

McArthurGlen Designer Outlet Parndorf

ENVIRON MENTAL REPORT 2018

Parndorf

Designer Outlet

™

McArthurGlen

Contents

Foreword: Sustainability is our way of life	03
Designer Outlet Parndorf McArthurGlen Management GmbH:	
Europe's number 1 for outlets	04
McArthurGlen Group: Shopping paradise for brand enthusiasts	05
Conscious action: Our environmental policy	06
Environmental protection: Our policy statement	08
Environmental aspects: Valuable resources	09
1. Natural resources and energy	
2. Transport	
3. Discharge and drainage into watercourses	
4. Effects on biological diversity	
5. Waste disposal and transport	
6. Emissions released into the atmosphere	
7. Pollution caused by dust, noise, vibrations	
8. Use of additives and auxiliary agents	
9. Soil contamination	
Scope of the management system	15
Environmental program 2018/2019	16
Review of milestones	17

FOREWORD

Sustainability is our way of life

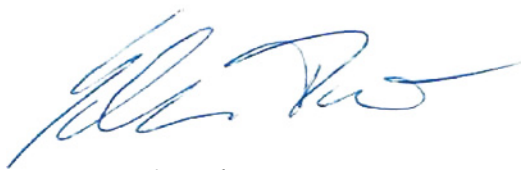
McArthurGlen Management GmbH is an environmentally-conscious company that pays specific attention to using resources sparingly and avoiding waste. We protect our environment at a local, national and global level with the company's related, binding obligations.

Our ISO 14001 certificate demonstrates our commitment to the continual improvement of all the measures we take to protect the environment, as well as to the environmentally friendly use of processes, materials and products.

For example, 100% of the electricity we use comes from renewable energy. We have massively reduced electricity consumption through the use of modern LED luminaires. And with our comprehensive waste management system, we have achieved the goal of "zero landfill", with 100% of all waste streams being reused or recycled.

Together with our tenants at the Parndorf Designer Outlet, we are working actively on making improvements to our environment. And the positive results are plain for all to see: because we practise environmental protection in our day-to-day operations. At this point, our special thanks go to our employees, who imbue our ecological vision with life.

Many ambitious environmental targets, projects and changes still lie ahead of us. By taking responsible action, we aim to make a lasting contribution to the maintenance of our living space - for nature and for the people in the region.



Mag. Mario Schwann
Center Manager McArthurGlen Designer Outlet Parndorf



Mario Eranovic, BSc
HSSE-Officer McArthurGlen Designer Outlet Parndorf



DESIGNER OUTLET PARNDORF
McARTHURGLEN MANAGEMENT GMBH

Europe's number 1 for outlets

The McArthur Glen Group, Europe's leading developer, owner and operator of designer outlets, has been founded in 1993 in Europe by Kaempfer Partners. As pioneer in the field of designer outlets, McArthur Glen has since developed almost 600,000 sqm of sales space. In total the group currently operates 24 centers in nine countries: Belgium, Germany, France, Greece, Italy, Canada, the Netherlands, Austria and Great Britain. The centers offer coveted luxury-, designer- and lifestyle-brands in a high-class shopping atmosphere with year-round discounts.

Responsible action

From the very beginning, McArthurGlen has committed itself to ensuring that its outlets and their impact on their surroundings are of a sustainable nature. When developing its projects, the Group designs the buildings to be as energy-saving as possible. Materials, constructions and lighting concepts are tested for energy efficiency in the planning phase. McArthurGlen also opts for architecture that combines local influences with modern, innovative design.

McARTHURGLEN GROUP

Shopping paradise for brand enthusiasts

Leading designer brands at affordable prices: this offer attracts thousands of visitors to the Parndorf Designer Outlet every year. Occupying around 42,000 sqm, the designer outlet in northern Burgenland offers a wide range of products – from ladies' and men's fashion to sport and leisure apparel, shoes, children's fashion, accessories, jewellery and bags, to home accessories, glassware and porcelain as well as gift items.

