

Sustainability Indicators: Basis of Reporting

McArthurGlen Group has committed to its own strategic sustainability framework, *Evolve*, consisting of three pillars - *Our Impact*, *Our Communities* and *Our Foundations*. This framework seeks to drive continuous improvement towards our sustainability ambitions, and in doing so, addressing the issue of climate change. This includes a target to reach operational net zero carbon across our portfolio by 2040 in alignment with the 1.5°C warming scenario set out by Carbon Risk Real Estate Monitor (CRREM).

Performance monitoring plays a key role in advancing our *Evolve* objectives by enabling data-driven decision-making across environmental, social and governance areas. It supports the identification and implementation of effective actions, helps optimise operations, and enhances our ability to manage sustainability-related impacts, risks and opportunities.

McArthurGlen Group's sustainability reporting provides a transparent and articulate disclosure of the results achieved in the economic, social and environmental spheres of McArthurGlen Group's operations. It also demonstrates the Group's commitment to sustainable development, with the aim of creating value not only for the company, but also for its stakeholders.

Definitions and acronyms

Carbon Footprint	The total impact of McArthurGlen's operations in terms of the amount of greenhouse gases produced both directly and indirectly. This includes Scope 1, 2 and 3 emissions and is expressed in tonnes of carbon dioxide equivalent (tCO ₂ e).
Whole-building	<ul style="list-style-type: none"> • Whole-building energy includes electricity and heating consumption for both landlord-controlled and tenant-controlled spaces, as per CRREM methodology. • Whole-building emissions encompass Scope 1 emissions from direct landlord fossil fuel usage for heating (where applicable), Scope 2 emissions from purchased electricity, and Scope 3 emissions from downstream leased assets, including tenant-driven electricity and gas consumption, as per CRREM methodology.
Greenhouse Gas (GHG)	GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF ₆).
Carbon Dioxide Equivalent (CO₂e)	CO ₂ e is a metric used to compare the emissions from various greenhouse gases by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
Emission Factor (EF)	An emission factor is used to convert activity data (e.g. fuels consumed, electricity purchased, distance travelled, waste produced etc.) into an amount of emissions, usually expressed in terms of CO ₂ e.

Gross Lettable Area (GLA)	Total amount of floorspace (m ²) that is available for rental by tenants.
Gross Internal Area (GIA)	Total amount of internal floorspace (m ²) including GLA.
Employment type	Full-time employees are individuals working the standard number of hours as defined by local labour regulations or company policy, typically equivalent to a full working week. Part-time employees work fewer hours than the standard full-time schedule, often with reduced benefits and responsibilities, as per contractual agreements and applicable local labour laws.
Contract type	Permanent contracts refer to employment agreements with no predefined end date, offering ongoing employment subject to standard termination conditions. Temporary contracts refer to employment agreements with a fixed duration or linked to a specific project or period, after which the employment relationship ends unless renewed.

Methodology and boundaries

- The McArthurGlen reporting boundary is defined using an operational control approach. This includes facilities where the Group has full authority to implement operational policies, which covers McArthurGlen Designer Outlet centres and offices¹.
- The annual reporting period covers the calendar year (1st January to 31st December). Unless otherwise stated, key performance indicators (KPIs) are calculated for the whole reporting period.
- Sustainability data considers acquisitions, new openings, and disposals within the portfolio, as per the operational control approach.
- Historical data is not readjusted to remove sustainability data of divested entities as long as it has no material impact.
- Although environmental performance data has been captured since 2019, a re-baseline exercise was carried out in 2023 with particular regard to whole-building energy, to define asset-specific net zero targets. Further, social and governance KPIs are included from 2023.
- If material² errors are found in historical data during the data validation and assurance process, McArthurGlen will restate this information to allow accurate year-on-year comparison.
- Our net zero target is defined by 'whole-building' emissions intensity across Scope 1, 2 and Scope 3 category 13 downstream leased assets.

¹ Our reporting boundary is the same as that of our consolidated financial statements, including McArthurGlen European Development Limited (DevCo) and subsidiary assets of which the Group has operational control. The London and Milan offices are leased but under McArthurGlen's operational control, so their energy consumption and related emissions are included within the reporting boundary.
² A deviation is considered material if it constitutes a change of more than 10% from the previously reported value.

