



PHILLIPS EDISON & COMPANY®

PECO | Nasdaq Listed

Necessity  
Retail

Grocery-Anchored

# Corporate Responsibility & Sustainability

2025 Report



GROCERY CENTERED.  
NEIGHBORHOOD FOCUSED.



Foothill Park Plaza | Los Angeles Metro, Monrovia, CA

**03** Overview

**10** People & Culture

**20** Environmental Management

**32** Centers & Economic Impact

**39** Oversight & Ethics

**47** Appendix

# About This Report

Throughout this report, we refer to Phillips Edison & Company as the “Company”, “PECO”, “we”, “us”, or “our”. We use the term “associates” to refer to our employees and “Neighbors” to refer to our tenants as more particularly described in this report. We also use the term “metro”, in describing our property locations, to mean the core-based statistical area (CBSA) where such properties are located. The term “ABR” means annualized base rent, which we calculate as the monthly contractual base rent as of December 31, 2025, multiplied by 12 months. We use the term “Everyday Retail” to refer to primarily unanchored neighborhood shopping centers located in the same trade areas as our grocery-anchored properties.



Mansell Village | Atlanta Metro, Roswell, GA

This report, covering our 2025 calendar year, includes Company-wide information around our corporate responsibility and sustainability (CRS) program initiatives, highlights, and progress. This report integrates insights from PECO’s policies, our Proxy Statement, and our Form 10-K, reflecting our commitment to transparency and comprehensive CRS disclosures. The data in this report, unless otherwise noted, covers our 2025 calendar year. Data relating to properties owned for part of 2025 is pro-rated to reflect the operational control period.



PECO strives to adhere to industry-leading reporting frameworks and guidelines to ensure we share the most accurate information about our CRS initiatives. This report was prepared following the guidelines of the Global Reporting Initiative (GRI), International Sustainability Standards Board (ISSB) IFRS S1 and S2, and U.N. Sustainable Development Goals (SDGs).

Responsible Consumption and Production

Peace, Justice, and Strong Institutions

Good Health and Well-Being

Quality Education

Decent Work and Economic Growth



Decent Work and Economic Growth

Industry, Innovation, and Infrastructure

Sustainable Cities and Communities

Clean Water and Sanitation

Affordable and Clean Energy

Sustainable Cities and Communities

Responsible Consumption and Production

Climate Action



# About PECO

As of December 31, 2025, Phillips Edison & Company, Inc. (PECO) managed 324 shopping centers, including 297 wholly-owned centers comprising 36.7 million square feet across 31 states and 27 shopping centers owned in three institutional joint ventures.

**324**  
Owned and Managed Properties



**1991**  
Company Founded



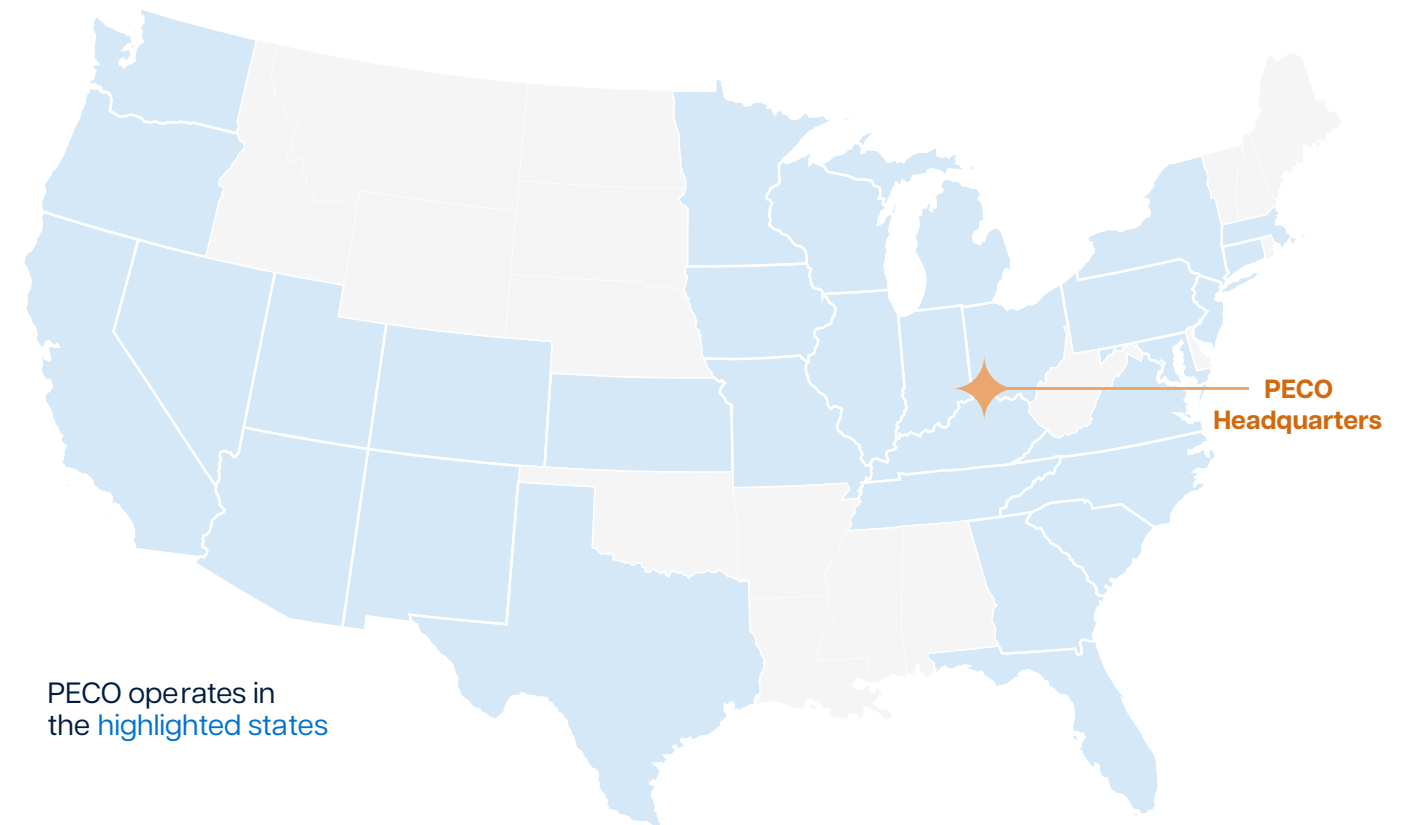
**36.7M ft<sup>2</sup>**  
Gross Leasable Area



**320**  
Associates



**31**  
States



**Top Ten Cities**  
by ABR as of December 31, 2025

**Atlanta ♦ Dallas ♦ Chicago ♦ Sacramento ♦ Las Vegas**  
**Denver ♦ Tampa ♦ Houston ♦ Minneapolis ♦ Washington D.C.**

Our high-quality portfolio primarily consists of neighborhood shopping centers anchored by the #1 or #2 grocer by sales within their respective formats and trade areas. PECO's top grocery anchors include Kroger, Publix, Albertsons and Ahold Delhaize. Our tenants, whom we refer to as "Neighbors", are a diversified mix of national, regional, and local operators delivering necessity-based goods and services that drive consistent traffic and repeat visits. We believe our properties are located in fundamentally strong demographic markets across the U.S., where our brick-and-mortar assets play an integral role in our Neighbors' omni-channel strategies, including convenient daily shopping and last-mile fulfillment.

Our business objective is to own, operate, and manage well-occupied, neighborhood shopping centers that deliver durable long-term growth and value creation for our stakeholders, while operating as a responsible corporate citizen. We seek to achieve this objective by generating resilient cash flows, sustainable income growth, and long-term capital appreciation through our differentiated strategy, disciplined balance sheet management, a cycle-tested leadership team, and a fully integrated operating platform. Central to our approach is a commitment to create compelling grocery-anchored and Everyday Retail™ experiences that strengthen communities, one center at a time.

## Reflections on a Year of Impact:

### A Message from Our Chairman & CEO

At PECO, we have built a focused platform centered on high-quality, grocery-anchored neighborhood centers that deliver durable, growing cash flow across economic cycles. For 35 years, that focus has guided how we invest, operate, and build relationships, and it continues to differentiate our platform.

In 2025, this model continued to deliver. We advanced operational efficiency while reducing our environmental impact, achieving a **44% reduction in Scope 1 and 2 emissions** from our 2020 baseline—even as we expanded our portfolio through acquisitions of core, grocery-anchored shopping centers, Everyday Retail™ centers, and joint venture opportunities. **We also delivered same-center NOI growth of 3.8%, generated over \$111M in net income attributable to our stockholders, and grew Nareit FFO per share by 7.2% and Core FFO per share by 7.0%, demonstrating the earnings power and resilience of our platform.**

Our performance is equally driven by the strength of our relationships. Neighbor satisfaction reached 95%, with strong intent to renew, while leased portfolio occupancy remained at a high 97.3% at year-end. **Across 2025, we executed 1,026 leases covering approximately 6.0 million square feet, with comparable lease spreads of 30.9% on new leases and a record-high 20.7% on renewal leases.** At the same time, 96% of our associates report being proud to work at PECO, reflecting an engaged team that executes consistently and drives results across our portfolio every day. Together, these relationships translate directly into stability, retention, and long-term cash flow growth.

These outcomes continue to be recognized externally, including a **#1 GRESB ranking**, designation as one of **Newsweek's Most Trustworthy Companies**, and recognition as a **Top Place to Work for the ninth consecutive year**. More importantly, they validate the strength and scalability of our operating model.

At PECO, corporate responsibility is not a separate initiative, it is embedded in how we invest and operate our business. It strengthens our assets, deepens our relationships, and supports disciplined decision-making that contributes directly to long-term earnings power.


Looking ahead, we remain focused on executing a clear and consistent strategy: allocating capital with discipline, operating our portfolio with excellence, and continuing to build a platform designed to perform in any environment. We are confident in our ability to execute and committed to delivering consistent NOI growth, sustaining high occupancy, and compounding value for our stockholders in 2026 and beyond.



Jeffrey S. Edison  
Chairman & CEO

# Our CRS Strategy


Our strategy is built on a foundation that connects our people, strengthens our centers, and upholds the highest standards of ethics while advancing long-term growth, disciplined expense management, asset resilience, and sound risk management. Together, these priorities guide our decisions, shape our actions, and create lasting value.



**P**

### People & Culture

PECO Cultural Advantage (PECO XP)



**E**

### Environmental Management

Maximizing Resource Efficiencies & Mitigating Impact of Risks



**C**

### Centers & Economic Impact

Improving Communities, One Shopping Center at a Time



**O**

### Oversight & Ethics

Strong Corporate Governance

## Our Tactics

Turning Strategy into Action

### People & Culture



- Ownership Mindset
- Transparent Communication
- Engagement & Retention
- Health, Wellness & Benefits
- Learning
- Career Development
- Business Resource Groups
- Associate Recognition

### Environmental Management



- Greenhouse Gas Emissions
- Resource Efficiency
- Renewable Energy
- Water Conservation
- Waste Management
- Building Certifications
- Data Management
- Climate Risk Assessment

### Centers & Economic Impact



- Supporting Local Entrepreneurs
- Connecting Residents to Necessity-Based Goods & Services
- Providing Jobs & Opportunities for Social Connection
- Enhancing the Community Through Re/Development Projects
- Creating Significant Economic Impact

### Oversight & Ethics



- Ethical Culture
- Trust with Stakeholders
- Sound & Ethical Decision-Making
- Internal Control Frameworks
- Independent Oversight & Review
- Enterprise Risk Management
- Transparent Reporting
- Regular Engagement with Stakeholders

# Targets & Performance

Our CRS goals reflect our commitment to drive long-term value of our shopping centers, create healthy and productive workplaces, and engage with our stakeholders in a transparent manner.

These goals enable us to measure our progress in a meaningful and actionable manner that reflects our commitment to the responsible growth of our business operations.