Brand variety at affordable prices

Opened in 1998, the Parndorf Designer Outlet was the first of its kind in German-speaking countries. Over the years, the centre has continued to grow and become a success story in its own right. Visitors here can find designer goods with year-round discounts of between 30% and 70%. Amongst the round about 170 designer stores there are famous names such as Adidas, Aigner, Armani, Bally, Barbour, Baldinini, Burberry, Calvin Klein Jeans, Calvin Klein Underwear, Calzedonia/Intimissimi, Coach, Desigual, Corneliani, Fossil, Escada, Frey Wille, La Perla, Polo Ralph Lauren, Reebok, Superdry, Timberland, Geox, Guess, Tommy Hilfiger, UGG, Van Laack oder Villeroy & Boch.

The Parndorf Designer Outlet is known for its convenient location as it is situated just 30 minutes away from Vienna and close to Lake Neusiedl. In addition to being accessible by private transport via a connecting road and the A4 motorway, the Parndorf Designer Outlet provides a regular shuttle bus service between Vienna and Parndorf.

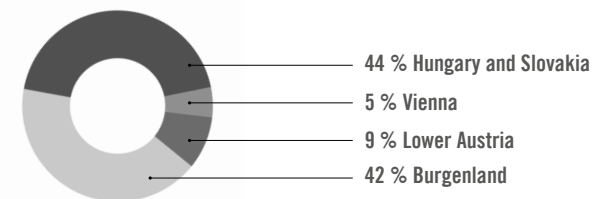
Leading employer in the region

With around 1.800 jobs, the Parndorf Designer Outlet is the biggest private employer in Burgenland and an important economic motor for the region. A total of 42 % of the employees come from Burgenland. Around 44 % of the employees come from the neighbouring countries Hungary and Slovakia, 5 % from Vienna and 9 % from Lower Austria.

McArthurGlen Management GmbH

McArthurGlen Management GmbH employs 43 people who are responsible for managing the Parndorf Designer Outlet. This environmental report applies to the limited liability company and to all public areas in the centre.

Origin of Parndorf Designer Outlet employees





CONSCIOUS ACTION

Our environmental policy

Conscious action: Our environmental policy

McArthurGlen Management GmbH's environmental management system has a special responsibility for the environment due to its location on the edge of Lake Neusiedl which is part of the UNESCO World Heritage. Therefore continuously reducing environmental pollution and minimizing demand for natural resources are defined company objectives.

The highest level of environmental awareness

The environmental management system of McArthurGlen Management GmbH begins at Group level: reporting directly to management, an Environmental Advisor consults on all matters pertaining to health, safety and environmental protection. In each McArthurGlen Centre – and therefore also in the Parndorf Designer Outlet – an HS&E officer (Health, Safety and Environment) ensures implementation of the environmental targets. The officers convene once per quarter as the HS&E Committee in order to discuss the status of current targets and to plan and pass new measures.

ISO 14001 certified environmental management system

McArthurGlen Management GmbH achieved ISO 14001 certification for environmental management in November 2010. In 2018 they switched to the new revision of standards (ISO 14001:2015). The overriding objective of the environmental management system is to promote environmental protection and to prevent environmental pollution in harmony with socio-economic requirements.

Management Manual and reporting

The Management Manual is the heart of this management system: it precisely defines and lays down all requirements for environmental management processes, internal organization (procedures, inspections, competencies and responsibilities), documentation and assessment. It also contains the procedure for internal and environment-related audits as well as the analysis of environmental impacts caused by the supporting processes. The results of these inspections flow into the environmental program, which is implemented by



the management team with individual targets and activities. The Management Manual is available in the centre management system of the Parndorf Designer Outlet and is therefore accessible to everyone. The company uses its own reporting tool for capturing data and supporting analysis.

Management assessment

The management of McArthurGlen Management GmbH regularly checks the company's performance in matters relating to the environment. For this purpose an annual management assessment is being produced that shows the achievements in the preceding period and the derived measures that are to be taken. Data and reports on the key indicators serve as measurable results. The management assessment contains the evaluation of the improvement potentials and the need to adjust the environmental management system, including the environmental policy, the environment-related objectives and individual targets.

