Environmental Advisor to assist with this duty, under the direction of the Operations Director and Property Manager. Country Managers are accountable for compliance at centres within their country, Centre Managers are accountable for compliance at each centre and day to day implementation of sustainability policies and the environmental management system is the responsibility of the Facilities Managers for their respective centre.

Key Commitments

- In addition to the above, all employees should recognise their duty to consider environmental impacts arising from their own actions, activities and behaviour.
- Every centre will work in partnership with its Contractors and Business Partners to ensure that our Investors' and Landlord environmental duties are fulfilled under current European legislation.
- Communication and consultation regarding sustainable matters will take place on a regular basis, through local and corporate sustainability committees with a view to planning, organisation and review of environmental arrangements. Good practice guides will be available for reference and updated as live documents.
- McArthurGlen will demonstrate commitment to continual environmental progress by striving to achieve the goals and objectives outlined within the Sustainability Strategy.
- The Sustainability Policy and Strategy will be reviewed annually or more frequently if significant changes occur.
- The Sustainability Policy will be implemented with immediate effect.

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Sustainability Strategy

August 2010

Environment

McArthurGlen aims to:

- Achieve and maintain ISO 14001 accreditation at all centres, through the implementation of effective management and auditing systems by 1 April 2011;
- Introduce and implement Environmental Management Systems at all centres by April 2011, follow the environmental calendar to put into practice money and energy saving activities and apply all recommended management processes designed to reduce carbon emissions where reasonably practicable;
- Ensure that the Magnet system is populated with all key performance indicators including waste, recycling and utilities usage on a monthly basis and that the data is monitored against targets;
- Provide at least one environmental awareness training session for Brands at every centre by 1 April 2011;
- Make environmental guidance available to Brands via the Magnet system by September 2011;
- Provide environmental awareness training to all McArthurGlen employees via the e-learning system and other suitable methods by April 2011;
- Continue to develop and promote green travel plans and transport links where feasible;

Environment

McArthurGlen aims to:

- Review local disaster recovery plans to include all potential disaster scenarios including those which could affect the environment by April 2011;
- Pro-actively reduce the centres' carbon footprint by a minimum of 3% by 1 April 2011;
- Develop and launch a sustainability link from the corporate website to communicate our environmental initiatives to our Customers and Business Partners;
- Continue to work with Greenprint, Briars, Upstream and other external consultants to analyse business practice and make savings and environmental improvements;
- Give consideration to the local habitat and biodiversity when planning landscaping and planting requirements at each centre;
- Appoint Environmental Champions at each centre to drive the centre's environmental initiatives;
- Explore the feasibility of offering green leases to our Brand Partners.

Energy & Water

McArthurGlen aims to:

- Reduce the centres' carbon emissions by 3% by 1 April 2011, as a consequence of reducing energy consumption by various methods e.g. By continuing to improve lighting and heating controls;
- Monitor energy statistics on a monthly basis and educate Brand Partners and McArthurGlen employees on energy saving best practice;
- Provide energy efficiency training to all McArthurGlen employees via the e-learning system and other suitable methods by 1 April 2011;
- Explore ways to combine purchasing power to reduce costs without detriment to our green energy commitment;
- Explore innovative ways to further reduce water consumption;
- Investigate and introduce where possible grey water systems for landscaping irrigation etc;
- Explore alternative energy options including but not limited to solar photo voltaic and wind power and commission specialists where necessary to calculate pay back periods to allow proposals to be presented to investors;
- Undertake continual energy and water audits to identify further reductions and savings.

Waste

McArthurGlen aims to:

- Continue to explore additional recycling schemes for both front and back of house;
- Continue to introduce recycling bins in malls and food court areas where appropriate;
- Request data and regular updates from waste contractors and municipal sites and continue to work towards zero landfill by exploring alternative cost effective methods of dealing with waste such as waste to energy sites, and material recycling facilities (MRF's.)
- Maintain all due diligence records and documentation up to date and for the time periods required for compliance with legislation. E.g. Waste transfer notes for two years minimum.
- Comply with European and country specific regulations and duty of care in relation to waste storage, transport and disposal;
- Undertake duty of care audits on waste contractors;
- Provide training to our Brand Partners and McArthurGlen employees in relation to recycling, waste segregation and disposal facilities available at each Centre;
- Each Centre to develop their own specific waste strategy.

Appendix – Our Achievements So Far:

- ISO 14001 environmental accreditation achieved by all UK and Italian centres.
- Sustainable development projects including a large photo voltaic solar power installation at La Reggia, Naples producing on average 30% of the power for the Outlet and a small wind turbine at Bridgend in Wales, powering the lighting for the entrance sign.
- For the period April 2009 to March 2010, electricity savings of 2,729,959 kwh, like for like against the previous year across the Group, this equates to 1,490.55 tonnes of Co2 savings.
- Last year, recycling streams were increased at various centres taking our total recycled materials to 6002 tonnes.
- Waste to landfill comparisons show a decrease of 541 tonnes in total showing an average cost saving of approximately £49,230.00.
- A Water reduction of 34,553 (m3) was achieved across the group despite drier summers, increased food offers and phased expansions.
- Utilities savings of £325,346.00 was achieved across the Group on a like for like basis against the previous year.