## People & Culture



**Target:** Associate Engagement Index score of 85% or greater

**Performance:**

**90%**

**Status:** Ongoing



**Target:** 15+ average annual training hours per associate

**Performance:**

**23 hours**

per associate

**Status:** Ongoing



**Target:** At least 60% associate participation in one or more wellness programs annually

**Performance:**

**74%**

of associates

**Status:** Ongoing

## Environmental Management\*

\*All environmental management targets are based on a 2020 baseline and have a 2030 achievement goal.



**Target:** 46% reduction in Scope 1 and 2 GHG Emissions

**Performance:**

**44%**

**Status:** Ahead of Schedule



**Target:** Achieve and maintain 30% landfill diversion

**Performance:**

**20%**

**Status:** On Target



**Target:** Achieve and maintain landlord controlled water use intensity of 10.5 gal/sqft

**Performance:**

**13.3** gal/sqft

**Status:** On Target



**Target:** 25 MW of hosted on-site renewable energy

**Performance:**

**3.5** MW of hosted solar

**Status:** In Focus

## Centers & Economic Impact



**Target:** 35% of properties with EV charging stations by 2030

**Performance:**

**17%**

**Status:** On Track



**Target:** 50% of leases with high-performance language by 2030

**Performance:**

**30%**

**Status:** On Track



**Target:** 85% satisfaction rate on annual Neighbor survey

**Performance:**

**95%**

**Status:** Ongoing

## Oversight & Ethics



**Target:** 100% of associates complete annual ethics and cybersecurity training

**Performance:**

**100%**

**Status:** Ongoing



**Target:** Zero ethics violations

**Performance:**

**Zero** ethics violations

**Status:** Ongoing



**Target:** 75% attendance at board of directors and committee meetings

**Performance:**

**100%**

**Status:** Ongoing

# Stakeholder Engagement

Effective stakeholder engagement, communication, and transparency are essential to our commitment to responsible business practices. We actively engage with our stakeholders to understand their perspectives, address their concerns, and maintain open lines of communication using the following strategies:



## NEIGHBORS

- **Annual tenant satisfaction survey** to gauge our Neighbors' satisfaction and receive the feedback of our Neighbors
- **Tenant sustainability guide** available to all our Neighbors, providing information on sustainability strategies they can implement
- **Proprietary communication platform** (DASHCOMM®) to facilitate communications with our Neighbors
- **Open channels** for one-on-one discussions with Neighbors

## ASSOCIATES

- **Associate engagement survey** sent to all our associates to garner associate input
- **Learning and career development** for skill development and career growth
- **Town halls** to foster regular communication and transparency
- **Company-wide annual meeting** to share updates and strategies and hear from our associates
- **Associate assistance programs**
- **Internal awards and recognition**

## COMMUNITIES

- **Award-winning** associate community engagement business resource groups
- **Contributions to community well-being** through charitable donations and volunteer support
- **Ongoing dialogue** with communities to understand their needs and priorities
- **Community events** to foster engagement and collaboration

## STAKEHOLDERS & INVESTMENT PARTNERS

- **SEC filings** with comprehensive financial and operational information
- **Quarterly business updates** on our performance and strategic direction
- **One-on-one meetings and calls**
- **Press releases** about important corporate announcements and updates
- **Sell-side conferences and events**

## VENDORS

- **Biennial vendor engagement survey** sent to all our vendors to maintain dialogue
- **Long-term relationships** with many of our vendors
- **Competitive bidding process** for all vendor engagements and frequent performance evaluations

# Industry Awards and Partnerships

Our awards and strategic partnerships reflect a sustained commitment to responsible operations, strong governance, and meaningful industry collaboration.



**Ranked Top 10**  
Newsweek's Most Trustworthy Companies  
in America, Real Estate & Housing



**CRE's Best Places to Work**  
Globestreet



**Top Places to Work**  
9 Consecutive Years  
Cincinnati Enquirer



**1st Place**  
Healthiest Employers in Ohio



**Ranked #1 in Peer Group**  
GRESB



**REALCOMM Digi Award**  
Best Use of AI: Commercial Real Estate



**"A" Rating**  
GRESB- Public Disclosure



**Influencers in Retail**  
National Accounts Team  
Globe Street



**"A" Rating**  
MSCI



**Highest Ranked #1**  
ISS Governance Quality Score



**PRIME Rating**  
ISS Corporate ESG Performance Rating



**Retail Real Estate Bridge Program**  
ICSC Project Destined



**Gold Recognition**  
Green Lease Leader



**WELL Health Safety Rating**  
International WELL Building Institute



**Gold Sapling Award**  
Keep Cincinnati Beautiful



**Award for Community Service**  
The Medical Mutual

# People & Culture



*At PECO, we believe that our associates and the culture we cultivate are the foundation of our sustained success.*

# People & Culture

By fostering a strong and supportive culture, we empower our associates and deliver long-term value to our stakeholders. We focus on:

- ✦ Cultivating an ownership mindset where teamwork and innovative thinking are highly valued
- ✦ Promoting transparency and open communication throughout our Company
- ✦ Caring about the health and well-being of our associates
- ✦ Investing in the growth and development of our associates
- ✦ Encouraging and supporting associate-led resource groups
- ✦ Recognizing the hard work of our associates

This approach is our **PECO Cultural Advantage** (internally known as our **PECO XP™** (experience)).



We believe that our PECO Cultural Advantage drives empowerment and produces highly engaged teams, which in turn drives our growth and exceptional results.



## Exceptional Results



# Ownership Mindset

**Our Differentiator:** Every associate, regardless of level or tenure, has the opportunity to receive stock grants on an annual basis. Since sustainability performance, including effective utility management, directly impacts FFO, our employees are financially invested in driving sustainable, efficient operations across the portfolio. We encourage our PECO associates to think and operate like owners, because they are. This approach:

- ◆ Incentivizes every associate to take a personal interest in our success
- ◆ Drives us as a team with a common interest
- ◆ Differentiates our Company in the marketplace
- ◆ Aligns our team's interests with those of our stockholders as owners

## Our Associate Stock Grant Program

In 2025,

100%

of our eligible associates received grants of time-based restricted stock units

### CASE STUDY

## Behind the Scenes @ PECO

PECO Behind the Scenes extends learning beyond a single day and helps associates continue to think and act like owners throughout the year. Behind the Scenes deepens that understanding by highlighting how individual functions drive performance, and long-term value creation.

Through a series of virtual and in-person lunch-and-learn sessions led by senior leaders and subject-matter experts, associates gain practical insight into real-world decision-making across design and development, acquisitions, portfolio management, finance, and people leadership. In 2025, 206 associates participated, strengthening cross-functional understanding and reinforcing how each role contributes to enterprise success. Additionally, the live sessions were recorded and made available on demand through PECO's learning management system, ensuring all new and existing associates continue building business fluency as part of their PECO journey.

◆ By investing in a holistic education, we accelerate each associate's ability to contribute meaningfully – not just as a specialist in their field, but as a well-rounded real estate professional who approaches challenges and opportunities with an owner's mindset.



# Transparent Communication

At PECO, we believe that frequent, transparent communication with our associates keeps them connected to our vision, engaged in our process, and tied to our results, promoting a greater understanding of our strategic goals and business objectives. By maintaining open dialogue, we foster a collaborative environment where every voice is heard and valued.

## Monthly Town Hall Meetings



### SPOTLIGHT

## Annual Meetings



### Our differentiator:

We convene every associate in our Company for an in-person, multi-day annual meeting.

This assembly provides a crucial opportunity to network and bond with colleagues, celebrate the successes of the prior year, establish our objectives for the current year, and to unify as one team.

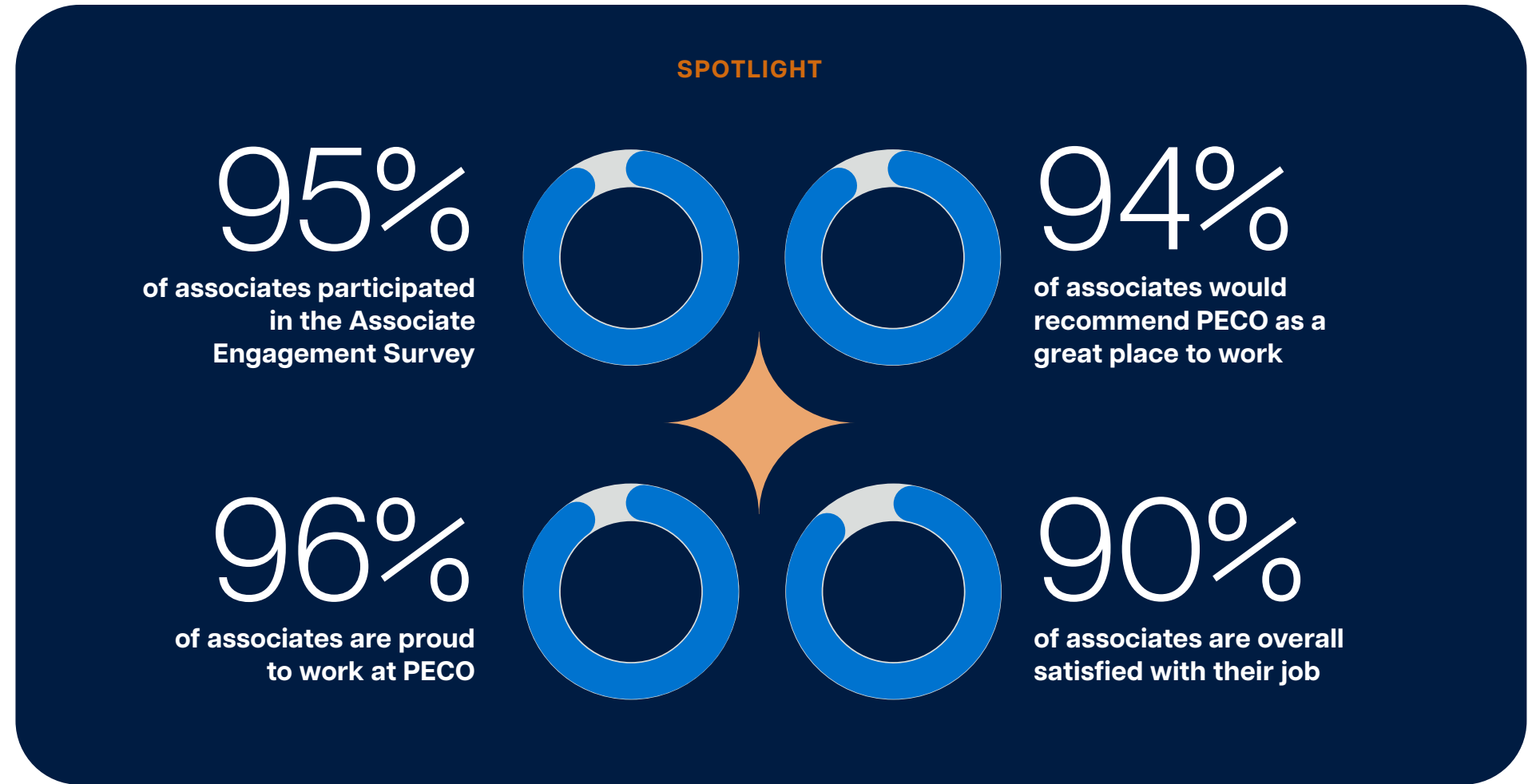
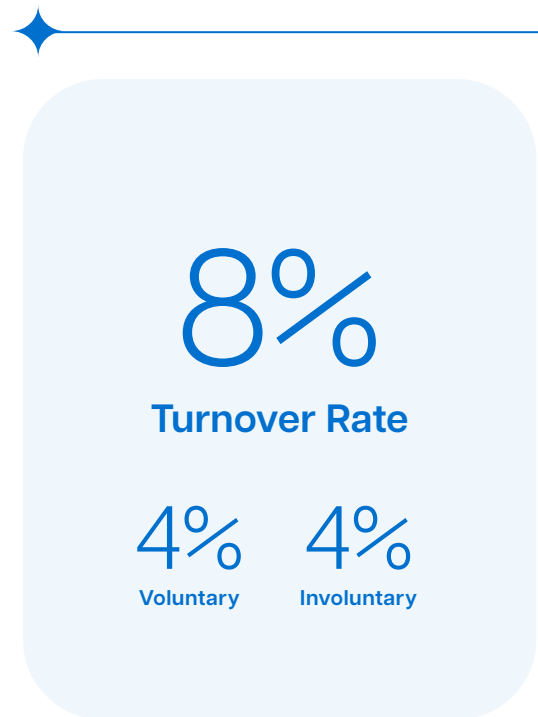


# Engagement & Retention

PECO understands that engaged associates create happier teams that bring greater energy and commitment to their work. The result is a positive cultural experience, low turnover, and strong financial performance. To understand and measure this, we conduct an annual associate engagement survey covering topics such as job satisfaction, sense of purpose, happiness at work, and stress levels. The survey provides critical insights into where we are succeeding and where we can continue to improve.