Governance

McArthurGlen sustainability governance framework ensures that we have a robust and accountable decision-making process for ESG matters. The key groups involved in this process are the Steering Committee, Sustainability Team, Facilities Leads, and Sustainability Champions. Each group plays a distinct role in supporting and delivering our ESG strategy, as outlined below:

1. Steering Committee – chaired by our Co-CEOs, the committee signs off strategy, targets and are updated on ESG performance and projects.
2. Sustainability Team – responsible for identifying risks and opportunities, developing strategy and targets, managing reporting and overseeing sustainability projects.
3. Facilities Leads – facilitating actions and initiatives to implement sustainability activities across each region.
4. Sustainability Champions – driving operational actions at centre level.

The reporting process involves various corporate and centre functions who have ownership of data collection, analysis, and consolidation, each for their own area of competence.

The Sustainability team is also responsible for selecting and establishing tools for monitoring and managing sustainability metrics as a basis for decision-making. Where data is not available, estimates are calculated by the Sustainability team according to best practice and industry benchmarks.

McArthurGlen utilises a dedicated sustainability reporting tool that allows the business to collect monthly sustainability performance data such as energy, water, and waste consumption. The data is entered on a quarterly basis at a minimum, with information being uploaded both automatically and manually. Employee data is managed through our Group-wide HR management system, which supports workforce management and reporting across all locations.

McArthurGlen sustainability KPIs are measured and reported at Group, regional and centre level.

McArthurGlen also reports in accordance with country-specific sustainability disclosure requirements, including the UK's Streamlined Energy and Carbon Reporting (SECR) and Energy Savings Opportunity Scheme (ESOS) regulations.

In addition, for quantitative KPIs, McArthurGlen takes into consideration ESG reporting frameworks such as the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG). Selected quantitative indicators are disclosed following ESRS, which provide the recommended framework for aligning with the Corporate Sustainability Reporting Directive (CRSD). This approach supports consistency with anticipated regulatory standards and enhances the credibility and comparability of our sustainability disclosures.

Data assurance

McArthurGlen engages with third-party assurance providers Bureau Veritas to provide limited assurance in relation to the following KPI list.

KPI summary list

Environment

- Energy
- Water
- Waste
- Greenhouse gas emissions
 - Scope 1
 - Scope 2
 - Scope 3
 - GHG intensity

Social

- Diversity
- Characteristics of McArthurGlen employees
- Characteristics of McArthurGlen non-employees
- Collective bargaining
- Work-life balance

ENVIRONMENT

McArthurGlen uses the GHG Protocol Corporate Accounting Standard Methodology and their supporting Scope 3 Calculation Guidance as the guiding framework for reporting.

Calculation of the Group's carbon footprint includes all material Scope 1 & 2 emission sources across its operations and relevant Scope 3 categories under McArthurGlen's influence.

These consumption values are converted to CO₂e using performance specific emissions factors. McArthurGlen reviews and updates emissions factors on an annual basis. Additional metrics are collected via an annual sustainability survey.

Energy

KPIs	i. Energy ii. On-site renewables iii. Energy intensity
Unit of measurement	i. kWh ii. kWh iii. kWh / m ² GIA
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year.
Definitions	i. Energy: purchased electricity and gas from a utilities provider.

	<ul style="list-style-type: none"> ii. On-site renewables: electricity generated on site from renewable sources, e.g. photovoltaic panels. This can be used both on-site and/or exported to the grid. iii. Energy Intensity: measures energy usage per m² of GIA, used for like-for-like comparison.
Reporting process	<ul style="list-style-type: none"> i. Energy: consumption data is provided by centre teams quarterly on the reporting tool. Centre teams provide this information based on automatic metering systems, manual meter reads or invoices. ii. On-site renewables: generation data is provided by centre teams quarterly on the reporting tool. If renewable electricity generation is not metered, this will need to be provided manually in the annual survey. iii. Energy Intensity: calculated by the Sustainability team considering the total amount of energy demand and m² GIA.
Disclosure	Streamlined Energy and Carbon Reporting (SECR) and Energy Saving Opportunity Scheme (ESOS), ESRS 1-5

