

The Macerich Company Sustainability Report



MACERICH
Sustainability

Macerich is committed to creating a sustainable, healthy environment for our employees, retailers, guests, communities and future generations.





From Our CEO

At Macerich, one of our core values is our strong commitment to sustainability which dovetails with our overarching focus on operational excellence. In fact, sustainability has become an integral part of creating leading-edge shopping environments, bringing the best new retail concepts to our markets and driving efficiencies across our portfolio.

In this report we are pleased to share details of Macerich's company-wide efforts to operate in an environmentally responsible and sustainable manner. Sustainability has become a guiding principle that is integrated throughout our organization and woven into the fabric of our corporate culture. Since 2008, these comprehensive efforts have focused on our people, our properties and our processes.



We are proud of our progress and the productive course we have set to achieve real change that benefits the environment as well as our business. Our first Sustainability Report describes the full range of our sustainability program as well as our achievements, both big and small, through 2010. While green building was a critical part of our large-scale redevelopments of Santa Monica Place and Northgate Mall, green priorities are also evident in our portfolio-wide efforts to achieve energy savings, use environmentally friendly cleaning products, increase recycling programs and much more. Overall, we have made a sizable shift towards sustainability that has become a point of pride for our employees and delivers tangible benefits to our communities and the world at large.

Our sustainability program has exciting momentum and our results will only grow as Macerich works to find new ways to heighten our environmental stewardship. We look forward to our continued leadership in this important global arena.



Arthur M. Coppola
Chairman and Chief Executive Officer

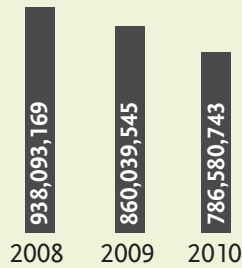
Performance at a Glance

2008 to 2010 Macerich Sustainability Efforts

The first years of Macerich's long-range sustainability program have produced significant benefits – both to the environment and to the Company's ongoing performance.

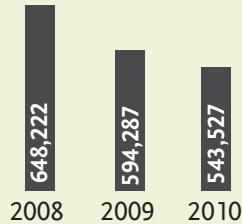
Operations and the Environment:

ENERGY USE REDUCTIONS (Kilowatts per hour)



Based on actual total electricity billings, with adjustments to reflect changes in our rates, properties and square footage from year to year

CARBON FOOTPRINT (Metric tons)



Based on use of EPA clean energy calculator site with Scope 2 utility use (for properties only – does not include corporate offices)

Developments/Redevelopments:

LEED Projects

2 of our last 3 major development efforts are registered LEED Projects

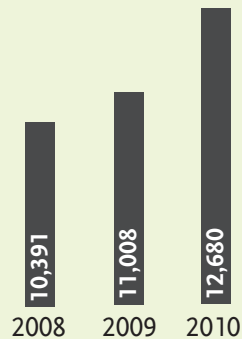
Over 80%

diverted waste from our recent development projects equates to 125 million pounds of waste diverted from landfills

Based on construction management tracking and derived from total weight across three major development projects outlined in this report

Corporate Responsibility:

RECYCLED WASTE (Tons)



12.8% increase in total waste stream recycling since 2008

Based on waste partners' tracking calculations derived from weights and number of dumpster pulls

Community:

Nearly 100,000 volunteer hours by Macerich employees since 2004

144,000

trees planted through our partnership with American Forests and GIVE Green Gift Card program

Volunteer hours derived from detailed internal tracking; total trees planted provided by American Forests



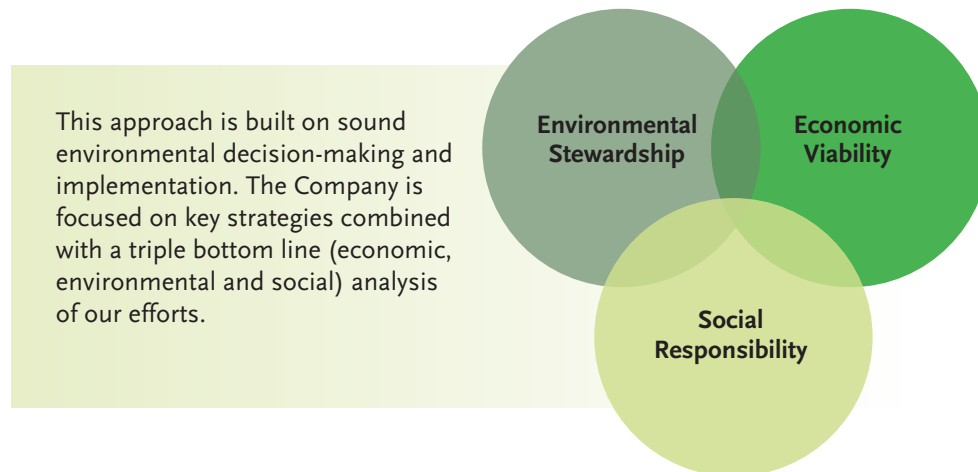
Sustainability: Core to our Business

Macerich and Sustainability

Macerich is one of the nation's leading shopping center owners, developers and operators, with 73 million square feet of gross leasable area primarily consisting of interests in 71 regional malls. The Company is sharply focused on sustainability as a long-term, fully integrated business approach. From early-adopter efforts in the mid-2000s involving strategic energy plans to the current major initiative spanning 2008-2012, Macerich has established a multi-disciplinary sustainability program with the guiding vision of creating:

A healthy environment for our employees, tenants, guests and communities and sustaining that environment for future generations.

The Company's long-standing commitment to social responsibility is part of its sustainability efforts. Macerich has numerous community service programs that incorporate employee volunteerism, in-kind and financial contributions and/or community partnerships, in areas ranging from education and the arts to health and wellness and more. Environmental sustainability is a natural component of these broad-based community concerns, as well as a key business discipline.