## 7 Years

Average Tenure




### Pay Equity

One of the ways that PECO lives its Core Value of “Do the Right Thing” is by fulfilling our commitment to rewarding our associates justly and equitably. To that end, we perform an annual pay equity analysis as a part of our compensation process.


The most recent analysis confirmed that there are no statistically significant differences in associate pay, regardless of ethnicity, gender, or age. This analysis covered 100% of our full-time equivalent (FTE) associate population. We also conduct an annual market analysis of our compensation rates to verify that we are competitive with our peers.

# Health, Wellness & Benefits

The program elements listed here demonstrate our continued dedication to promoting care and helping our associates maintain optimal health.



PECO's commitment to health, well-being, and safety of our associates is evidenced by our award-winning "Beyond PECO Wellness" program.




H100 for 3 consecutive years. This is an award rolling up all the states at all sizes into the top 100 program.

- ◆ **Health Benefits**  
Comprehensive medical, dental, and vision insurance, near-site clinics at low to no cost, and opt-out program providing financial assistance to those with alternative coverage available
- ◆ **Mental Health Coverage**  
Unlimited behavioral health visits at no cost with a national network, available in person and virtually
- ◆ **Health Savings Account**  
Health savings account for medical expenses with employer contribution
- ◆ **Flexible Spending Account**  
Flexible spending accounts for vision, dental, and dependent care expenses
- ◆ **Wellness Incentive Program**  
All associates can earn wellness incentives and utilize PECO's onsite gym, fitness classes, and pickleball courts
- ◆ **Fitness Reimbursement**  
Monthly reimbursement for fitness memberships or subscriptions
- ◆ **Paid Parental Leave**  
Up to 12 weeks of paid parental leave to eligible associates

- ◆ **Family Building Reimbursement**  
24/7 access for associates and their spouses to the world's largest virtual clinic for women and families, including reimbursement for fertility and adoption expenses
- ◆ **Caregiving Support**  
White-glove concierge services to support associates and their household family members through all stages of care-giving such as newborns, aging parents, veterans, special needs, teens, and more, at no cost to associates
- ◆ **Life and Disability Insurance**  
Group life and short-and long-term disability insurance at no cost to associates
- ◆ **Physical Therapy**  
Virtual physical therapy with a licensed physical therapist at no cost to associates
- ◆ **Paid Time Off**  
Flexible paid time off including ability to carry over up to 5 days and an annual floating holiday
- ◆ **401(k)**  
Tax-deferred and Roth 401(k) plan options with Company match

- ◆ **Stock Grant**  
Associates at all levels receive annual restricted stock units as part of the Long-Term Incentive Program
- ◆ **Donation Match Program**  
Dollar-for-dollar employer match up to \$100 annually on eligible donations to 501(c)(3) organizations
- ◆ **Employee Discount Program**  
Access to discounts on wide variety of items and services
- ◆ **Tuition Reimbursement**  
Financial support for pursuing continuing education of up to \$5,250 per associate per calendar year
- ◆ **Financial Wellness**  
Unlimited 1:1 coaching with a personalized, confidential coach tailored to each associate's financial needs and access to over 30+ tools to help budget, reduce debt, plan for emergencies, and more
- ◆ **Supplemental Benefits**  
Ability to access additional benefits such as pet insurance, ID theft protection, accidental injury, and critical illness coverage at a reduced cost

# Learning & Career Development

PECO associates' career paths are anything but linear. Many of our leaders began in different areas of the organization than the ones they lead today. We support associate development through coaching and mentoring, team-based learning via our BRGs, and targeted programs spanning leadership development, cultural learning, AI and digital transition training, and financial education for retirement planning, all reflecting PECO's Core Value of "Always Keep Learning".

Training Hours  
**6,958**  
 Hours per Associate  
**23**

PECO supports accountability and development through consistent, real-time performance conversations. Associates and their managers connect regularly throughout the year, including focused coaching for development conversation that is part of PECO's broader talent management approach.

## SPOTLIGHT

### Internship Program

**46**  
 Interns were hired in 2025

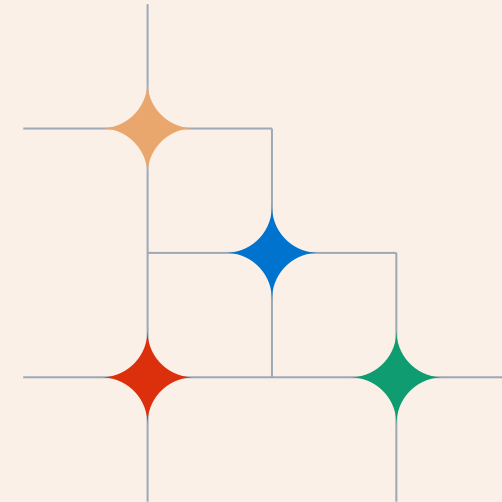
**100%**  
 of 2025 interns expressed that they would recommend the program

**86%**  
 of offers to the 2025 intern class were accepted

In 2025, interns rated their experience with PECO's Internship Program an average of **4.7 out of 5**

## SPOTLIGHT

### Leveraging Strengths, Taking Leaps, and Having Fun Along the Way



When Kat Hamilton joined PECO in 2018 as a Senior Internal Auditor, she quickly found that PECO's culture of curiosity, collaboration, and growth would shape her career. Her time in Internal Audit gave her a deep understanding of the organization, exposure to cross-functional collaboration, and strong relationships across the Company helping her identify where her strengths were best aligned.

Known for her technical expertise and attention to detail, Kat has always been motivated by more than process and compliance. She is passionate about supporting people, promoting wellness, and living PECO's core value of Have Fun and Get It Done. That passion ultimately led her to transition into Human Resources, where she now brings together technical skills, strategic thinking, creativity, and meaningful connection with associates.



**Kat Hamilton**  
 Benefits Manager

Today, Kat plays a key role in PECO's award-winning wellness program, recognized for both creativity and strategic impact. PECO has been named #1 Healthiest Employers in Ohio and a top Healthiest Employer in America, reflecting the program's intentional alignment of associate well-being with organizational goals. Kat's impact was further recognized with the John Edison Culture Award and the Have Fun and Get It Done Award, honors that reflect her commitment to growth, people, and purpose.

# The Edison Foundation

Jeff and Leslie Edison have always valued philanthropy. Their personal commitment to help others access higher education led to the formation of The Edison Foundation in 2018. The Foundation supports the educational dreams of the children, grandchildren, dependents, spouses, and extended family of PECO associates. The Edison Foundation is dedicated to helping Phillips Edison & Company associates' families realize and enjoy their educational dreams. Jeff and Leslie are of the firm belief that by helping to alleviate the financial strain that higher education can place on families, students can fully immerse themselves in their learning and benefit from the educational experience.

Since its founding in 2018, The Edison Foundation has provided **44** scholarships to PECO associates' family members.



THE EDISON FOUNDATION

## 2025 Edison Foundation Fellows



Kiara Herrera



Kayla Ellertson



Matthew Albrecht



Kara Goyette



Aubrey Griffin



Liam Bien

*“As an undergraduate, The Edison Foundation Scholarship helps me by allowing me to focus fully on my studies in nuclear engineering. This is a very demanding program so this support and confidence from The Edison Foundation is critical as I continue to develop the skills and knowledge needed to explore innovative energy solutions needed throughout the world.”*

**Liam Bien**  
University of Cincinnati



# Business Resource Groups

Our associate-led business resource groups foster connection, professional growth, and meaningful impact across our organization and our communities.

PECO Networking Opportunities for Women  
**NOW**

Women's Networking Opportunities

PECO IMPACT

Impacting Our Communities



**PECO MORE**

Furthering Diversity and Inclusion

PECO Connect

Associate Experience and Connection

SPOTLIGHT

PECO SPACE FOR **ALL**™

We believe a sense of belonging to PECO and its mission, to each other, and to the communities we serve is at the heart of promoting and maintaining a highly engaged workforce. Space For All™ is PECO's way of defining our commitment to creating a space where all associates feel a sense of inclusion and belonging. We value the unique perspectives, experiences, expertise, and cultures of our associates, and we are committed to representing the diverse communities where we live and work.



# Internal Recognition & Awards

PECO's in-house awards and recognition programs foster a positive, collaborative, and result-oriented environment among our team members.

These internal awards programs extend beyond simple recognition. They reflect the Company culture, stimulate innovation, and foster a sense of common purpose. Additionally, they contribute to a dynamic and engaged workforce, reinforcing our dedication to excellence, community, and PECO's lasting success.



The Super Hero Award recognizes one or two associates each year who go above and beyond their individual role's usual responsibilities to accomplish great things. Special attention is paid to cross-functional collaboration, insight, and acumen.



The TAE Innovation Award has successfully nurtured a culture of creativity and innovative risk-taking within the Company. By eliminating minimum requirements and recognizing that failures are an inherent part of innovation, PECO has enabled its team members to think creatively. This has resulted in a noticeable impact on the Company's capacity to explore new concepts, enhance processes, and boost efficiency.



The John Edison Culture Award directly reinforces and acknowledges team members who exemplify PECO's fundamental values. By engaging all team members in the nomination process and allowing previous winners to choose the subsequent recipients, PECO ensures that these values are not only recognized but also actively incorporated into behavior. This method has a domino effect, shaping the overall culture and behavior within the Company.



WorkTango has made a deep impression by acknowledging and celebrating team accomplishments. This recognition platform offers a concrete method for team members to spotlight each other's contributions by awarding points to each other that can be cashed in for gift cards and other prizes. Recognition is focused on PECO's core values and team members are encouraged to call out which core value their coworker exemplified when they are awarding points.