Water

KPIs	<ul style="list-style-type: none"> i. Water withdrawal ii. Water discharge
Unit of measurement	<ul style="list-style-type: none"> i. m³ ii. m³
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year. Water accounted is the water managed directly by McArthurGlen, and excludes water supplied directly by tenants due to lack of data/oversight. Head office and Milan office are excluded as both are leased spaces where water withdrawal and discharge are handled by the landlord and outside McArthurGlen's oversight.
Definition	<ul style="list-style-type: none"> i. Water withdrawal: <ul style="list-style-type: none"> a. Total freshwater usage reported from third-party water supplier. b. Water withdrawals from groundwater or recycled water if available, are reported separately. c. Total water usage in water stress areas. Water stress areas are determined via the Aqueduct Water Risk Atlas tool. ii. Water discharge for reporting purposes considers water supplied as equal to water discharged.
Reporting process	Water usage data is provided by centre teams quarterly on the reporting tool. Centre teams provide this information based on automatic metering systems, manual meter reads or invoices.
Disclosure	ESRS E3-4

Waste

KPIs	<ol style="list-style-type: none"> i. Waste generated by disposal route ii. Waste diverted from landfill iii. Waste recycling
Unit of measurement	<ol style="list-style-type: none"> i. Metric tonnes ii. % of material diverted from landfill iii. % of material recycled
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year. Waste accounted is the waste managed directly by McArthurGlen, and excludes waste handled by tenants due to lack of data/oversight. Head office and Milan office are excluded as both are leased spaces where waste management is handled by the landlord and outside McArthurGlen's oversight.
Definition	<ol style="list-style-type: none"> i. Waste generated by disposal route: total amount of waste generated, divided into recycling, incineration, landfill, anaerobic digestion, composting and re-use. ii. Waste diverted from landfill: calculated to reflect the proportion of waste redirected from landfill as a proportion of total waste generated. iii. Waste recycling: calculated to reflect the proportion of waste sent to recycling, re-use, composting and anaerobic digestion facilities as a proportion of the total waste generated.
Reporting process	Waste data is provided by centre teams quarterly on the reporting tool. Centre teams should provide this information based on the waste reports from local waste management suppliers.
Disclosure	ESRS E5-6

Greenhouse gas emissions

Scope 1

KPI	Scope 1: Direct GHG emissions
Unit of measurement	tCO ₂ e
Baseline	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year. The scope of reporting includes information provided in Streamlined Energy and Carbon Reporting (SECR) and Energy Saving Opportunity Scheme (ESOS).
Definition	<ul style="list-style-type: none"> • Fuels consumed include natural gas, liquid petroleum gas (LPG), gas oil and biomass that is purchased and used in centres directly by McArthurGlen. Fuel can be used for

	<p>heating (i) as well as in company owned and leased vehicles (ii), and emergency generators.</p> <ul style="list-style-type: none"> Fugitive refrigerant gases (iii) refer to any intentional or unintentional releases or leaks of refrigerant gases from any owned or controlled equipment or assets, mainly heating ventilation and air conditioning (HVAC) systems.
Source & Process	<ol style="list-style-type: none"> Fuels (heating): consumption data is provided by centre teams quarterly on the reporting tool. This information is provided based on automatic metering systems, manual meter reads or invoices. Fuels (vehicles): consumption data is provided as either distance travelled or amount of fuel consumed by leased vehicles. Data is submitted by centre teams via the internal sustainability survey on an annual basis or provided via a third-party provider. Refrigerants: centre teams provide data via the reporting tool on an annual basis based on reports from their mechanical and electrical service contractors.
Emission Factors	DEFRA emission factors are utilised to calculate emissions.
Disclosure	Streamlined Energy and Carbon Reporting (SECR) and Energy Saving Opportunity Scheme (ESOS), ESRS E1-6

Scope 2

KPIs	Scope 2: Indirect GHG emissions (location-based and market-based)
Unit of measurement	tCO ₂ e
Baseline	2023
Scope	<p>All entities in scope for sustainability reporting within operational control boundary in the reporting year.</p> <p>The scope of reporting includes information provided in Streamlined Energy and Carbon Reporting (SECR)³ and Energy Saving Opportunity Scheme (ESOS).</p>
Definition	<ol style="list-style-type: none"> Scope 2 location-based: reflects the average grid GHG emissions within the defined geographic location in which the energy consumption occurs. Scope 2 market-based: reflects the GHG emissions associated with contractual instruments of electricity purchasing.
Emission Factors	<ol style="list-style-type: none"> Scope 2 location-based: McArthurGlen applies country-specific average mix electricity emission factors (e.g. DEFRA, IEA).