Sustainability Program Focus Areas

Macerich has an established operating philosophy of concentrating on the unique attributes of each individual property and the community it serves. Just as the Company takes a customized approach to its real estate business, its sustainability efforts are tailored to each property. Results are both immediate and long-term.

In its initial five-year plan culminating at the end of 2012, Macerich takes a wide-ranging environmental and conservation approach, with specific goals in four key focus areas:

1. **Operations and Asset Management:** Provide a healthy, clean and efficient environment for our employees, retailers and shoppers.
2. **Developments/Redevelopments:** Add value through sustainable building practices that are socially, environmentally and economically responsible.
3. **Community Connection:** Provide leadership and promote sustainability with our partners and in our communities.
4. **Corporate Responsibility:** Encourage and implement tools and programs that contribute to an environmentally focused, efficient and effective organization.



Our strategies address environmental concerns that include the impacts of climate change, the need for energy efficiency, the protection and restoration of our communities and local environments, the reduction of pollution and the promotion of waste avoidance. By striving to achieve these goals, Macerich is working to champion business and community sustainability.

Macerich's Sustainability Report is organized specifically to show progress and results for each of these four program goals.

Organizational Commitment and Approach

The success of Macerich's sustainability program relies on the active involvement, education and commitment of our employees at every level of the organization. Responsibility for the program is widely shared at the property level and throughout all levels of our corporate structure. Even as senior executives provide strong and continued support, Macerich uses a bottom-up approach to maximize the success of its efforts.

Macerich's sustainability efforts are guided by a dedicated Vice President of Sustainability, Jeffrey Bedell, LEED AP, who works closely with our senior executives as well as our employees. In fact, Macerich was one of the first retail REITs to create an executive position focused exclusively on sustainability.

The organizational structure for Macerich's sustainability efforts is as follows:





Focus Area 1

Operations and Asset Management

Goal: Provide a healthy, clean and efficient environment for employees, retailers and shoppers.

Energy

The heart of Macerich's sustainability program is to find ways to use less energy, while still providing a high-quality shopping experience for our guests and work environment for our employees. Our energy-efficiency efforts have led to the reduction of greenhouse gases through the use of less electricity as well as fewer fossil fuels and natural resources.

Results for 2009 and 2010 include:

Programs	Capital Investment	Utility Cost Savings	Operational Savings / Revenue	kWh Reduction	KW Reduced/ Impacted
Operational Programs					
Energy Reduction		\$ 7,200,000		70,588,235	
Load Curtailment*			\$ 133,500		7,684
Overnight Demand Reduction		\$ 463,000		4,539,216	
Efficiency Upgrades					
Lighting	\$ 8,133,359	\$ 2,374,900	\$ 403,733	23,283,335	3,186
Controls / EMS	\$ 5,422,239	\$ 1,378,974		13,519,356	1,850
Central Plant Upgrades	\$ 4,518,533	\$ 978,902	\$ 189,709	9,597,074	1,313
High-efficiency Development					
Northgate Mall Redevelopment		\$ 131,273		1,082,724	235
Santa Monica Place Redevelopment		\$ 368,354		3,060,024	782
Scottsdale Fashion Square Expansion		\$ 262,395		2,572,500	524
Utility Management System	\$ 1,323,140	\$ 410,173		4,021,308	541
Other**	\$ 1,298,700	\$ 288,119	\$ 206,000	2,824,696	576
Totals	\$ 20,695,971	\$ 13,856,090	\$ 932,942	135,088,468	N/A

* Revenue received from utilities for participation in load curtailment programs

** Includes cart light replacement, smart irrigation, escalator controls and vending controls



Strategic Energy Plans

Our Strategic Energy Plans are key to Macerich's sustainability program and drive the majority of the Company's energy decision-making. Designed to deliver overall positive corporate results, these plans provide blueprints for the Company to save energy, reduce costs, improve current operations and minimize environmental impacts.

Macerich's Strategic Energy Planning process focuses on five key areas:

1. **Maintenance and Operations.** Operational kWh reduction plans are aimed at making low-cost or no-cost operational changes and preventing a backlog of maintenance in order to maintain or enhance energy efficiency. The Company also establishes minimum operational requirements as a baseline, which allow for benchmarking and reinvestment of our operational savings.
2. **Procurements and Supply-side Opportunities.** The Company manages our energy procurement needs in the existing deregulated energy markets, monitors emerging deregulation markets, such as California and Oregon, and oversees commodity procurement of sustainable and other products that benefit the Company. Macerich is also committed to identifying renewable energy options – such as solar, wind and geothermal – and strives to utilize them whenever economically viable and operationally practical. As part of this process, the Company identifies, prioritizes and tracks commodity procurement on a regional, state and property level.
3. **Energy Efficiency Standards.** Our upgrades and advancements to building-level and central-plant automation systems allow for continual optimization and energy efficiency.
4. **Energy Management Planning.** Energy management control systems and utility management systems enable continual monitoring of our properties. This includes utility and building level sub-metering, along with daily operation and maintenance. Macerich works to integrate these systems with supply-side market conditions.
5. **Developments/Redevelopments.** The Company uses sustainable standards for architecture, design and construction with mandates for high-efficiency design standards and continual commissioning processes. Macerich has developed policies to ensure procurement of energy-efficient equipment and adherence to LEED, or similar standards, and implementation of new technologies where economically viable and operationally practical. (This area is discussed in detail as part of Goal 2 below.)

Efficiency Projects

Macerich has invested in energy-efficient retrofits at many centers over the past 18 months, with work completed or underway at more than 35 properties and work planned at an additional 15 centers. All of this work is scheduled for completion by mid-2011. Projects include:


1. **Lighting:** Macerich is implementing the most current and efficient technologies, including LED lighting, T5 fluorescents, high-efficiency HID fixtures, and Induction lighting fixtures. Macerich has retrofitted or replaced more than 54,000 fixtures to date. The Company is also exploring wireless mesh control technology integrated with high-efficiency fixtures for all parking garages, which is expected to reduce electricity usage by up to 42%, while not compromising safety.