## Our Core Values



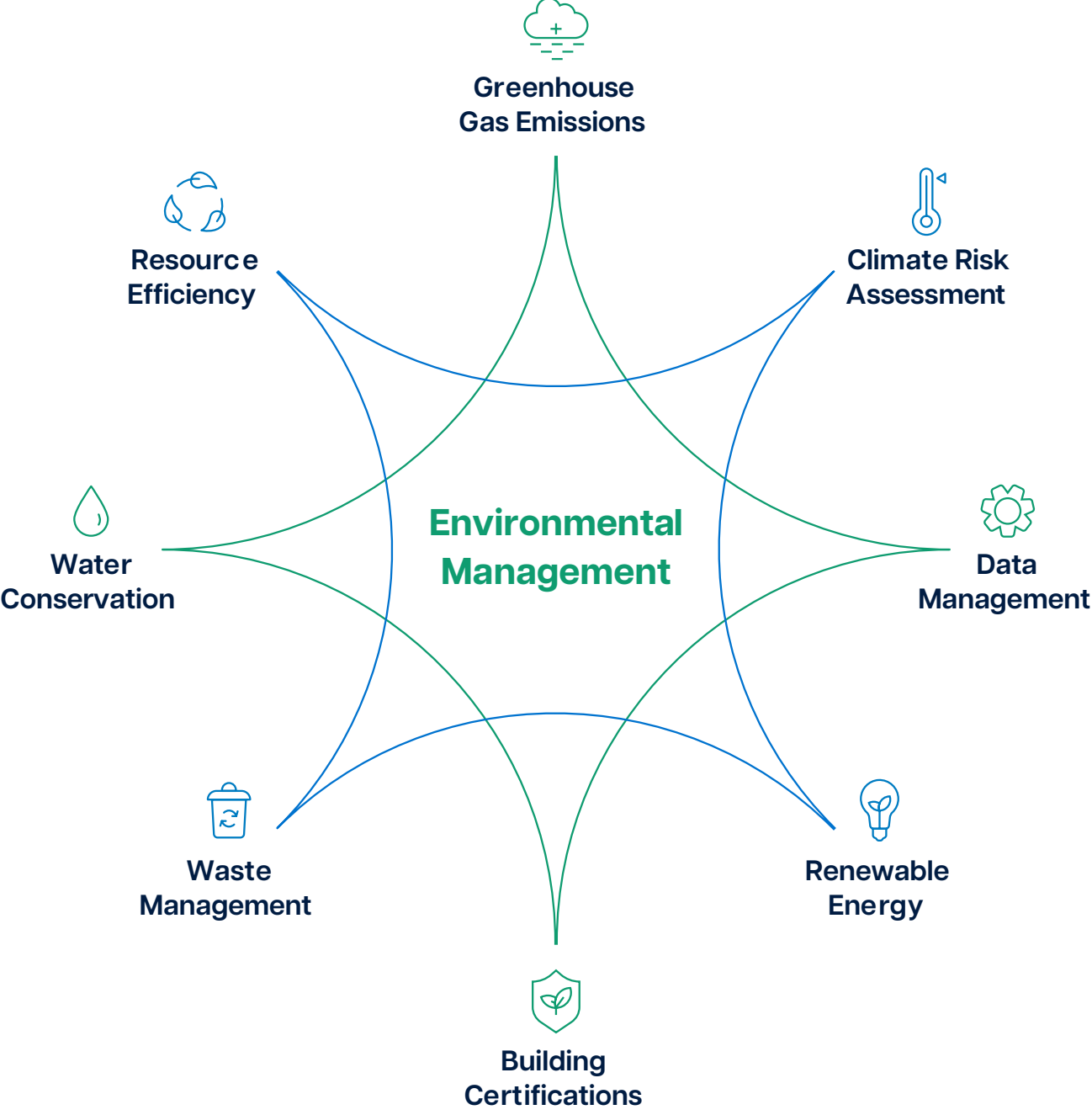
# Environmental Management



*We are committed to environmental responsibility and strive to integrate sustainable practices throughout our portfolio.*

# Environmental Management

Our environmental management strategy is designed to enhance the long-term growth and value of our neighborhood shopping centers. This is achieved through income growth, operational expense management, resource efficiency, and asset resilience across our entire portfolio. We have aligned our environmental initiatives with key focus areas, such as:



Cascades Overlook | Washington D.C. Metro, Sterling, VA

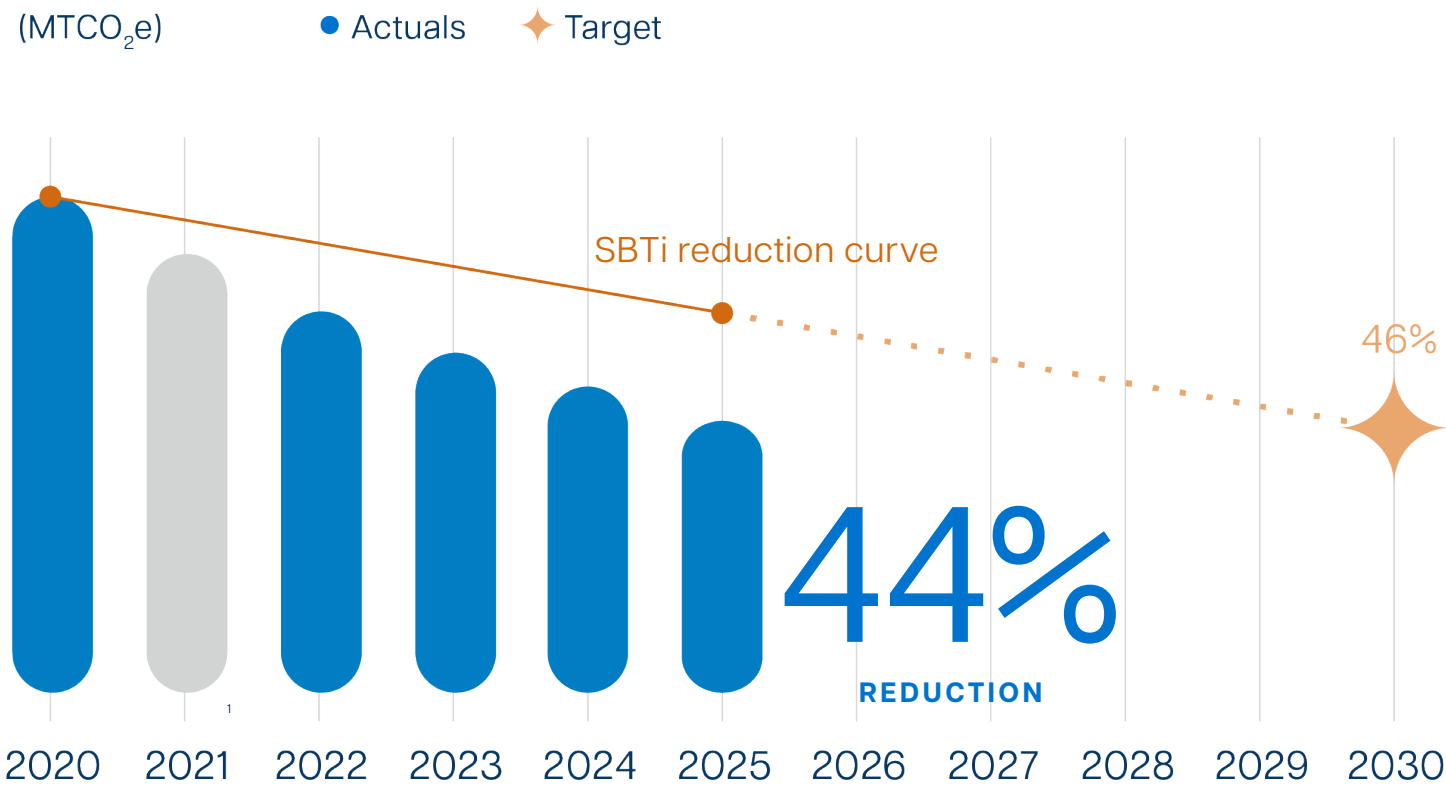
# Greenhouse Gas Emissions

In 2025, PECO established a target of reducing Scope 1 and 2 emissions by 46% by 2030 compared to a 2020 baseline, in alignment with the Science Based Targets initiative®. At the close of 2025, we achieved a **44% reduction** in Scope 1 and 2 emissions versus our 2020 baseline, resulting in an absolute reduction of over 9,000 metric tons of CO<sub>2</sub>e – while simultaneously growing our portfolio by 7% in gross leasable area.

We accomplished this through a focused energy-management strategy that emphasizes resource efficiency and renewable energy use.

Accurate and reliable GHG emissions data is essential not only for tracking and achieving reductions, but also for maintaining transparency and building stakeholder trust. In support of this commitment, PECO underwent independent data assurance in 2025, with details and results provided in the Appendix.

## PECO Emissions



<sup>1</sup>Data from 2021 has been excluded to reflect improvements in consistency and completeness across our reporting systems.



Goal

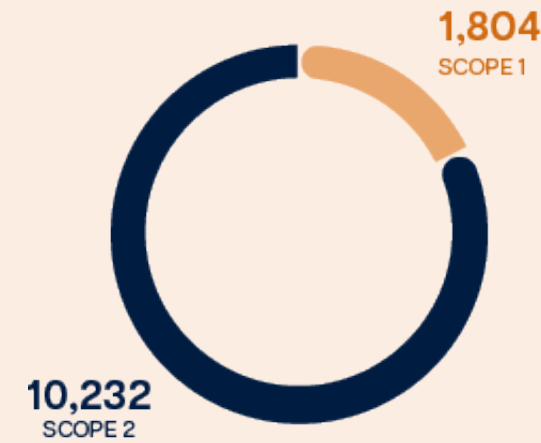
↓ 46%

Reduce Scope 1 and 2 emissions by 2030.

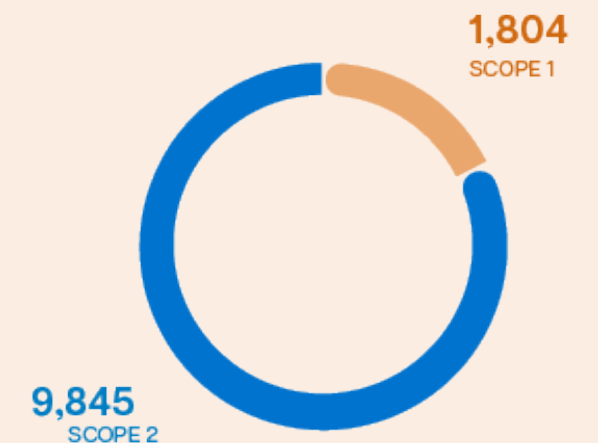
## 2025 Scope 1 and 2 Emissions

MTCO<sub>2</sub>e

### Location-Based



### Market-Based



## Scope 3

We are currently engaging a third-party consultant to assess our Scope 3 (indirect) emissions and support the development of a strategic disclosure approach. We recognize the significance of Scope 3 emissions and are taking a measured, data-driven approach that prioritizes compliance with reporting requirements and enhanced insight into our most indirect material emissions sources, including those related to our Neighbors.

# Energy Efficiency

PECO employs multiple strategies to maximize energy efficiency and reduce non-renewable energy consumption, resulting in cost-effective management of our real estate portfolio while mitigating our impact on the environment. These efforts focus on optimizing building operations, prioritizing efficient systems where feasible, and supporting responsible energy use across our centers.

To further reinforce energy awareness, PECO provides vacancy utility consumption training for property management teams, helping employees better understand and reduce energy use during vacant periods, and supporting our commitment to energy-efficiency training across the organization.

In 2025, PECO invested over **\$13 million** in energy-efficient, return-driven projects across its real estate portfolio resulting in a reduction in over 2.3 million kWh in portfolio energy consumption. These savings are attributed to our three energy management pillars:

- High Efficiency Lighting – over 1.9 million kWh
- Lighting Control System – over 113,000 kWh
- Operational Efficiency and White Reflective Roofs - over 300,000 kWh



Naperville Crossings | Chicago Metro, Naperville, IL

## Our Energy Management Pillars

### High-Efficiency Lighting

LED lighting systems are more efficient, producing the same lumen output as incandescent or compact fluorescent lighting.

**47** number of projects in 2025 to expand and improve LED coverage on our shopping centers

### Lighting Control Systems

Remote lighting control systems allow us to closely tailor lighting solutions to property needs, reducing unnecessary lighting usage.

**87%** of shopping centers with advanced lighting controls systems

### White Reflective Roofs

White roofs reflect, rather than absorb, the sun's heat, reducing the building's cooling load and saving energy.