³ Streamlined Energy and Carbon Reporting (SECR) excludes Scope 2 market-based emissions. SECR scope of reporting accounts conservatively for EV chargers' energy consumption of leased vehicles at Head office, if present.

	ii. Scope 2 market-based: specific residual mix factor is used (AIB).
Reporting process	Consumption data is provided by centre teams quarterly on the reporting tool. Centre teams should provide this information based on automatic metering systems, manual meter reads or invoices. <i>Note: electricity sub-metered and recharged to tenants is included in Scope 3 GHG emissions, within downstream leased assets.</i>
Disclosure	Streamlined Energy and Carbon Reporting (SECR) and Energy Saving Opportunity Scheme (ESOS), Net Zero, ESRS E1-6

Scope 3

Definition	Scope 3: Other indirect GHG emissions
Unit of measurement	tCO ₂ e
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year. The scope of reporting includes information provided in Streamlined Energy and Carbon Reporting (SECR) and Energy Saving Opportunity Scheme (ESOS) limited to business travel. ⁴
Definition	<ul style="list-style-type: none"> i. Purchased goods and services: this category includes all upstream emissions from purchased goods and services by the reporting company. For McArthurGlen, this includes all spend processed through the company finance system excluding those accounted for in other categories (e.g. waste, energy and travel). ii. Downstream leased assets: this category includes emissions from the operation of assets that are owned by the reporting company (acting as lessor) and leased to other entities in the reporting year that are not already included in Scope 1 or Scope 2. For McArthurGlen, this refers to emissions resulting from brand partners. iii. Fuel- and energy-related activities not included in Scope 1 or Scope 2: this category includes emissions related to the production of fuels and energy purchased and consumed in Scope 1 or Scope 2.

⁴ Streamlined Energy and Carbon Reporting (SECR) accounts only for Scope 3 emissions associated with grey fleet (i.e. use of employees' own cars for which fuel costs are claimed back via expenses).

	iv.	Waste generated in operations: this includes emissions from third-party disposal and treatment of waste and water generated in the reporting company's owned or controlled operations.
	v.	Business travel: this category includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains and passenger cars ⁵ .

Emission Factors	i.	Purchased goods and services (Scope 3, Category 1): Bilan Carbone Emission factors by ADEME.
	ii.	Downstream leased assets (Scope 3, Category 13): refer to scope 1 and 2 emission factors.
	iii.	Fuel- and energy-related activities not included in Scope 1 or Scope 2 (Scope 3, Category 3): well-to-tank and transportation and distribution factors (DEFRA).
	iv.	Waste generated in operations (Scope 3, Category 5): DEFRA.
	v.	Business travel (Scope 3, Category 6): DEFRA.

Reporting process	i.	Purchased goods and services: spend data over the reporting period is categorised at each entity and at Group-level, and an emission factor is applied (kgCO ₂ e per euro spent). All spend data is provided by the Group finance department, which extracts it from the Finance information and reporting system. Capex is not included in reporting.
	ii.	Downstream leased assets: brand partner consumption data is measured where possible. If not known, it is estimated using CIBSE benchmarks or similar publicly available retail benchmarks, using average GLA at each centre throughout the year.
	iii.	Fuel- and energy-related activities not included in Scope 1 or Scope 2: refer to utilities data provided by centre teams for Scope 1 and 2.
	iv.	Waste generated in operations: water consumption and waste disposal data is provided by centre teams on the reporting tool.
	v.	Business travel: data is provided by a corporate travel management agency. Additional data is provided by centre teams on an annual basis via the sustainability survey, either based on information provided by local travel partners or

⁵ Hired cars are not fully captured due to limitations of data provision from external travel agencies.

MCARTHURGLEN™

GROUP

using estimates if the actual data is not available.

Disclosure ESRS E1-6

GHG intensity

Definition GHG emissions intensity ratio for the reporting company

Unit of measurement tCO₂e/m² GIA

Baseline year 2023

Definition GHG intensity measures emissions generated per sqm of GIA, used for like-for-like comparison.

Reporting process Types of GHG emissions included in the intensity ratio can be direct (Scope 1), indirect (Scope 2), and/or other indirect (Scope 3) divided by organisation-specific metrics (GIA).