Environmental law register

McArthurGlen Management GmbH is committed to complying with prevailing legal obligations and other requirements. As the basis for this, the company operates a Legal Register that lists all laws, ordinances and decisions related to the environment. An updated copy of this register is kept on file in the Management Office. Once a year – or more frequently if necessary – the Environmental Register is updated by external legal advisors. Compliance with the legal obligations is also assessed once a year and if necessary with any required measures that may derive from this. The most recently completed assessment (2019) showed that the company is in compliance with all relevant legal requirements.

Strong together

McArthurGlen Management GmbH works closely with the operators of the individual shops on environmental issues. All employees are supported with measures designed to reduce environmental impacts, including appropriate resources and training. The management encourages this amongst its tenants by imposing stringent environmental and sustainability standards on the shopping facilities.



ENVIRONMENTAL PROTECTION

Our policy statement

As part of the McArthurGlen Group, the management of the Parndorf Designer Outlet is committed to comprehensive targets on sustainability and environmental protection:

“Our principle is to reduce carbon emissions, to use and preserve natural resources as carefully as possible and to produce as little waste as possible. In this way, we aim to protect the environment locally, nationally and around the world. Therefore we operate a tailored environmental management system, participate in best-practice competitions, reduce the consumption of operational resources and adhere to the requirements of the European and Austrian authorities.

By setting the highest possible standard for our environmental targets, we aim to improve the quality of our services for customers, brand partners and owners. In doing so, we consider the local and global impacts related to the reasonable use of fossil fuels, water use and combating pollution from ecological and financial perspectives.

Our goal is to retain the ISO 14001 certification and to reduce carbon emissions in accordance with the Kyoto Protocol, the EU’s Emissions Trading System and directives as well as national laws on climate change.”



Julia Calabrese
Chief Executive Officer McArthurGlen Group

ENVIRONMENTAL ASPECTS

Valuable resources

An overview of the main environmental aspects of McArthurGlen Management GmbH and the measures that have been taken to improve the environmental situation at the Parndorf Designer Outlet:

DIRECT ENVIRONMENTAL ASPECTS

1. NATURAL RESOURCES AND ENERGY

Electricity and gas are used by McArthurGlen Management GmbH primarily for lighting (outside areas, advertising media, paths, car parks, shops), as well as for heating and cooling.

100 % green electricity – 100 % free from carbon

McArthurGlen Management GmbH uses electricity generated solely from renewable energy. The energy mix used is composed of hydropower (92.79%), wind energy (3.57%), biomass (3.58%) and solar energy (0.06%).*

Sustainable heating system

The company uses state-of-the-art heating systems to heat the building. The condensing heating system offers an optimal cost-benefit ratio with a standard efficiency ratio of 109%. Low emissions and ideal thermal yield ensure environmentally friendly operation with low energy consumption. The centre currently has 197 gas burners in use, with a total output of 7.864 kW.

	2016	2017	2018
Gas consumption (kWh)	353.296	234.696	161.262
Electricity consumption (kWh)	1.065.030	1.318.729	1.395.154
Ratio (kWh natural gas/visitor)	0,07	0,04	0,03
Ratio (kWh electricity/visitor)	0,20	0,24	0,24
Total number of visitors	5.263.712	5.567.080	5.971.344

The ratios only refer to the public spaces in the Parndorf Designer Outlet. As the shop tenants conclude their own contracts with energy suppliers, their consumption figures are not surveyed.

** Source: Energie Burgenland*



2. TRANSPORT

The Parndorf Designer Outlet is connected to the public transport network via regional busses. Private transport is still an important element of environmental considerations. Atmospheric emissions produced by private transport include carbon as well as particulates and nitrogen oxide (NO_x). For the purpose of verifying environmental compatibility, McArthurGlen Management GmbH commissioned the Laboratory for Environmental Analysis to conduct a study. This study established that the levels of particulates and NO_x do not pose any risk to the current extent of operations nor to any possible development of the centre up to 2022. No climatological impact on agricultural and forestry land of any notable scope is expected either.

As visitors come to the centre during their free time, up to 60% of the total amount of traffic generated during any given week falls on weekends (Friday and Saturday). The majority of the traffic (82%) at the Parndorf Designer Outlet is generated by visitors.

Since 2007, the Parndorf Designer Outlet has operated a shuttle bus service between Vienna and Parndorf, approximately 500.000 visitors have used this service since.