Before energy-efficient retrofit



After energy-efficient retrofit

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2. **HVAC:** Macerich is implementing high-efficiency heating, ventilation and air conditioning (HVAC) systems when feasible and is especially focused on large central plant systems where new controls and strategies are expected to optimize performance and reduce energy use by 25-45%. To effectively meet occupant conditions, this technology optimizes temperature, water flow, chiller loads and distribution systems.
 3. **Controls:** Digital controls are being implemented on all systems and centralized in the Macerich Data Center, which allows central oversight of all properties. The system has a single common interface for all properties that provides consistency and continuity across all operators.
 4. **Other:** Other systems are being assessed for energy savings including elevators, escalators, vending machines, pumps and lighted displays.

Utility Management Systems

Macerich's Utility Management System (UMS) allows the Company to increase energy efficiency, reduce energy costs, decrease greenhouse gas emissions and automate and streamline energy management processes – in real time. Macerich has partnered with Real Foundations Managed Services (RFMS) to implement its UMS. The UMS involves an integration of the central Energy Management Systems (EMS) with utility metering and energy data collection systems, and includes software monitoring and analysis tools. The UMS combines software, data acquisition hardware and communication systems to collect, analyze and display building information.

The Company's UMS allows data access and control capabilities over the Internet or Intranet for Macerich and RFMS and is operating at 28 properties to date. The Company expects it will be added to more than 30 additional Macerich centers by the end of 2011. The UMS allows Macerich to reduce energy use and costs at our centers by 5-12% through:

- Benchmarking
- Trending and system monitoring
- Load shape analysis
- Fault detection and diagnostics
- Billing analysis

Importantly, in real time, the UMS allows on-site facility operators, central energy management specialists and Company personnel to manage building energy usage, while identifying patterns of use, including:

- Timing and magnitude of peak electric demand
- Daily load profiles
- Historic baseline energy use
- Unexpected operation schedules
- Cost variations by hour, day, week, month and year

Real-time or daily updating of hourly energy consumption data allows Macerich to evaluate building performance issues that have previously been difficult to observe. This also enhances the ability to perform retro and continual commissioning processes, and links the UMS system capabilities to utility-driven, demand-response programs and internal Company strategies. These systems help Macerich participate in utility-driven programs and implement individual property strategies to reduce peak demand and energy cost.



Operational Energy Reduction

Energy Reduction Programs

Macerich implemented a mandatory kWh Reduction Plan in 2009 and an Overnight Demand Reduction program in 2010 to reduce energy use at the properties through operational changes aimed at conserving resources, maximizing efficiencies and reducing costs without impacting the overall shopping experience.

These changes were designed to be nearly invisible to our employees, shoppers and retailers, while still realizing a greater than 10% energy savings. These “savings without sacrifice” were accomplished by optimizing work schedules, lowering lighting levels where feasible, and setting HVAC temperatures a few degrees higher during open hours and much higher when our centers are closed.

Load Curtailment Programs

Macerich properties participate in demand-response programs in partnership with local utility providers – including PJM, PG&E, SRP, APS, ConEd and SCE – and have responded to dozens of recent urgent requests to reduce energy use over the last 18 months. In addition to these utility-driven incentive programs, Macerich also operates its own load-shedding program and is beginning to automate these load reductions through its real-time UMS capabilities. Macerich has 24 centers currently participating in the demand-response program with an approximate total load curtailment of 7,684KW. By the end of 2011, all properties that can participate in the program will be integrated into the Company’s UMS and will be executing load curtailment strategies through automated systems.

Water Conservation

Macerich continues to find innovative ways to minimize its environmental footprint by reducing water use in its buildings and operations. Although water is a smaller portion of Macerich’s total utility usage and expenditure for its properties, it is still a vital natural resource to be conserved. Macerich largely uses water in three areas: irrigation, cleaning and washing, and bathrooms. Water conservation efforts currently focus on irrigation and bathrooms. Macerich also maintains guidelines for cleaning that do not allow cleaners, oils, fuel and other unacceptable products to be washed into storm drains or into the soil.

Smart Irrigation

A pilot program was initiated in late 2010 for smart irrigation systems for landscaping at several of our properties. These systems incorporate rain gauges to communicate information daily, measure water levels and adjust the amount of water used to maintain healthy lawns and plantings and to avoid run-off and over-watering. Preliminary results from these systems have indicated the use of approximately 35% less water on average to achieve comparable results. Pending final results from this pilot program, these systems will be assessed and implemented where appropriate across our portfolio in 2011/2012.

Bathroom Fixtures

Macerich installs high-efficiency fixtures in new bathroom construction and renovations. These fixtures are typically not only low-flow fixtures that use less water, but also are automatic fixtures that shut off directly after use. Macerich has established best practices for high-efficiency water faucets, toilets and urinals across our portfolio.

Carbon Footprint

The term “carbon footprint” is commonly used to describe the total amount of CO₂ and other greenhouse gas (GHG) emissions for which an individual or organization is responsible. The full footprint of an organization encompasses a wide range of emissions sources – from direct use of fuels to indirect impacts such as employee travel or emissions from third-party vendors. When calculating an organization’s footprint, it is important to try and quantify as full a range of emissions sources as possible in order to provide a complete picture of the organization’s environmental impacts.

In order to produce the most reliable measurement of a carbon footprint, a structured process is used to comprehensively classify possible sources of emissions. Sources are commonly classified and reported according to three main types or “Scopes” as defined by the U.S. Environmental Protection Agency. These Scopes are distinguished by the level of control an organization can exercise over them.