Disclosure Net zero, entity specific

SOCIAL

Diversity metrics

KPIs

- i. Diversity at top management level
- ii. Diversity by age group

Unit of measurement %

Baseline year 2023

Scope All entities in scope for sustainability reporting within operational control boundary in the reporting year.

Definitions Diversity metrics are expressed as a percentage of the total workforce. Diversity at top management level considers senior executives and leadership roles responsible for strategic decision-making (band 6 and above). The representation by age group is categorised in the following brackets: under 30 years old, 30-50 years old, >50 years old.

Reporting process Data is centrally extracted from the Group's Human Resources Information System, which serves as the primary platform for workforce management and reporting.

Disclosure ESRS S1-9

Characteristics of McArthurGlen employees

KPIs

- i. Employee by gender
- ii. Employee by country/region
- iii. Total average number of employees
- iv. Employee by category and gender
- v. Employee by contract type and gender
- vi. Employee by contract type per region

	vii. Turnover
Unit of measurement	Headcounts
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year.
Definitions	Breakdown of the company's own workforce, covering aspects such as employment type (full-time/ part-time) (iv) , contract type (permanent/ temporary) (v) , geographic distribution (ii, vi) , gender representation (i, iv, v) , etc. The disclosure aims to enhance transparency on workforce composition, support diversity and inclusion assessments, and facilitate comparisons across regions. Average workforce across the reporting period takes into account fluctuations during the reporting period. vii. Turnover rate represents the percentage of employees leaving the company during a given period, calculated against the average total workforce.
Reporting process	Data is centrally extracted from the Group's Human Resources Information System, which serves as the primary platform for workforce management and reporting.
Disclosure	ESRS S1-6

Characteristics of McArthurGlen non-employees

KPIs	Contingent workers
Unit of measurement	Headcounts
Baseline year	2023
Definitions	Information on non-employee workforce, including individuals working under temporary, contractual, or outsourced arrangements. The disclosure covers the total number of contingent workers and the nature of their contractual relationships. This information enhances transparency regarding workforce composition beyond direct employees, and dependency on external labour.
Reporting process	Data is centrally extracted from the Group's Human Resources Information System, which serves as the primary platform for workforce management and reporting
Disclosure	ESRS S1-7

Collective bargaining coverage and social dialogue

KPIs	Employees covered by collective bargaining agreements
Unit of measurement	%
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year.

Definitions	Express the extent to which the working conditions and terms of employment of the Group's employees are determined or influenced by collective bargaining agreements, where available, and the extent to which its employees are represented in social dialogue in the European Economic Area (EEA) at Group-and European-level.
Reporting process	Data is centrally extracted from the Group's Human Resources Information System, which serves as the primary platform for workforce management and reporting.
Disclosure	ESRS S1-8

Work life balance metrics

KPIs	Employees entitled to take family-related leave
Unit of measurement	%
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year.
Definitions	Company entitlement and actual practices among employees to take family-related leave in a gender equitable manner, which is one of the dimensions of work-life balance.
Reporting process	Data is centrally extracted from the Group's Human Resources Information System, which serves as the primary platform for workforce management and reporting.
Disclosure	ESRS S1-15

Incidents, complaints and severe human rights impacts

KPIs	Incidents of discrimination and severe human rights issues and incidents
Unit of measurement	#
Baseline year	2023
Scope	All entities in scope for sustainability reporting within operational control boundary in the reporting year.
Definitions	Number of severe human rights incidents connected to McArthurGlen's workforce in the reporting period, considering cases in which the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, or the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises are not followed.
Reporting process	Report from a risk log where employees can add any People incidents. Status of incidents and/or complaints undergo: (a) thorough reviews;

(b) remediation plans.

Disclosure	ESRS S1-17
-------------------	------------

This document will be periodically reviewed and revised to reflect changing conditions and information concerning nature, scale and environmental impacts of our activities and services. McArthurGlen reserves the right to adjust the reporting methodology in future to reflect changes to the reporting framework, regulatory requirements, updated industry best practice standards and stakeholder feedback.

Document Version History

Version	Updates	Date
1.0	Initial release	21/06/2024
2.0	UK SECR reporting details added	05/07/2024
3.0	Reference framework review (ESRS), extended KPIs list with Social and Governance metrics, rebaseline 2023.	20/06/2025