YEAR	NUMBER OF SHUTTLE BUS PASSENGERS	CHANGE YEAR-ON-YEAR (%)
2016	73.806	+ 9 %
2017	71.479	- 3 %
2018	68.920	- 3,5 %

Trips made by the approx. 1800 people who work at the centre account for about 8% of the total traffic volume. The in-house magNET system organises travel communities to reduce car traffic. Goods are delivered to the Parndorf Designer Outlet by lorry. Journey frequencies vary. On average, there are approx. 300 lorry movements per week (approx. 10% of the total volume).

	2016	2017	2018
Number of cars	2.092.930	2.197.200	2.350.510
CO ₂ emissions (t) by cars	19.932,0	20.925,0	22.385,0
Number of busses	6.017	7.345	6.530
CO ₂ emissions (t) by busses	401,8	490,5	436,1
CO ₂ emissions (t) by employees	1.403,0	1.756,1	1.765,3
CO ₂ emissions (t) by deliveries	1.072,6	1.234,7	1.273,3
CO ₂ emissions (t) total	22.809,5	24.406,3	25.859,7
Key indicator (CO ₂ (kg)/visitor)	4,33	4,38	4,33

Based on the CO₂ equivalents as described in the HBEFA Report 2013 and the EEA Technical Report 19/2014



3. DISCHARGE AND DRAINAGE INTO WATERCOURSES

The biggest consumers of water at the Parndorf Designer Outlet are the toilet facilities for customers and employees as well as the dining facilities. Additional water is required in summer to water the greenlandscaped areas.

The development of the site means that most of the area used by traffic is sealed. Rainwater is sent to drainage basins and discharged into the sewers separately. The waste water system (sewers and treatment plant) is largely unaffected by this. The drainage basins are inspected by an external expert. The quantity of wastewater is not measured directly, but is assumed to have a high correlation to water consumption.

	2016	2017	2018
Water consumption in m ³	34.804	57.239	57.004
Ratio (l/visitor)	7,24	10,28	9,55

4. EFFECTS ON BIOLOGICAL DIVERSITY

McArthurGlen Management GmbH lies on the periphery of the Natura 2000 Lake Neusiedl nature and landscape conservation area. The SPA (Special Protection Area) of the Parndorfer Platte – Heideboden Bird Protection Area is also nearby. The centre is only bordered directly by commercial and industrial areas; areas under agricultural use are found elsewhere in the vicinity.