**241** shopping centers with reflective roofs

# Renewable Energy and EV Charging

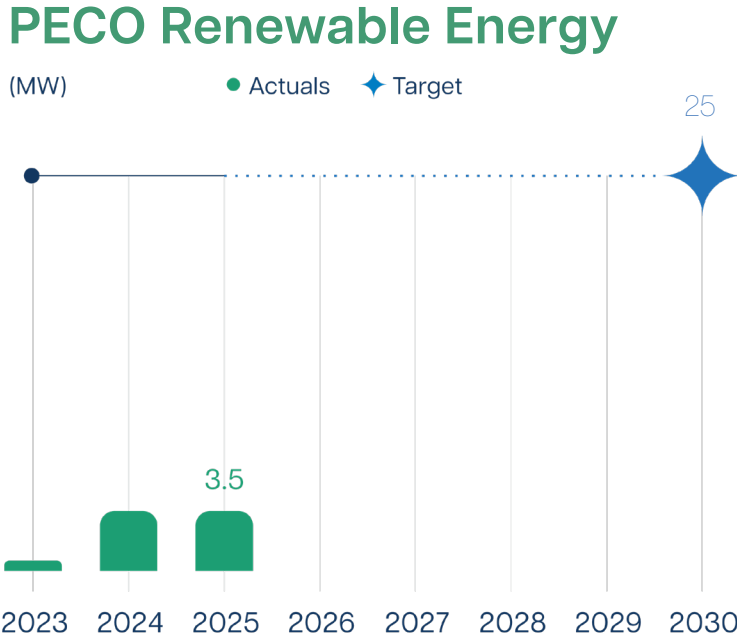
PECO continues to advance renewable energy and electric vehicle (EV) charging as connected elements of our strategy to activate emerging revenue streams and expand service offerings to our Neighbors, their employees, and customers. As energy use and transportation evolve, these initiatives work together to support resilient operations, respond to customer and Neighbor expectations, and position our centers for changing grid and market conditions.

**Goal**

PECO has set a goal of hosting

# 25MW

of renewable energy by 2030.

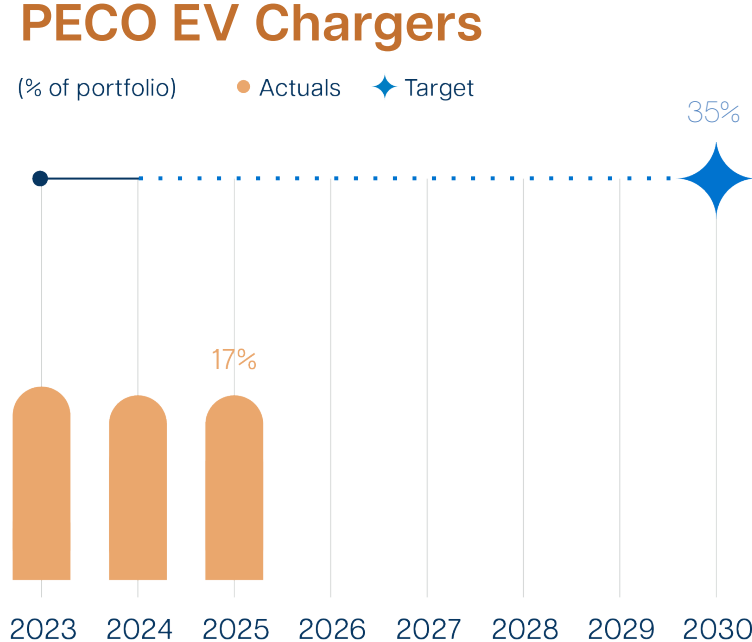


**Goal**

PECO has set a goal of EV chargers at

# 35%

of our eligible portfolio.



Sunridge Plaza | Sacramento Metro, Rancho Cordova, CA



Naperville Crossings | Chicago Metro, Naperville, IL

# Water Management

Our approach to water stewardship is multifaceted and data driven.

In 2025, we utilized practical, reduction-focused strategies. Where possible, we prioritize:

- ◆ Smart irrigation systems to optimize water use based on real-time weather data and soil conditions
- ◆ Xeriscaping to minimize the need for supplemental watering while maintaining aesthetic appeal
- ◆ Submetering to monitor water usage at a granular level, identify anomalies, and facilitate targeted conservation measures
- ◆ Operational oversight to provide a critical forum for reviewing water cost, consumption variances, and enabling proactive management

◆ This integrated strategy not only reduces operational expenses but also allows our team to reduce consumption in areas of high water stress, supports our broader environmental objectives, and enhances the resilience and marketability of our properties.



## Goal

We aim to achieve a water use intensity of

# 10.5 gal

per square foot for landlord-controlled water consumption\* across our portfolio by 2030.

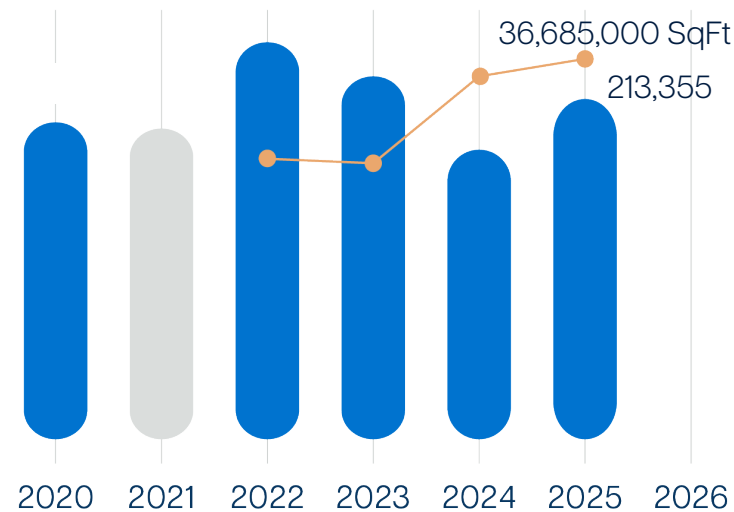
\*Landlord-controlled water includes uses such as landscaping irrigation and domestic water use in common areas.



Roxborough Marketplace | Denver Metro, Littleton, CO

## PECO Water Consumption

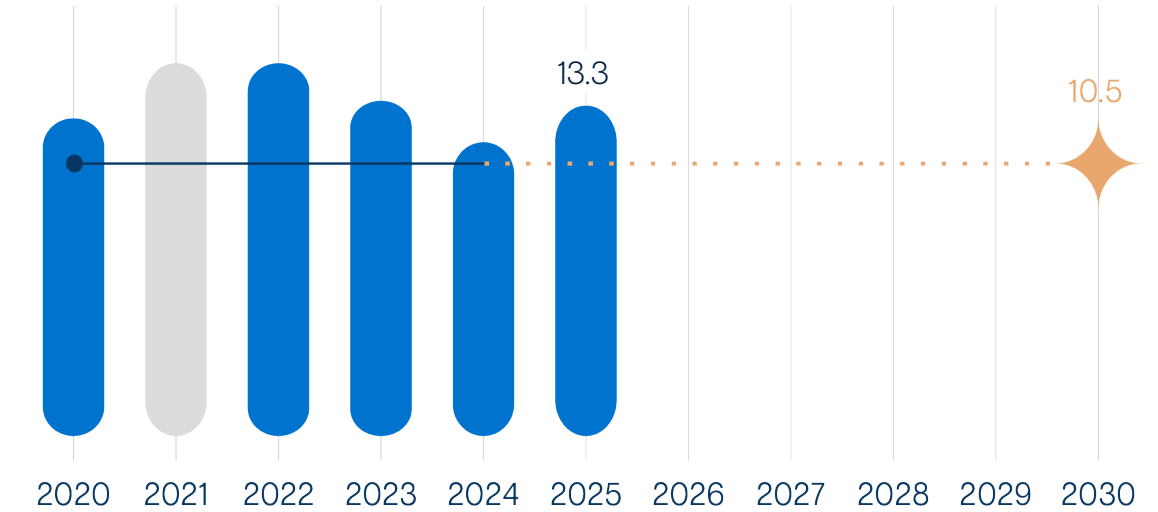
(1000s Gallons) ● Actuals ● Property GLA (sqft)



<sup>1</sup>Data from 2021 has been excluded to reflect improvements in consistency and completeness across our reporting systems.

## PECO Usage Intensity

(gal/ft<sup>2</sup>/yr) ● Actuals ◆ Target



# Waste Management

PECO collaborates with our vendors and Neighbors to promote and implement responsible waste management practices across our portfolio.

We employ, where feasible and available, initiatives such as the following:

- ◆ Conducting property and technical waste assessments
- ◆ Integrating recycling measures and providing composting facilities
- ◆ Right-sizing the number of waste pickups at shopping centers
- ◆ Distributing a Neighbor Sustainability Guide that promotes conservation practices



Centennial Lakes Plaza | Minneapolis Metro, Edina MN



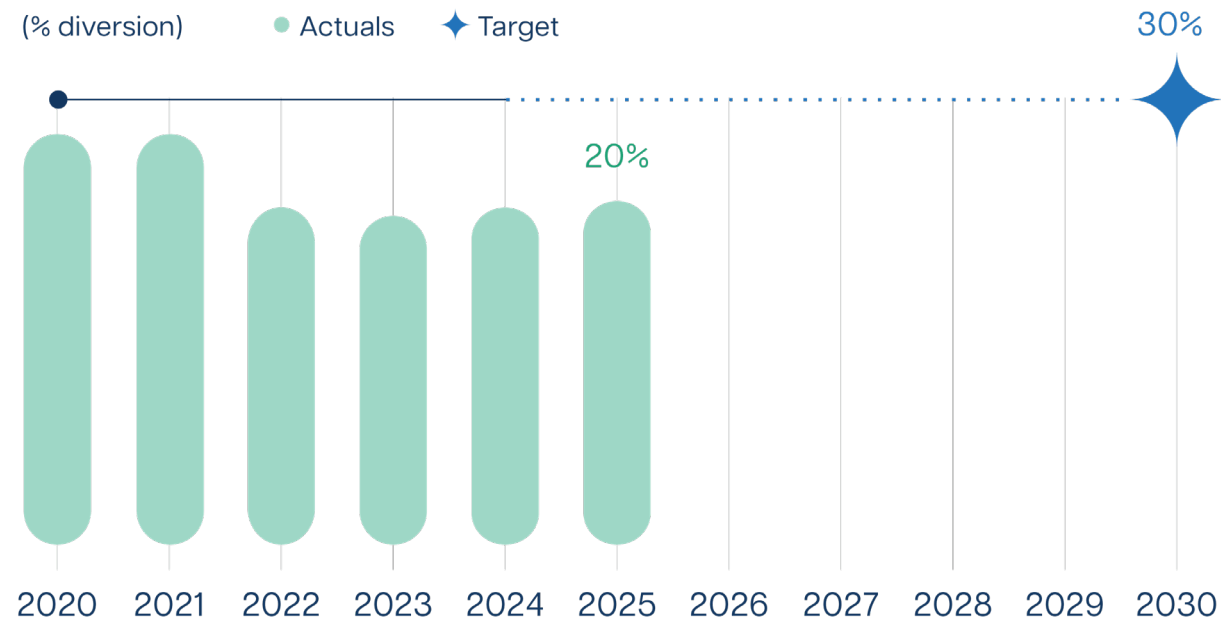
## Goal

PECO established a target of a

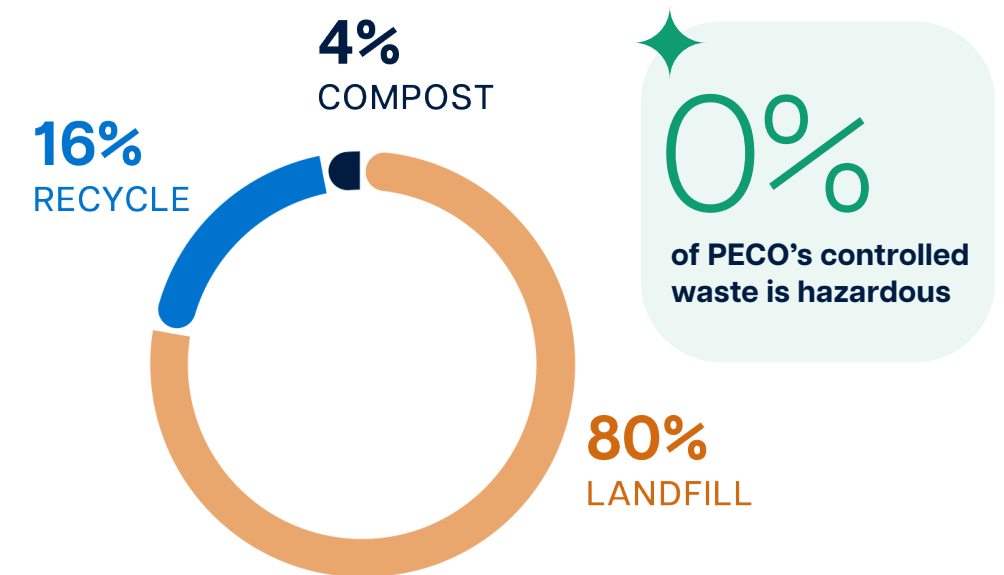
# 30%

waste diversion rate

## PECO Waste Diversion



## PECO Waste Streams



# Development and Redevelopment

We are dedicated to creating additional value at our shopping centers through development and redevelopment initiatives across our portfolio. These efforts apply to all development and redevelopment projects and are guided by a commitment to sustainability through thoughtful site design, efficient use of energy and water, and a strong focus on safety, resilience, and material stewardship.