Scope 1 – Direct emissions that result from activities the organization controls

Scope 2 – Emissions from the use of electricity and other purchased utilities

Scope 3 – Indirect emissions from products and services, as well as employee practices

Because retail shopping centers lease space to tenants and only have minimal direct control over operational elements outside of the common area space, the Company has largely focused on Scope 2 impacts to date. However, in 2010, Macerich’s sustainability staff started to gather data and track areas in Scope 1 and Scope 3 with the goal of providing a more complete tracking of the Company’s carbon footprint in the future.

The Company’s initial assessment found that the majority of its carbon footprint is determined and affected by the energy purchased to operate its centers. Energy conservation efforts have resulted in a greater than 8% drop in GHG emissions over each of the last two years. This equates to the elimination of over 100,000 metric tons of CO₂ equivalent GHG emissions since 2008 through the Company’s efforts.

As summarized below, the environmental impacts of some of Macerich’s largest program efforts have contributed to reductions in greenhouse gas impacts (both direct and avoided), and other pollutants, as well as conservation of natural resources.

Annual Impacts		
Initiatives	kWh Reductions/Offset	lbs. of Waste Recycled/Diverted
Operational programs	75,000,000	
Strategic Energy Plan projects	50,000,000	
Developments/redevelopments	6,700,000	125,400,000
Waste management		23,040,000
Totals	131,700,000	148,440,000
Overall Environmental Impacts*	1-Year Impact	5-Year Impact
Greenhouse gas reductions (lbs. of CO ₂)	626,652,275	1,429,176,275
Acid rain emission reduction (lbs. of SO _x)	987,723	4,938,617
Smog emission reduction (lbs. of NO _x)	474,094	2,370,468
Barrels of oil not consumed	211,640	1,058,200
Tanker trucks off the road	1,200	6,000
Acres of pine trees reducing carbon	19,404	97,020
Homes powered	7,732	38,660

* Source: EPA Clean Energy Site



Green Cleaning Requirements

Macerich has developed an Environmental Cleaning Policy, which is part of its janitorial service provider contract and requires our cleaning vendors to follow established green cleaning standards. Some of these standards include Green Seal or similar approved cleaning products, HEPA (high efficiency particle air) vacuums, dry cleaning for carpets and restroom supply products made from a minimum of 60% recycled materials (100% recycled content is encouraged and used when possible). Our policy also requires cleaning and maintenance contractors to develop and document a plan and record results for low-impact environmental cleaning.

The purpose of this policy is to not only require the Macerich cleaning and maintenance contractors to use environmentally safe cleaning products, but to also promote housekeeping practices that will limit the amount of hazards that individuals are exposed to while at our centers. Cleaning includes procurement of cleaning materials and agents, floor maintenance, trash removal, and the upkeep of bathrooms, offices and detention areas. Plans developed by cleaning and maintenance contractors generally incorporate the following actions:

1. **Provide sustainable cleaning systems and strategies.** Provide documentation and specifications on the green cleaning strategies, the chemical and cleaning equipment used to accomplish those strategies, and the cleaning schedule.
2. **Use sustainable cleaning products.** Provide documentation and specifications on the chemicals and cleaning products.
3. **Use appropriate chemical concentrates and dilution systems.** Provide documentation and specifications on the cleaner-dispensing and dilution equipment.
4. **Provide maintenance personnel with proper training regarding potential hazards, the proper use, maintenance and disposal of cleaning chemicals, dispensing equipment and packaging.** Provide a training plan with specific directions and examples of low-impact environmental cleaning practices. Directions shall include step-by-step instructions for the use of equipment, proper dilution utilization, and the use and disposal of cleaning products. Manufacturers shall have product-labeling systems to assist non-English-speaking and illiterate personnel.
5. **Use hand soaps that do not contain antimicrobial agents.** This requirement does not apply if it is required by health codes and other regulations (i.e., food service and health care requirements).
6. **Use cleaning equipment that reduces impacts on indoor air quality.** Provide documentation and specifications on the equipment.

Transportation and Parking

Macerich employees are encouraged to support alternative transportation programs and many of the Company's centers and offices provide preferred parking or other incentives for those participating in these programs, as well as charging stations for electric vehicles. As described below, transportation for security personnel has provided a rich source of energy savings and reduced environmental impacts for Macerich.

Alternative Patrol Schedules

Many properties have altered security patrols to save gas and reduce environmental impacts. This was accomplished using a variety of tactics including the integration of foot patrols, as well as Segway and bike patrols, to minimize driving. For example, Wilton Mall in Saratoga Springs, N.Y., now saves more than 70 gallons of gas per month, amounting to a savings of more than \$200 per month per vehicle.

Hybrid Vehicles

Many Macerich properties now use hybrids rather than gas-powered vehicles. For example, at Southern California's Lakewood Center, a hybrid jeep patrolled 25% more miles, used 50% less gas and saved \$1,862 in six months compared to the previous non-hybrid vehicles.



Hybrids are replacing gas-powered vehicles

Segway Program and Bicycle Patrols

The rechargeable Segway electric vehicles are now widely used by Macerich security teams, allowing them to cover double the amount of area in half the time. Macerich staff also often use bicycles for security purposes when weather permits instead of fossil fuel-powered transportation.



Segways for security support energy efficiency

Green Parking Program

Macerich is an active participant in the Green Parking Council, a non-profit organization focused on integration of parking facilities and green building, clean technology, renewable energy, smart grid infrastructure, urban planning and sustainable mobility. Though the Company's involvement with the Green Parking Council is still in its early stages, Macerich is focusing on incorporating traffic flow technology, vehicle charging stations, bicycle parking, high-efficiency lighting and controls, rain water collection, and other environmentally friendly technologies and strategies. As an example, certain of our centers have parking guidance systems which significantly improve the flow of traffic in our parking structures, thereby reducing vehicle emissions.