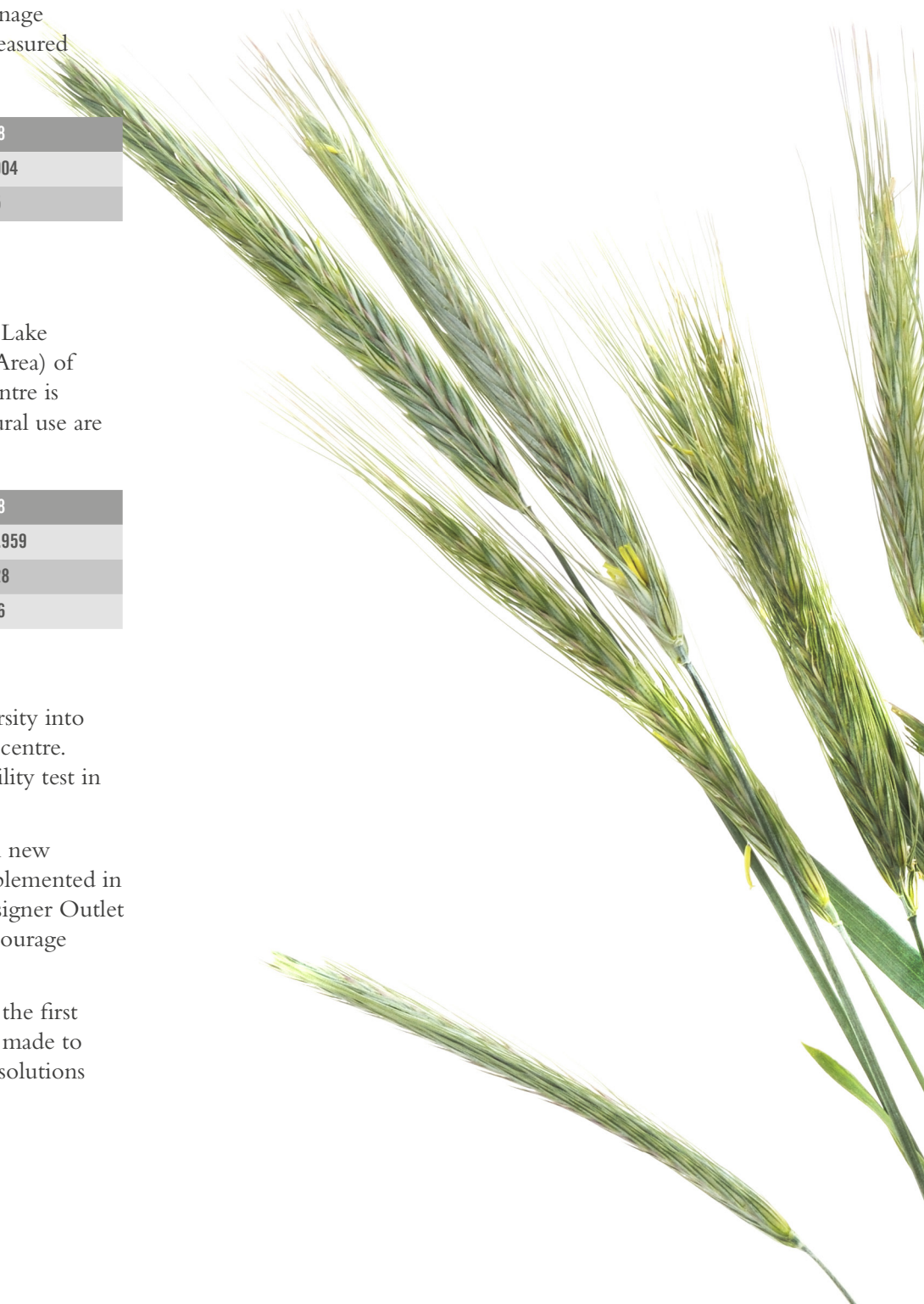
	2016	2017	2018
Sealed area (m ²)	165.959	165.959	165.959
Land use ratio (m ² /visitor)	0,032	0,030	0,028
Land use ratio 2 (m ² /shop)	1194	1037	1006

Promotion of local flora and fauna

McArthurGlen Management GmbH takes the local habitat and biological diversity into consideration in its landscape planning and its requirements for planting in the centre. Each new planned construction phase is subject to an environmental compatibility test in accordance with official requirements.

The biological diversity at the Parndorf Designer Outlet can be enhanced with new planting concepts. A comprehensive landscaping concept is currently being implemented in the centre in consultation with the Seewinkel National Park. The Parndorf Designer Outlet has recently become official bee patron supporting a project in Parndorf to encourage biodiversity and promote bees and insects.

In 2019 the Parndorf Designer Outlet participated in the WWF Earth Hour for the first time and thus made a statement for climate protection. Attempts are also being made to minimise the effects on the natural surroundings by using alternative transport solutions (e.g. shuttle bus).



5. WASTE DISPOSAL AND TRANSPORT

The Parndorf Design Outlet generates most of its waste in the form of packaging materials (shops) and kitchen waste (dining). Waste that is required to be covered by a consignment note is present only in very small quantities: fat separator residues are disposed of directly by the dining outlets, fluorescent tubes by the cleaning company.

Waste generated by customers is collected by the cleaning company, gardening waste by the gardener. The centre management produces waste such as toner cartridges for the printers, which are returned to the device manufacturer.

100 % Recycling of waste

McArthurGlen Management GmbH operates a so-called “zero landfill” policy. This means that, where possible, none of the waste produced should go to landfill. The waste streams at the Parndorf Designer Outlet are collected separately and then sent for recycling: waste paper, glass, metal, organic waste are recycled. Rubbish islands are available for this purpose throughout the centre. The waste is collected from them by the cleaning company and disposed of in the compactors provided. Special waste (fluorescent tubes), glass and metal are collected directly by Burgenland Environmental Services. The centre’s residual waste is 100% thermally recycled on site, enabling it to be further used as waste heat. McArthurGlen Management GmbH endeavours to entirely avoid purchasing products made from PVC.