As part of these initiatives, we seek opportunities to control and reduce construction and demolition waste by encouraging waste reduction, reuse, and recycling practices where feasible. This includes setting project-level waste management expectations, promoting on-site waste separation, educating contractors and workforce teams on waste management techniques, and incentivizing responsible recovery and recycling of building materials. Where practicable, we also support the use of recycled materials and participation in recycled-product exchanges, and we pursue green building certifications when aligned with project goals.



Arapahoe Marketplace | Denver Metro, Greenwood Village, CO

Pre-Construction (left), During Construction (middle), and Complete (right)

## Green Building Certifications

Evaluation for the Green Building Initiative's Green Globes Building Certification, which considers environmental sustainability, health and wellness, and resilience, to provide third-party verification for our newly developed initiatives

## Safety & Resilience

Climate assessments and risk mitigation strategies to address extreme weather events  
Sustainable building materials and sustainable procurement practices to enhance resilience and environmental responsibility

## Energy & Water Efficiency

Minimum SEER 14-rated HVAC units to improve energy efficiency  
New or replacement white TPO or PVC roofs with at least R-30 insulation to minimize heat absorption  
Low-flow fixtures in restrooms to conserve water  
Exterior LED lighting to reduce energy consumption

## Sustainable Site Design

Stormwater quality and detention measures to reduce downstream flooding  
Native plants in green spaces to promote biodiversity  
Sidewalks for pedestrian access and bike racks to encourage eco-friendly commuting

# Climate Risk

## Climate-Risk Management and Resilience

As a long-term owner and operator of grocery-anchored shopping centers, we've developed a comprehensive strategy to identify and assess climate-related risks across our portfolio. Our approach to climate-risk management enables us to proactively evaluate physical and transitional climate impacts and implement asset-specific action plans that enhance resilience.

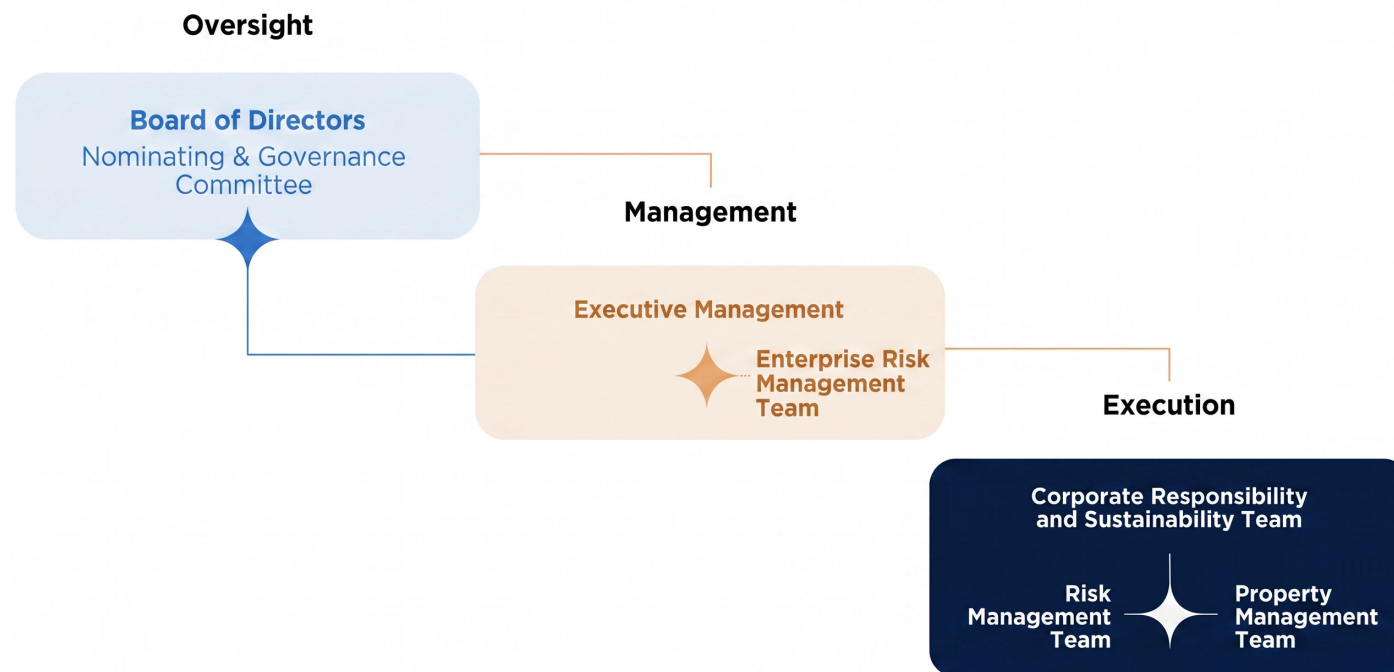
By integrating climate-risk considerations into our decision-making process, we minimize economic disruptions, safeguard our shopping centers, and strengthen our ability to adapt to changing conditions.

For more specific information about our climate-risk management program, refer to our International Financial Reporting Standards (IFRS) Disclosure (S2) in the Appendix.

## Climate-Related Governance

Our Board of Directors provides strategic oversight, with the Nominating and Governance (N&G) Committee having direct responsibility for overseeing our climate-risk management program.

The Enterprise Risk Management (ERM) Team integrates climate-related risks into the broader risk assessment framework, ensuring alignment with our overall risk profile and business objectives. Both the N&G Committee and the ERM Team receive quarterly updates on climate risk.



Champions Gate Village | Orlando Metro, Davenport, FL

## Metrics and Targets

### Science-Based Targets and Emissions Reduction

We have set a near-term target of a 46% reduction in Scope 1 and 2 greenhouse gas emissions by 2030 from a 2020 baseline, aligned with the Science Based Targets initiative® (SBTi®). This target, which is embedded into our operational planning and performance metrics, reflects our ambition to align with a 1.5°C pathway as recommended by the Intergovernmental Panel on Climate Change (IPCC).

### Sustainability-Driven Projects

We are prioritizing sustainability-focused initiatives across our portfolio, including:

- ◆ LED lighting retrofits to reduce energy consumption and operational costs
- ◆ Smart irrigation systems to optimize water use and enhance landscape resilience
- ◆ High-efficiency white reflective roofs to minimize heating and cooling loads of our buildings

These projects not only contribute to emissions reductions but also enhance Neighbor satisfaction, operational efficiency, and long-term asset value.

### Integration of Climate-Risk Management into Decision-Making

We integrated our climate-risk management and resilience strategy into property operations and capital investment decisions. This integration ensures effective mitigation of potential risks in our long-term asset planning.

### Transparent and Ongoing Stakeholder Engagement

We are committed to transparent and consistent communication with our stakeholders. Progress on our climate strategy, targets, and transition plans will be disclosed annually through out 10-K filings, Proxy Statements, and Corporate Responsibility & Sustainability reports.

# Strategy & Risk Management

## Climate-Related Risk Assessment

We employ a structured and proactive approach to prioritizing climate transition risks, integrated within our broader ERM framework. The ERM team convenes quarterly to assess our exposure to risks, including physical and climate-related transition risks, such as regulatory changes, market shifts, and evolving stakeholder expectations.

We utilize a dedicated ERM tool that quantifies each identified climate-risk based on three key dimensions:

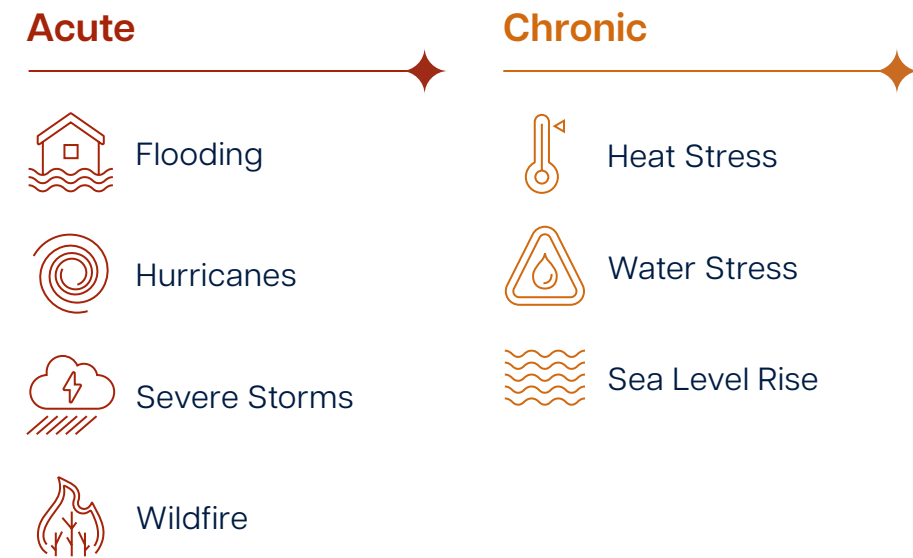
1. **Financial Impact**  
Estimating the potential economic consequences of the risk
2. **Probability of Occurrence**  
Assessing the likelihood of the risk materializing
3. **Effectiveness of Mitigation Measures**  
Evaluating the extent to which existing or planned actions can reduce the risk

This structured evaluation enables us to prioritize risks that pose the greatest threat to our business and to allocate resources effectively toward mitigation and adaptation strategies. The process ensures that climate-related risks are continuously monitored, reassessed, and integrated into strategic planning and decision-making.

## Scenario Analysis and Strategic Planning

To assess the resilience of our business under different climate futures, PECO conducts a forward-looking climate risk assessment. Physical climate risks are assessed using First Street’s robust climate analytics tool that deliver asset and portfolio-level insights under three climate scenarios: SSP1-2.6 (low), SSP2-4.5 (medium), and SSP5-8.5 (high). The same climate scenarios are used to inform PECO’s assessment of transition risks, ensuring consistency across physical and transition risk analysis insights. This analysis guides our strategic and long-term planning for our shopping centers. Our analysis has revealed that no single climate-related risk has a materially significant impact on our operations or financial performance at this time.