Waste Management

Macerich has a national waste management program with aggressive goals for recycling a percentage of our total waste stream. The Company achieved more than a 27.5% recycle rate based on weight for comparable properties from 2008-2010, with a goal of increasing this rate to 35% over the next several years. In all, Macerich has recycled more than 11,300 tons of waste per year on average.



Recycling is on the rise at Macerich

The Company's extensive recycling program involves each of its centers and offices. Macerich also works closely with vendors and tenants to promote responsible waste management practices and to further increase the percentage of materials recycled across its portfolio.

In addition, Macerich has partnered with local vendors to host large community recycling and waste programs for computers and other electronics. The Company also has implemented procurement practices to increase the use of recycled and green products throughout the organization. (More information about Macerich's recycling programs and procurement practices is included in Focus Areas 3 and 4 of this report.)

In California, Macerich's successful recycling efforts have earned the Company several awards in 2009 and 2010, including the Waste Reduction Awards Program award from the California Integrated Waste Management Board in partnership with IEM. This award recognized Macerich for recycling more than 2.7 million pounds of waste and reducing greenhouse gases by 5.8 million pounds.



Focus Area 2

Developments/Redevelopments

Goal: Add value through sustainable building practices that are socially, environmentally and economically responsible.

Sustainability is a key focus of Macerich development and redevelopment projects. Macerich has developed and adopted a Sustainability Design Intent that applies to all development and redevelopment projects, and even some smaller capital improvement projects. This Design Intent serves as both a high-efficiency and green-building standard for Macerich, and addresses everything from materials, energy and water use to guidelines for planners, designers and contractors. Macerich is serious about its sustainability commitment for new developments and redevelopments – our internal energy efficiency targets are 20% higher than California’s Title 24 requirements.

Below are highlights from three major redevelopment projects over the last two years – including two that are registered for LEED certification – that illustrate the high-quality, environmentally focused standards at the Company.

Santa Monica Place

The redevelopment of Santa Monica Place, which opened in August 2010, was a unique opportunity for Macerich to incorporate green-building and green-operations practices. In fact, Macerich is pursuing LEED certification by the U.S. Green Building Council for Santa Monica Place. Overall, the Company believes the most sustainable building is one that already exists. With the re-use and re-design of Santa Monica Place, Macerich has recycled an existing structure into a new retail environment.

Key environmental facts associated with the redevelopment of Santa Monica Place include the following:

- 3,060,024 million kWhs energy reduced/offset (including solar PV project generation)
- More than 85% of construction waste diverted from landfills
- A total of 68,519,409 lbs. of waste diverted from landfills





Based on the above figures (according to the EPA Clean Energy Site), redevelopment of Santa Monica Place equates to the following environmental impacts:

Environmental Impacts:		
3,661,878 (lbs. of CO ₂) Greenhouse gas reductions	8,655 (lbs. of NO _x) Smog emission reduction	354 Acres of pine trees reducing carbon
18,032 (lbs. of SO _x) Acid rain emission reduction	3,864 Barrels of oil not consumed	202 Homes powered
	326 Cars off the road	
		<small>Based on energy reduction and calculated based on EPA GHG clean energy calculator</small>

This innovative redevelopment not only raised the bar in terms of a shopping and destination experience for our guests, but it also showcases a wide range of green-building techniques and sustainable operations. At Santa Monica Place, Macerich takes advantage of efficiencies in all areas of property management and operations.

Macerich makes use of 14 Points of Presence (POPs) throughout the property to integrate operational disciplines, such as Energy Management, Metering/Submetering, UMS, CCTV, Access Control, WiFi, Voice Over IP (VOIP), Digital Signage, Concierge, Valet and Parking Management Services, into a single robust infrastructure. This approach offers the local property team flexibility and scalability with technical demands, while providing new access to information for our personnel and consultants regardless of their physical location.

Specific, energy efficiency-related aspects of the Santa Monica Place redevelopment include the following:

- Reduction in purchased electricity because of on-site renewable energy production via the Photovoltaic system: 104 KW capacity
- Reduction in energy usage and increased energy efficiency via a daylight dimming control system, highly efficient mechanical equipment and highly efficient low-e glazing
- Integration of our central EMS system through all building operating systems to maximize control at every level
- Highly optimized operations through continual commissioning and use of our Macerich UMS system which monitors and controls the property over time as described in the UMS discussion above
- Reduction in the “heat island effect” and increased energy efficiency by minimizing cooling demands through the use of high-albedo roofing
- Acquisition of Green Power for the center
- Reduction in energy loads and usage by our tenants through implementation of our sustainability guidelines as part of our Tenant Criteria Manual



Northgate Mall

Northgate Mall, a redevelopment in the heart of environmentally conscious Marin County, California, incorporated green-building practices to target LEED certification in the “Core and Shell” category at the Gold level. The construction completed at Northgate Mall incorporates a range of environmentally friendly design elements and energy-saving practices. These techniques are estimated to reduce energy use by 20-30% over traditional systems, resulting in an estimated annual energy savings of \$131,273.

Some specific, energy-related, green-building features of Northgate Mall include the following:

- To take advantage of Marin County’s moderate climate, Northgate Mall’s renovation included a fresh-air ventilation system which reduced the need to use traditional, high energy-consuming HVAC systems. Fresh air is brought into the center through remote-controlled clerestory windows, as well as roll-away entry doors and walls.
- High-efficiency heating and cooling use the latest environmentally friendly systems.
- High-efficiency daylighting systems use extensive skylights and glass openings to take advantage of natural light.
- A white roof reduces the “heat island effect” and provides cooling-load reductions.