	2016	2017	2018
Residual waste	548	637	724
Carton	487	534	594
Paper	27	27	27
Lightweight materials	25	26	21
Kitchen waste	0,07	0,07	0,07
Waste cooking oil	0,05	0,05	0,05
Biodegradable waste	14,6	14,6	21
Glass colored	37	40	42
Glass white	20	22	22
Metal	1,4	1,5	1,5
Total	1160,1	1301,2	1452,6
Ratio (kg/visitor)	0,22	0,23	0,24

all figures in t

6. EMISSIONS RELEASED INTO THE ATMOSPHERE

The Parndorf Designer Outlet uses heating equipment to generate energy, which in turn produces emissions. This equipment is regularly serviced and checked for its function by measuring the emission values. The gas consumption (see 1. Natural resources and energy) has been assessed as a substitute for the carbon emissions of the heating system.

	CURRENT CARBON FOOTPRINT 2018 (T CO ₂)	% SAVING OVER PREVIOUS YEAR
Fossil fuels	21	-31,3 %
Electricity	251	5,8 %
Refrigerant losses	168	26,3 %
Traffic **)	0	–
Total CO₂	440	9,7 %

Source: CO₂ calculator of the Federal Environment Agency (Umweltbundesamt)

**) Company cars

7. POLLUTION CAUSED BY DUST, NOISE, VIBRATIONS

The areas of the Parndorf Designer Outlet that are used by traffic are sealed to ensure the release of negligible amounts of dust and dirt. A speed limit of 30 km/h at the centre prevents the excess production of fine dust.

The noise level at the Parndorf Designer Outlet is restricted to traffic noise caused by vehicles driving through the site. As the centre does not have any immediate neighbours, this traffic is not considered a burden. The traffic that uses the Parndorf Designer Outlet accounts for approx. 10% of all the traffic in the local area (main road + A4 motorway). Any vibrations produced are restricted to the road traffic. The site was already intensively used before the centre's construction and classified as ruderal meadows (ground heavily influenced by human activity). Further compaction of the soil is minimised by sealing the surface.

8. USE OF ADDITIVES AND AUXILIARY AGENTS

100 % biodegradable cleaning agents

Only very small quantities of substances and chemicals are used for cleaning purposes. Moreover, only environmentally friendly cleaning agents are used at the Parndorf Designer Outlet. Two of the products used have even been awarded with the Austrian environmental symbol for products by the Republic of Austria and with the European environmental symbol.

Thawing aids

To ensure the safety of visitors in winter, thawing aids are needed on those areas of the centre that are used by road traffic. The amount used can vary heavily depending on the weather. Attempts are made in this area to keep the quantities used as low as possible in order to protect the environment.

	2016	2017	2018
Consumption of thawing aids (kg)	32.000	21.000	43.550
Ratio (g/visitor)	6,1	3,8	7,3



9. SOIL CONTAMINATION

Normal operations of the Parndorf Designer Outlet do not result in any soil contamination by environmentally harmful or toxic substances. No significant quantities of chemicals or hazardous substances are stored in the centre. The drainage basins for surface water are inspected annually by an external body.

INDIRECT ENVIRONMENTAL ASPECTS

1. ADMINISTRATIVE AND PLANNING DECISIONS

Improvements and preventive measures in the area of the environment may be implemented only with the use of the available resources. That is why McArthurGlen Management GmbH includes the environmental perspective in all its planning decisions for staffing and financial resources.

2. ENVIRONMENTAL PERFORMANCE OF CONTRACTORS

The further development of the location frequently involves construction work. These projects naturally have a big impact on the environment. McArthurGlen Management GmbH works with building control and contractors to ensure that any remodelling or new construction work is as environmentally friendly as possible.