## PECO Physical Climate Risk

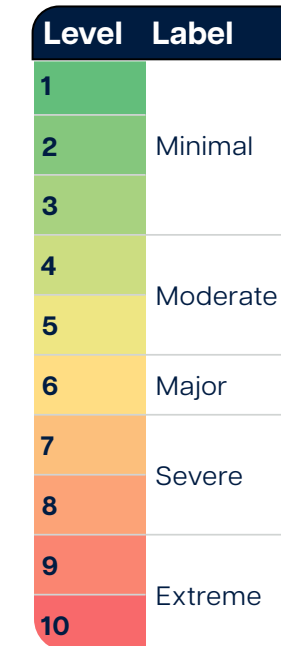


Loganville Crossing | Atlanta Metro, Loganville, GA

# Physical Climate Risk Assessment

When elevated climate risk is identified, we leverage the First Street platform to evaluate asset specific financial impacts and identify resilience investments that strengthen asset durability, reduce risk exposure, and support long-term value creation.

Risk Type	Risk	Elevated Risk (%GBV)*	Management Strategies
Acute	<b>Flooding</b> Exposure to flood hazards, fluvial, pluvial, and coastal flooding	15%	Relocate equipment from ground levels, use flood-resistant materials, improve drainage, install flood barriers, insurance
	<b>Severe Storms</b> Exposure to tropical storms and hurricanes	20%	Reinforce roofing and windows, secure outdoor furniture and equipment, clear debris, insurance
	<b>Wildfire</b> Exposure to wildfire flames and embers	7%	Maintain a defensible zone around the property, fire-resistant landscaping, exterior sprinkler systems, non-combustible siding, fire-resistant roofing, develop emergency plans, insurance
	<b>Hail</b> Exposure to convective storms	46%	Install impact-resistant roofing, conduct regular roof inspections and maintenance, install protective covers over vents, insurance
Chronic	<b>Heat Stress</b> Increased need for cooling degree days as a result of changing temperature	17%	Upgrade HVAC systems to be more efficient, install white roofs, increase surrounding vegetation to provide shading and cooling
	<b>Cold Stress</b> Increased need for heating degree days as a result of changing temperature	31%	Enhance HVAC and insulation systems
	<b>Air Quality</b> Exposure to "Unhealthy" air quality as defined by the EPA's Air Quality Index	12%	Install systems with controlled ventilation to reduce outdoor air intake, upgrade to higher-efficiency filters (MERV-13+), coordinate with our Neighbors to address concerns
	<b>Water Stress</b> Meteorological drought based on changes in precipitation patterns compared to a location's historical baseline	0%	Xeriscaping/smart irrigation controls to reduce or remove the need for irrigation, sub metering, and regular plumbing inspections to minimize water loss due to leaks



Risk Level	Flooding	Severe Storms	Wildfire
Extreme	2%	9%	0%
Severe	5%	10%	4%
Major	8%	1%	3%
Moderate	10%	28%	13%
Minimal	75%	52%	81%

Risk Level	Heat Stress	Cold Stress	Air Quality	Water Stress
Extreme	0%	0%	9%	0%
Severe	1%	2%	1%	0%
Major	15%	29%	2%	0%
Moderate	39%	41%	20%	14%
Minimal	44%	28%	68%	86%

\*Elevated risk here is defined as a First Street Factor Score of 6 or higher in First Street's climate risk models. The percentage of our total portfolio's Gross Book Value (GBV) with elevated risk is disclosed above.

# Climate Risk & Opportunity

## PECO Transition Risk

We have identified key climate-related transition risks with potential financial and operational impacts to our business including policy, technology, market, and reputational changes. The table follows the TCFD recommendations for climate risk disclosure.

Transition Risk	Anticipated Timing	Risk Management Approach
<b>Policy:</b> Increasing regulations at the local/state levels impose additional operational costs and could result in increased capital to meet energy and emissions requirements	1 - 15 years	Actively monitor proposed regulations and integrate requirements into operation strategy so that we can strategically deploy internal resources to meet new requirements and avoid incurring penalties for noncompliance.
<b>Technology:</b> Advancements in technology could lead to increased cost of capital improvements and increased soft costs associated with specialized training and/or operating costs	5 - 15 years	We view technology advancements as an opportunity and are continually evaluating the market for incentives to become early adopters for new sustainable technology.
<b>Market:</b> Increasing utility prices as demand and availability fluctuate	1 - 15 years	PECO manages exposure to rising utility prices through smart energy procurement strategy while also maximizing resource efficiency and investing in on-site renewable energy and battery storage to reduce grid dependence and operating cost volatility.
<b>Reputation:</b> Higher cost of capital/loss of access to capital if stakeholder expectations related to climate risk management are not met	5 - 15 years	We transparently report on our sustainability and climate related data and embed climate risk governance into decision-making to ensure we continue to meet stakeholder expectations.

## Climate Opportunities

PECO’s focus on decarbonization, efficiency, and resilience creates opportunities to enhance asset performance, strengthen stakeholder relationships, and support long-term value creation.

### Market & Operations

Strategic investments in energy efficiency, on-site renewables, and battery storage can reduce operating cost volatility, improve resilience to grid disruptions, and enhance competitiveness across diverse markets.

### Lower Costs

Efficiency upgrades and clean energy investments can lower utility expenses, reduce exposure to future energy price increases, and improve insurance and operating cost outcomes over time.

### Reputation & Access to Capital

Demonstrated climate risk management and transparent disclosure support investor confidence, improve access to sustainability-linked financing, and strengthen relationships with Neighbors, lenders, and other stakeholders.

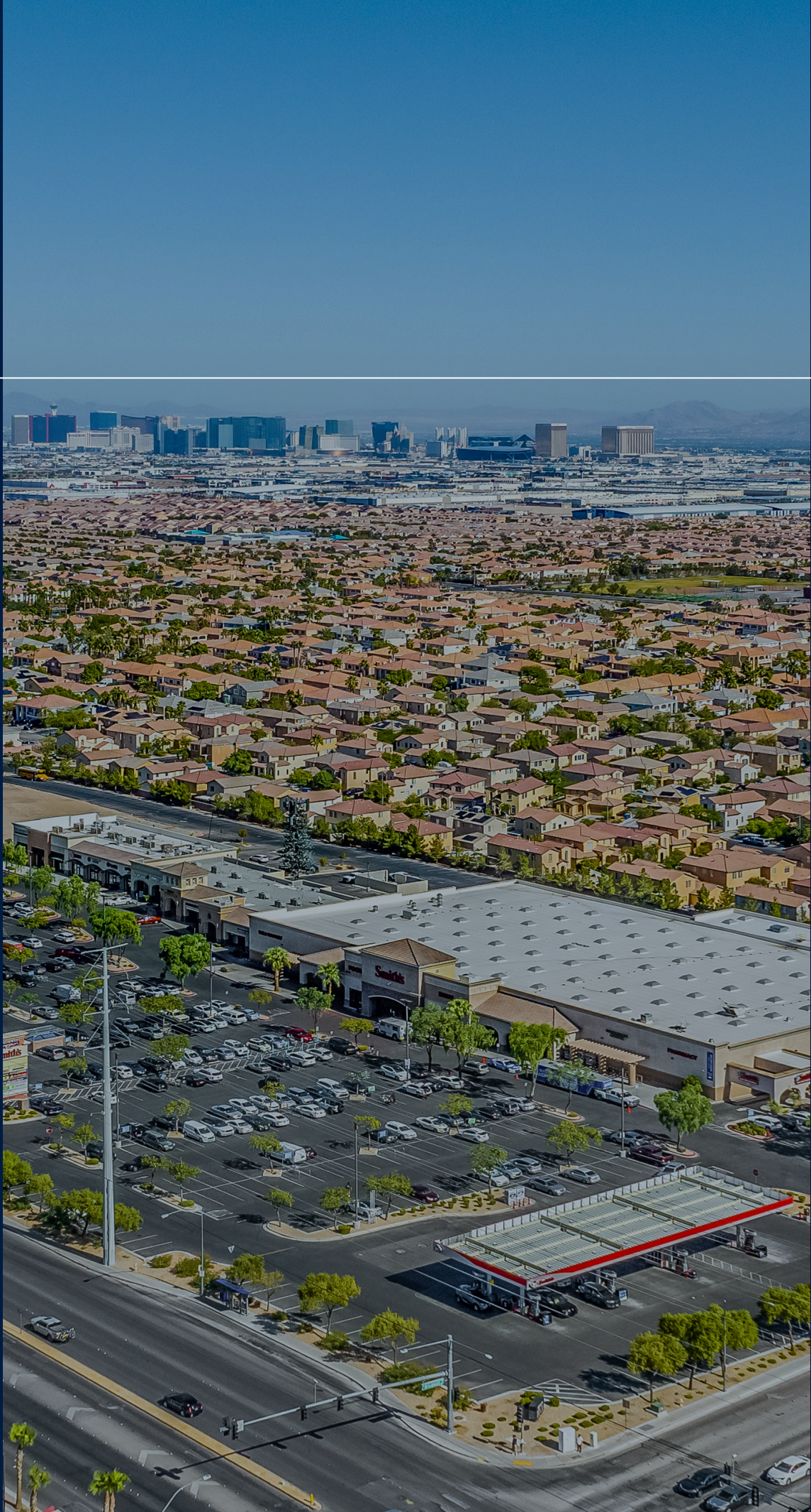
### Asset Value & Demand

Properties with strong sustainability and resilience characteristics may benefit from higher Neighbor demand, improved retention, and long-term asset value preservation as market expectations evolve.



Kings Crossing | Tampa Metro, Sun City Center, FL

# Centers & Economic Impact



*Our PECO shopping centers are integral to the local communities we serve.*

# Centers & Economic Impact

Our centers are integral to the local communities they serve, because they:



We do this through our focused efforts to:

- ◆ Attract Neighbors – including local businesses – that draw strong, loyal customer bases, and enhance their communities
- ◆ Maintain open lines of communication with our stakeholders
- ◆ Implement high-quality maintenance, safety, and operations
- ◆ Provide EV charging facilities as an additional amenity for customers and employees
- ◆ Build and operate environmentally sustainable centers, as verified through third-party certifications



Courthouse Marketplace | Virginia Beach Metro, Virginia Beach, VA

# Impact on Our Communities & Neighbors

We are committed to the success of each center and each tenant. In fact, we refer to our tenants as our Neighbors – and that is not hyperbole. It is how we conduct ourselves every day. PECO strives not only to be a great neighbor, but also to provide a mix of great Neighbors at our centers, collectively contributing to the well-being and vibrancy of our communities.

## Supporting Local Entrepreneurs and Small Business Owners

# \$24+ million

invested in our local Neighbors through capital investment in their spaces



French Golden Gate | Tampa Metro, Bartow, FL



Riverpark Shopping Center | Houston Metro, Sugar Land, TX

At PECO, we highly value the unique shopping experiences that our local entrepreneurs and small business owners bring to our shopping centers. Our local Neighbors reflect the spirit, diversity, interests, and needs of the communities that we proudly serve. In 2025, local businesses constituted 17% of PECO’s leased square footage and 26% of ABR. These financial investments reflect our partnership with our local Neighbors and our commitment to serving our communities – neighbors serving neighbors.

This year, we expanded PECO’s acquisition approach to include Everyday Retail™ centers. These unanchored centers are located in the same neighborhoods as our grocery-anchored centers and are complementary to our core, growth strategy. With PECO’s expansion in Everyday Retail™ centers – which we see as more Neighbors – we believe we can further expand our partnerships within the community.

## Providing Amenities and Services to the Community

Leased Square Feet by Neighbor Type

17%  
LOCAL

38%  
NATIONAL / REGIONAL

45%  
GROCERY

ABR By Neighbor Type

26%  
LOCAL

46%  
NATIONAL / REGIONAL

28%  
GROCERY

# Impact on Our Communities & Neighbors

## Investing in Our Centers

We positively affect our communities and their residents when we reinvest in our centers.

**\$74 million**

Investments in Development and Redevelopment Projects

**\$24 million**

Operating Capital Improvements

## Economic Impact

Our centers indirectly benefit the residents of our communities by providing tax revenue to fund governmental services, such as roads, education systems, elder care, law enforcement, and fire protection.