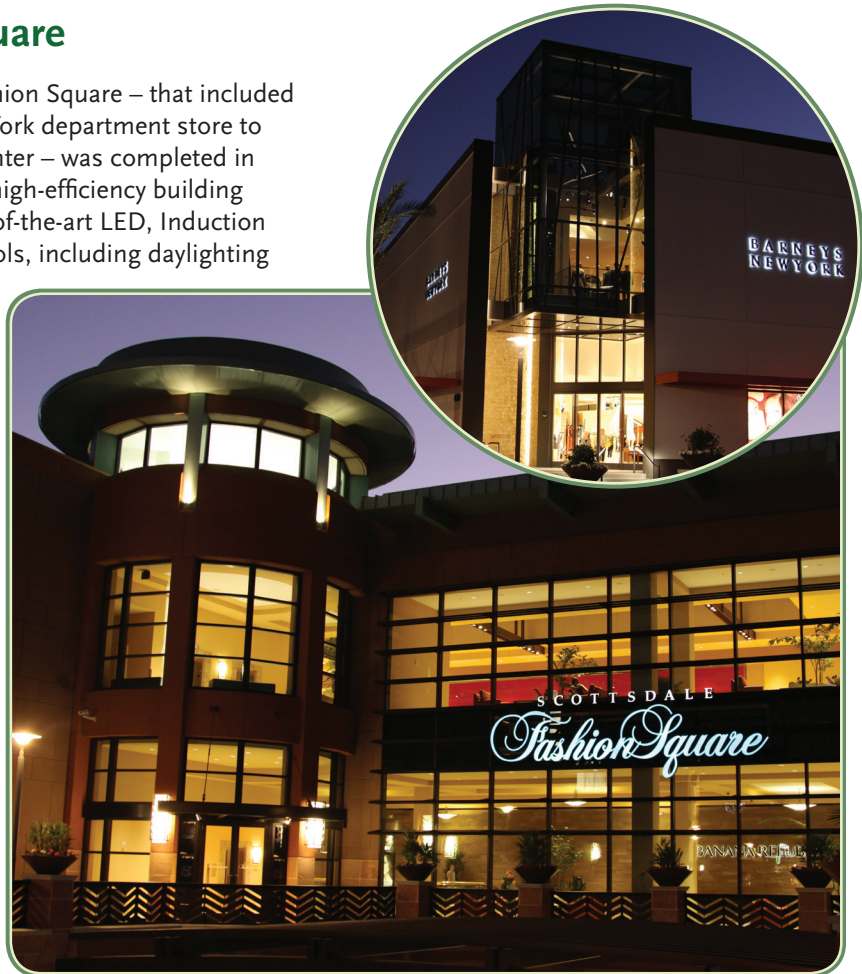
Specific Project Impacts:

The chart below summarizes the estimated energy and cost savings associated with each of the specific, energy-efficiency elements implemented at Northgate Mall.

Project	KW Reduction	kWh Savings	Annual Savings	Comments
Lighting				
Interior	41.3	175,370	\$ 23,675	New vs. old lighting and increased natural light
Exterior	60.2	356,136	\$ 32,052	Includes structure and lot lighting
High-Eff. HVAC System	73.8	158,563	\$ 21,929	Based on .25 KW/ton improved efficiency
Natural Ventilation		185,375	\$ 25,499	Saving from use of operational clerestory
White Roof	59.8	98,670	\$ 13,320	Based on reduced HVAC load
EMS / UMS Controls		109,610	\$ 14,796	Based on 4.5% reduction overall
Totals	235	1,082,724	\$ 131,273	Based on energy design models, calculations and assumptions

Scottsdale Fashion Square

A large expansion of Scottsdale Fashion Square – that included adding a high-profile Barneys New York department store to this dominant Arizona shopping center – was completed in late 2009. This expansion included high-efficiency building materials and insulation, and state-of-the-art LED, Induction and HID lighting sources and controls, including daylighting controls. Further, the central chilled water plant that now serves this expansion, as well as existing areas of the center, has been completely renovated to operate 25-45% more efficiently than the former plant. This renovated, optimized plant is constructed and controlled to continually reset temperatures and flow rates to meet current load requirements, with minimum energy used through all associated systems, including pumps, towers, air handlers and chillers.





Goal: Provide leadership and promote sustainability with our partners and in our communities.

As long-standing community partners, Macerich shopping centers are both leaders and resources in modeling sustainable practices and providing opportunities for local communities and individuals to enhance their own green practices.

Recycling and Sustainability

An important element of sustainability is recycling and reuse. Every Macerich property and corporate office has established its own recycling and reuse program. Many of our centers also offer recycling programs in the common areas. In addition, Macerich has developed an internal “freecycle” posting that has allowed properties to share or exchange unneeded equipment and other items within the Company, rather than disposing of these items at landfills. Reusable cups and water treatment systems have replaced paper cups and bottled water throughout the organization, resulting in reduced costs and waste.

Our centers are increasingly becoming a resource for their communities – with programs ranging from information kiosks about energy savings to hosting recycling events for unwanted electronics. Macerich properties host electronic and cell phone recycling programs that have helped keep tens of thousands of pounds of e-waste from landfills. Our centers also partner with local arborists to recycle tree chips from landscaping for planter mulch.

Shopping center teams engage the community in activities such as helping to rebuild trail habitats, working with local and city partners to promote and encourage recycling of plastic bags, and much more. In addition, events and promotions designed to engage shoppers and support retailers increasingly highlight “green” merchandise in a continued effort to enhance our retailers’ businesses.

GIVE Green Gift Card

Macerich offers the only shopping center gift card program that benefits the environment – the American Express-branded GIVE Green Gift Card. A portion of every card purchased goes to American Forests, the nation’s oldest non-profit citizen conservation organization, which is dedicated to growing a healthier world through forest ecosystems. Macerich is committed to contributing at least \$100,000 to the organization via this one-of-a-kind program.

To date 144,000 trees have been planted through the Macerich GIVE Green Gift Card program. The Macerich partnership with American Forests has been extended through 2013.