3. EMPLOYEE MOBILITY

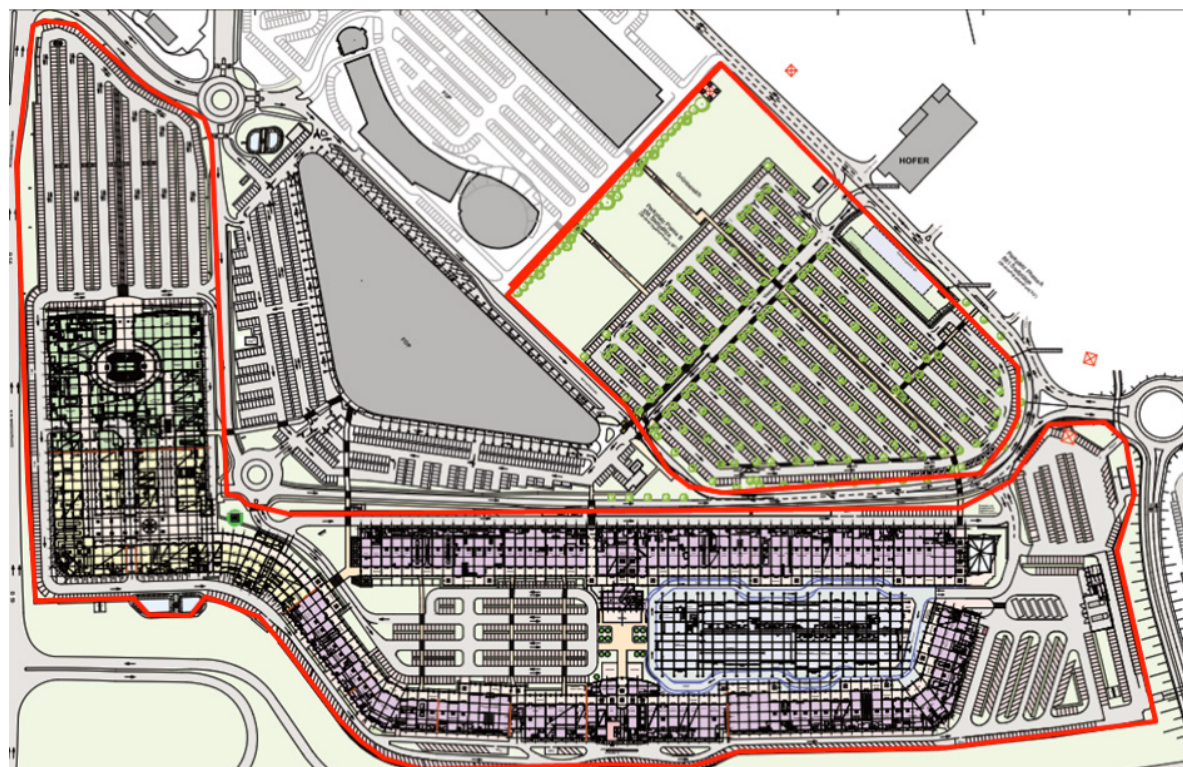
The McArthurGlen Management GmbH aims to keep its carbon footprint as small as possible. Business trips made by employees are an important factor in the carbon emissions. Internal regulations, such as using public transport for business trips wherever possible, are therefore in place for such trips in order to minimise the impact on the environment.

Scope of the management system

The management system incorporated by the McArthurGlen Management GmbH includes the provision of high-quality retail areas and maintenance of these areas. Maintenance in this case means the frequent contact with tenants, customers, authorities and other interested parties, the provision of security services for all general areas and the commissioning and supervision of external service providers to manage and improve daily business.

The scope of the management system applies to the maintenance of the areas framed in the picture below.

The physical system boundaries are illustrated in the following picture:



Environmental programme 2018/2019

The focus in 2018/2019 is primarily on increasing energy efficiency. In addition to complying with all statutory requirements, McArthurGlen Management GmbH is also committed to the following environmental targets:

ENVIRONMENTAL AREA/TARGET	MEASURES	PARAMETERS	DEADLINE	STATUS
USE OF NATURAL RESOURCES AND RAW MATERIALS				
Replacement of heaters	<ul style="list-style-type: none"> • Replace 18 year old heaters 	Savings approx. 4 %	March 2019	In process
Replacement of cooling units	<ul style="list-style-type: none"> • Replace 16 year old cooling units 	Savings approx. 4 %	March 2019	In process
Expansion of building services	<ul style="list-style-type: none"> • Energy-saving lamps • LED where possible • Motion sensors & dimmer switches where possible 	Savings approx. 6 %	April 2018	In process
Bus systems → analog to digital	<ul style="list-style-type: none"> • Replace analog systems with digital ones 	Savings approx. 2 %	.	In process
Regular investments in biodiversity	–	–	Cont.	Cont.
Yearly energy audit	<ul style="list-style-type: none"> • Identify problems and savings potential 	–	Summer 2018	In process
Yearly water audit	<ul style="list-style-type: none"> • Identify problems and savings potential 	–	Summer 2018	In process
Photovoltaic system in the containers	<ul style="list-style-type: none"> • Energy recovery 	approx. 2500 KWh input	2018/19	In process
Implementation of automatic irrigation facilities in plot B	<ul style="list-style-type: none"> • Save water 	Savings approx. 2 %	2018/19	In process
New plants in the center	<ul style="list-style-type: none"> • Promote biodiversity 	–	2018/19	In process
Advertising lighting	<ul style="list-style-type: none"> • Adjust lighting times 	Savings approx. 1 %	2018/19	In process
WASTE DISPOSAL AND TRANSPORT				
No waste to landfill	–	100% processing or recycling	Cont.	Cont.
Improve waste separation	<ul style="list-style-type: none"> • Waste check • Employee training • Tenant training 	–	Cont.	Cont.
SOIL CONTAMINATION/DISCHARGE AND DRAINAGE INTO WATERCOURSES				
Check fat separators	<ul style="list-style-type: none"> • Contract with licensed disposal companies 	Increase < 20 %	Cont.	In process
ADMINISTRATIVE AND PLANNING DECISIONS				
Regular meetings and training sessions	<ul style="list-style-type: none"> • Training and development of all employees (e-learning software) 	Environmental awareness of employees	End of April 2017	Cont.

Review of milestones

What we have already achieved

Today, 100% of the electricity used in the centre comes from renewable energy. From 2010 (implementation of an environmental management system) until 2018, 988.000 kWh electricity, which amounts to roughly 110.000 kWh per year, could be saved despite the continuous expansion of the centre. Thus savings of 236 households and 221 t CO₂ emissions could be achieved.

Even greater savings are being targeted through the increased use of LED lighting, which will soon be used across the entire site. Due to the smart metering technology, a continuous control of electricity and water consumption is possible, and thus adjustments can be made quickly in case of deviations.

A stringent waste management system has made it possible to reuse 100% of the waste generated either thermally or through recycling. The cleaning agents used are also fully biodegradable.

Much attention is paid to local bodies of water, flora and fauna around the Parndorf Designer Outlet. The surface water is ecologically treated and the centre collaborates on the design of its landscaping with the Seewinkel National Park.

With regard to remodelling and new construction work, McArthurGlen Management GmbH abides strictly by its environmental and sustainability standards – from the building shell to the shop fittings. The use of PVC products is avoided wherever possible in the public areas of the centre.

Validation declaration

This environmental report of McArthurGlen Management Gesellschaft m.b.H., Designer Outlet Straße 1, 7111 Parndorf, was verified as part of an ISO 14001 monitoring audit by

Quality Austria Trainings-, Zertifizierungs- und Begutachtungs GmbH
Zelinkagasse 10/3, 1010 Vienna
AT-V-0004

The senior expert at Quality Austria Trainings-, Zertifizierungs- und Begutachtungs GmbH confirms that the described environmental policy, the environmental objectives, the environmental management system and the data on environmental performance are in agreement with the ordinance for the creation of further national registers for organisations that use EMAS-equivalent environmental management systems (UMG RegisterVO), and the records found within the operation in the course of the audit, and declares the relevant content of the environmental report to be valid in accordance with § 4 Sec. 3, Point 2, letters a – h. Employees are involved in the process of continuous improvement of the environmental performance.

Parndorf, am 23.04.2019



Mag. Martin Nohava
Senior Environmental Expert

Parndorf

Designer Outlet



qualityaustria



McArthurGlen