American Forests has a goal of planting 100 million trees by 2020, and Macerich is proud to be part of making this goal a reality. American Forests focuses on planting trees, calculating the value of urban forests, fostering environmental education and improving national public policy.





Industry Involvement

As a leader in our industry, Macerich executives are regularly featured in a wide range of programs, as well as training and teaching seminars to share Macerich's sustainability program and its successes. Macerich executives have provided presentations at the following events:

- International Council of Shopping Centers (ICSC) Recon Conference
- ICSC Retail Green Conference (Conference is chaired by Macerich's VP of Sustainability)
- ICSC Fusion Conference
- ULI Reinventing Retail
- Center Build
- ICSC John T. Riordan School for Professional Development
- ICSC Executive Learning Series
- EEI National Account Conference
- USGBC Green Build
- University of Shopping Centers
- RealComm Conference

Additionally, the Company has won several industry-based awards, including the NAREIT Leader in the Light Award and the Southern California Edison Excellence in Demand Side Management Award.

Retail Partners

The Company's commitment to sustainability can also be seen through Macerich's involvement with our retailers across our portfolio. At new developments, retailers receive a Sustainable Tenant Criteria Package and ongoing resources to help them reduce, reuse and recycle at Macerich centers and beyond. Macerich also works with tenants to reduce nighttime energy use and has promoted and supported tenants undergoing efficiency upgrades in order to receive rebates and incentives from local utilities.

Other Community Service

Macerich is an active member in each of its communities and participates in various programs to further the welfare of these local neighborhoods. From thousands of hours of employee volunteer time for local non-profit organizations each year to a gift card that supports sustainability and eco-friendly causes, Macerich is committed to giving back to its communities. For a detailed description of the Company's community service efforts, see www.macerich.com under the heading "Experience Macerich – Social Responsibility."

In addition to the GIVE Green Gift Card that supports American Forests, the Company's community service efforts include the following:

Macerich Volunteer Program or “MVP”

The Macerich Volunteer Program began in 2003 and consists of a volunteer program and a grant program. In 2005, MVP received the MAXI Award for Community Relations from the International Council of Shopping Centers, its top honor in that category. Since its inception, nearly 100,000 hours have been volunteered by Macerich employees through MVP at non-profit organizations including Meals on Wheels, Special Olympics, Habitat for Humanity, Big Brothers Big Sisters, Boys & Girls Clubs, The Salvation Army, Ronald McDonald House Charities and the American Cancer Society.

The Company's grant program has awarded nearly 2,000 grants totaling over \$700,000 to organizations in the areas of education, humanities, civic, arts and health, including such programs and organizations as Make a Wish Foundation, American Red Cross, Juvenile Diabetes Research Foundation, National Multiple Sclerosis Society and the John Wayne Cancer Institute.

Community Service at Our Centers

Each of Macerich's centers assists their communities through a combination of employee volunteerism, financial support, in-kind donations and partnerships with local non-profit organizations. Centers also typically contribute gift cards, merchandise and use of the centers to a diverse group of non-profit organizations. Donation recipients have included food banks, foundations, hospitals, health care organizations, youth programs, performing arts and museums. Our centers describe their community and cultural service efforts on their individual web pages under “Social Responsibility.”



The Green Team from The Shops at North Bridge in Chicago bagged more than 200 lbs. of trash around Lake Michigan.



Macerich employees in Santa Monica regularly participate in beach clean-up activities, such as this event organized with Heal the Bay.



Focus Area 4

Corporate Responsibility

Goal: Encourage and implement tools and programs that contribute to an environmentally focused, efficient and effective organization.

Elevating sustainability within the Company's corporate culture is a cornerstone of Macerich's commitment to environmental stewardship. Simple choices make a big impact, such as mindfully using less paper for printing and relying on an internal website for extensive education and training. Macerich is encouraging employees to take an active role in sustainability – both professionally and personally – through a range of creative and cost-efficient programs, systems and incentives.

Involving Employees

An excellent example of employee involvement is The Macerich Biggest Carbon Footprint Loser 2010/11 contest – a year-long competition that provides a fun and interactive way for centers and corporate offices to reach sustainability goals. The results are tracked in five key areas: Carbon Footprint, Recycling, Energy, Water and PR/Marketing. At the end of the competition, the winning team from each category will be invited to Macerich's corporate office in Santa Monica to participate in a roundtable discussion about best practices in each category.

Macerich employees also contribute thousands of hours both on the job and while volunteering to benefit sustainability. Within the Company, Macerich's Green Teams and Green Champions are advocates for sustainability in corporate offices and field locations nationwide. These Green Teams and Champions develop dynamic and innovative property-level initiatives and engage in community outreach. What is learned and implemented at the local level is shared throughout the Company as a best practice.

All Macerich departments have evaluated how to reduce and reuse resources and have taken steps to implement these changes. For example, the following departments have instituted changes to reduce the use of paper in favor of electronic reporting: accounting, payroll, legal, development, information technologies, marketing and human resources.

Procurement

Starting in 2008, Macerich implemented systems through its supplier, Staples, for ordering materials that give preferred ordering status to sustainable and recycled materials. In the last three years the Company has maintained a high level of recycled content through its procurement efforts and partnership to promote the use of more sustainable products at its properties and corporate offices.

Also in 2009 a central procurement platform was established by Macerich's operations group for the procurement of janitorial paper supplies and other repair and maintenance products, including such items as replacement lamps. This platform provided standard product offerings, as well as options for more sustainable products with higher recycled content. In the first full year, Macerich's operations personnel were able to select more sustainable products approximately 37% of the time.



	2010	2009	2008
Total paper purchases (in pounds)	101,597	124,417	37,797
Total post-consumer recycled content (in pounds)	49,582	69,020	21,256
Average post-consumer recycled content	48.8%	55.5%	56.2%
Greenhouse gas emissions reduced (CO ₂ equivalents (in pounds)	60,986	84,895	26,145
Water saved (in gallons)	293,673	408,807	125,901
Trees saved	645	897	276
Total energy (BTUs) saved	203,235,716	282,914,374	87,129,737
Energy equivalent to oil saved (in gallons)	1,452	2,021	622
Energy equivalent to electricity saved (in kWh)	57,869	80,556	24,809

A Continuing Culture of Sustainability

Macerich’s commitment to sustainability extends well beyond the office. The Company encourages its employees to consider their daily actions and how they can make small changes in their daily routine to benefit the environment. The Macerich Personal Sustainability Program, launched in 2009, is a long-range program designed to support sustainable choices at home as well as at work.

Initial survey results indicated that nearly half of the Macerich employee population already considers sustainability in their daily activities. The survey revealed that many employees already drive hybrid vehicles, recycle at home, are converting to efficient lighting at home, are unplugging and turning off electronics not currently in use and taking steps to save water.

Macerich will continue its ongoing dialog with its employees regarding sustainability. Successful communications include a dedicated section of the Company’s Intranet for sustainability issues; web conferencing to discuss program initiatives, best practices and results, and to recognize special accomplishments; and regular e-mails to update employees on sustainability goals and achievements.


Valuing Employees

In addition to the specific sustainability efforts detailed above, Macerich also promotes sustainability through how it treats employees and the high standards of ethical conduct required of each team member.

Employee Benefits

Macerich is committed to offering a comprehensive benefit program that recognizes the changing needs of our employee population. Our current benefit program includes:

- Medical, dental and vision insurance for critical and preventive care;
- Paid vacation, sick time, personal days, and Company-observed holidays;
- Company-matched retirement savings through our tax-advantaged 401(k) plan;
- Income replacement if our employees are unable to work due to illness or injury through short and long term disability plans;

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- Healthcare and dependent care flexible spending accounts which offer a way to pay for eligible expenses with pre-tax dollars;
 - Life and AD&D insurance for our employees and their family members;
 - Financial, legal, family or personal assistance with confidential access to qualified professionals through the Employee Assistance Program;
 - An Employee Stock Purchase Plan to provide employees with an opportunity to purchase shares of Macerich common stock at a favorable price on favorable terms; and
 - A tax-advantaged 529 educational savings program.

Codes of Ethics

The Company expects that all of our directors, officers and employees will maintain a high level of integrity in their dealings with and on behalf of the Company and will act in the best interests of the Company. The Company has adopted a Code of Business Conduct and Ethics that provides principles of conduct and ethics for our directors, officers and employees. Its purpose is to:

- Promote honest and ethical conduct;
- Promote full, fair, accurate, timely and understandable disclosure in our public communications;
- Promote compliance with applicable governmental laws, rules and regulations;
- Provide guidance to our directors, officers and employees to help them recognize and deal with ethical issues;
- Provide procedures to report conduct in violation of our Code; and
- Promote a culture of honesty and accountability with respect to our Code.

In addition, our Company has adopted a Code of Ethics for our CEO and senior financial officers which supplements our Code of Business Conduct and Ethics applicable to all employees. Each of these Codes of Conduct is available on our website at www.macerich.com under “Investing-Corporate Governance.”



Looking Ahead

A Statement of Commitment

Macerich has already achieved many benefits through our concerted environmental efforts as outlined in this first Sustainability Report. The Company is fully committed to continuing its growing culture of sustainability and looks forward to increasing the benefits for Macerich and the environment in the years ahead.

For Macerich, sustainability marries two important themes – that environmental protection does not preclude economic development and that economic development must be ecologically viable now and in the future. This concept of sustainability encompasses ideas, aspirations and values that continue to inspire our organization to become a better steward of the environment and that promote positive economic growth and social objectives. The principles of sustainability can stimulate technological innovation, advance competitiveness and improve our quality of life.

All Macerich employees have an important, ongoing role to play in implementing our sustainability goals. Our goals will be implemented progressively, and will be reviewed and updated annually to make certain they remain relevant and build upon successes and lessons learned from our progress.

Our success to date has shown that environmental and financial goals are not mutually exclusive. Macerich is committed to generating real savings and environmental impacts that enhance our position in our communities and with our stockholders and partners across the industry.



About This Report

Any questions or inquiries can be directed to Jeff Bedell, Vice President of Sustainability: 310-394-6000, jeffrey.bedell@macerich.com

Scope of Report

This Sustainability Report covers performance of The Macerich Company (“Macerich” or the “Company”) and our portfolio of properties (“properties”) from July 2008 through December 2010. This is an interim progress report covering the first portion of Macerich's 2008–2012 Corporate Sustainability Plan. In cases where information is tracked by calendar year, the data reflects the specific calendar year referenced. Environmental data refers to the Macerich portfolio unless otherwise indicated.

Metrics

This report represents the Company's first sustainability reporting and this process will continue to evolve as Macerich employs additional and changing metrics. The Company continues to identify and prioritize sustainability issues, and to develop the necessary systems and targets to gauge performance and consistently gather data across our operations.

Other Reports

A description of Macerich's business operations and financial performance is provided in the Company's *Annual Report on Form 10-K* for the year ended December 31, 2010.

Reporting Parameters

The goal of Macerich's first Sustainability Report is to provide a thorough and transparent assessment of company-wide sustainability activities. The framework used to measure and report results does not reflect any specific third-party reporting format or standard, but rather is an effort to document specific economic, environmental and social performance indicators. Also included is information and data designed to give an enhanced understanding of Macerich's business, sustainability efforts, progress and challenges to date. Information for this report was drawn from internal reporting requirements and engineering-based assessments and data collection through field teams and Oracle accounting systems. All information was reviewed using an internal review process.