**\$86 million**

in Real Estate Taxes

**\$1.7 million**

in State & Local Income, Franchise, and License Taxes



Dean Taylor Crossing | Atlanta Metro, Suwanee, GA



Suntree Square | Dallas Metro, Southlake, TX

In addition to providing essential goods and services to our communities and as a result of the continued demand for the retail opportunities our centers provide, we expect that the payroll tax and consumer sales tax generated by our centers will continue to contribute to the funding of these governmental services.

# Engagement With Our Communities & Neighbors

Our PECO associates, as community residents themselves, are enthusiastic about serving the communities in which they live and PECO operates. To that end, our associates formed PECO IMPACT, a program that encourages community involvement and connects our associates to causes they care about. With the full support of our Executive Team, this associate-led group arranges volunteer and charitable service projects with organizations that address community concerns.



## 2025 PECO Impact by the Numbers

25

Volunteer Events

\$23,274

Dollars Donated

518

Volunteer Hours

1,302

Meals Served

238

Employees Engaged

260+

Lives Saved Through 88 Donated Blood Products



## Vendor Engagement

As the owner and operator of a national portfolio, PECO maintains an extensive and diverse vendor base that supports our operations at both the local and national level. Because our vendors are integral to our success, we seek alignment with our mission, culture, and commitment to responsible business practices. Accordingly, vendors are expected to adhere to PECO's Vendor Principles and Standards of Conduct, which outline our expectations for ethical behavior, environmental responsibility, and social commitments. As part of PECO's evolving approach to vendor engagement, we now request information related to vendor demographics, governance, and corporate responsibility and sustainability (CRS) practices during the vendor onboarding process. Participation in these disclosures is voluntary; however, embedding these requests into onboarding activities reflects a maturation of our engagement framework and promotes greater consistency and transparency across our vendor relationships. This integrated approach allows PECO to better understand and engage with its vendors while reinforcing shared values throughout the lifecycle of our business partnerships.

## Neighbor Engagement

PECO's annual Neighbor Satisfaction Survey plays a pivotal role in shaping our operational policies and enhancing the overall Neighbor experience. The survey gauges attitudes on various indicators, including department responsiveness, shopping center appearance, space adequacy, and future needs. We pride ourselves on our prompt response times to any issues our Neighbors raise in the survey. To enhance the survey's utility even further, in 2024 we engaged an independent implementation expert to improve the questionnaire and assist us in analyzing the responses and results.



Shoppes of Paradise Lakes | Miami Metro, Miami, FL

SPOTLIGHT

## Neighbor Loyalty and Satisfaction

In 2025, PECO sent out our Neighbor Satisfaction Survey.

31%

Response rate  
(exceeding our 30% goal)

95%

Overall satisfaction  
with PECO



96%

Neighbors expressing interest  
in renewing their lease

94%

Satisfaction with the  
appearance of our  
shopping centers



95%

Satisfaction with the response  
time from PECO team with  
Neighbor requests

In 2025, PECO was pleased to achieve a **Net Promoter Score (NPS) of 18**, up 4 points from last year, reflecting a good level of customer loyalty and satisfaction.\*

\*The NPS, created by Bain & Company, is a market research metric that serves as a barometer for customer experience and a predictor of business growth. On a scale of -100 to 100, a score above 0 is considered good, while a score above 50 is considered excellent and above 80 is considered world-class. See <https://www.qualtrics.com/experience-management/customer/net-promoter-score/#:~:text=Above%20%20is%20good%2C,what%20constitutes%20a%20recommendable%20experience.>

# Building Certifications



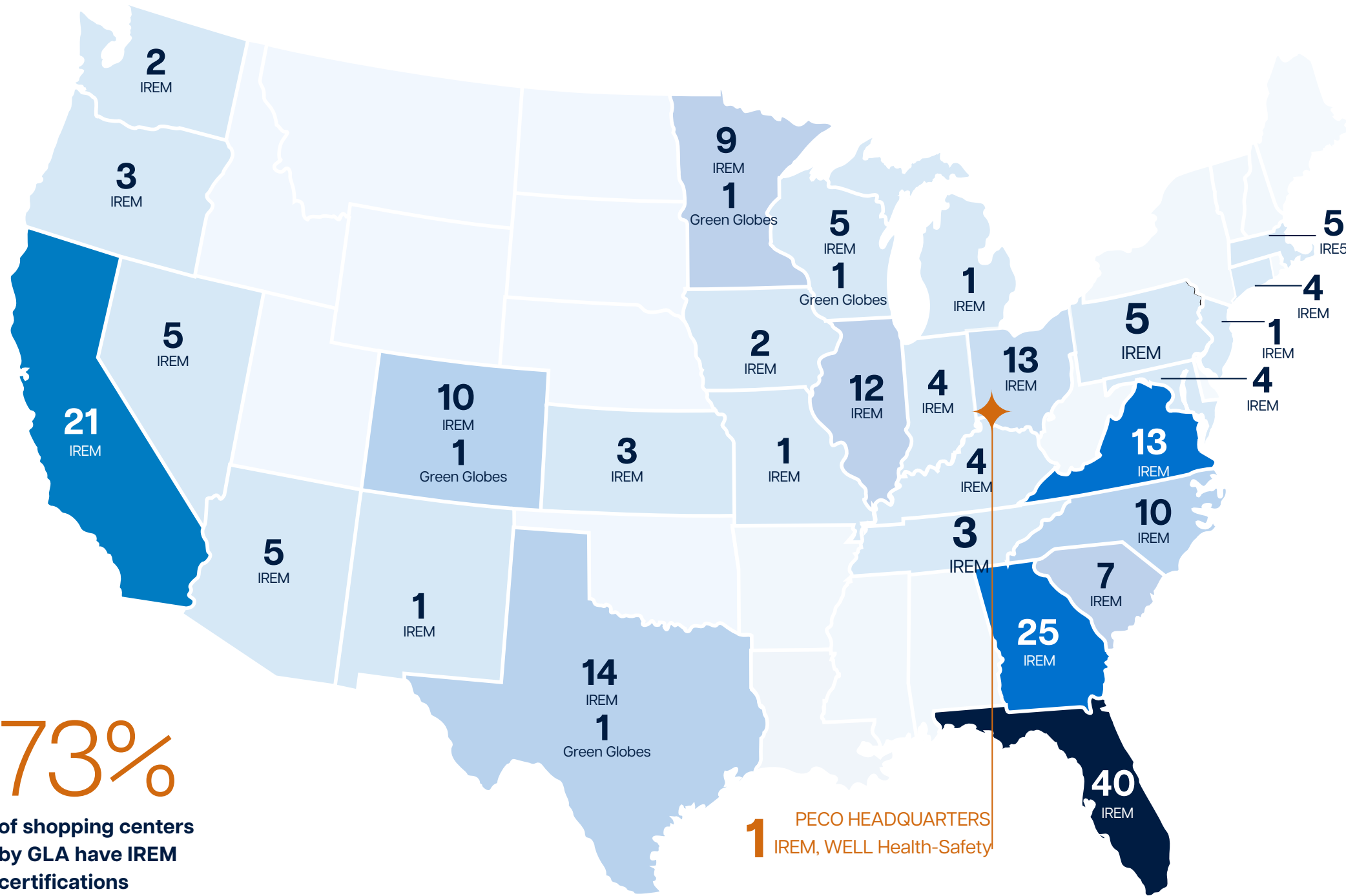
The Institute of Real Estate Management® (IREM) Certified Sustainable Property® (CSP) certification recognizes real estate properties that have implemented best practice sustainable operation measures. **As of year-end 2025, 232 of our centers, or 73% of our portfolio by GLA, have been awarded IREM CSP certifications.**



The Green Building Initiative (GBI) awards Green Globes building certifications on the basis of environmental sustainability, health and wellness, and resilience of all types of commercial real estate. PECO has achieved 4 Green Globes certifications since 2021.



The WELL Health-Safety Rating® addresses safety and acute health issues within buildings, primarily through operational and management policies. **In 2025, our Cincinnati home office renewed its WELL Health-Safety Rating for the fifth consecutive year.**



**73%**  
of shopping centers  
by GLA have IREM  
certifications

**1** PECO HEADQUARTERS  
IREM, WELL Health-Safety

**SPOTLIGHT**

**GREEN LEASE LEADERS**

## Green Lease Leader Gold Landlord

As part of our sustainability strategy, we partner with our Neighbors through green leasing to embed provisions that support energy efficiency, water conservation, and sustainable operations. In 2025, we executed approximately 900 lease documents totaling **2.2 million square feet** with green lease language, bringing our portfolio total to about 2,600 leases and 7.3 million square feet and maintained our Gold Level Green Lease Leader designation.

# Oversight & Ethics



*PECO's strong governance practices promote long-term value creation for our stockholders and other stakeholders.*

# Oversight & Ethics

PECO's Board of Directors and Executive Team lend their experience to drive our Company's progress by:

- ◆ Fostering a culture of integrity and ethical conduct for our associates
- ◆ Building and maintaining a relationship of trust and respect with our Neighbors, investors, vendors, and the communities we are privileged to serve
- ◆ Guiding decision-making through sound and ethical business practices
- ◆ Safeguarding the interests of our stockholders and other stakeholders through comprehensive internal control frameworks with independent oversight and review
- ◆ Assessing enterprise risk management and mitigation strategies for material risks on a regular basis
- ◆ Providing transparency in our reporting and stakeholder disclosures
- ◆ Prioritizing regular engagement with our stakeholders

As a publicly traded Company, we disclose our operations and financial results through our filings with the U.S. Securities and Exchange Commission (SEC), earnings presentations and other investor materials, proxy statement, postings on our website and this report. We strive for transparent engagement with all our stakeholders.

Please visit our [website](#) for access to all our public filings and the key policies and procedures constituting our corporate governance framework.



## SPOTLIGHT

### Our Lead Independent Director

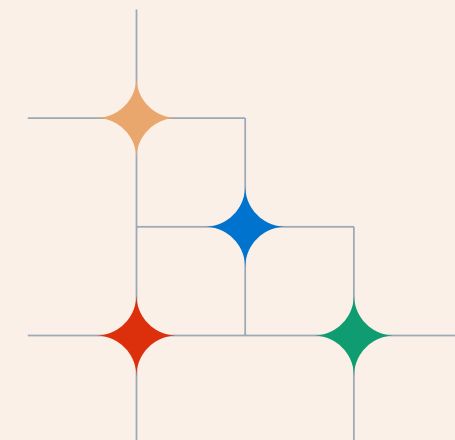


Touring a property with our VP of Leasing

#### Leslie T. Chao

Lead Independent Director

- ◆ Member of the Audit and Compensation Committees
- ◆ Serves as Lead Independent Director, providing independent oversight and leadership for the Board
- ◆ Provides deep public company leadership experience with a focus on disciplined capital allocation, operational performance, risk oversight, and long-term value creation



# CRS Oversight & Management

Our Nominating & Governance Committee oversees and is responsible for our CRS program, receiving quarterly updates from our executive team.



Board Property Tour, Naperville | Chicago Metro, Naperville, IL

The Chief Legal and Administrative Officer manages the executive aspects of our CRS program, including oversight of strategic initiatives and progress.

Day-to-day management of our CRS program, including strategic initiatives, economic and environmental targets, climate risk and opportunity management, and CRS compliance are the responsibility of our Corporate Responsibility and Sustainability Team, led by our Vice President of Energy and Sustainability.

## Oversight

Board of Directors  
Nominating & Governance Committee

- Provides strategic oversight and governance of the CRS program
- Ensures alignment with corporate values, stakeholder expectations, and regulatory requirements
- Reviews and approves key CRS policies, goals, and disclosures
- Monitors progress on CRS initiatives and climate risk mitigation



## Management

Executive Team

- EVP, Chief Legal and Administrative Officer has direct accountability for the CRS program
- Integrates CRS strategy into overall corporate governance and risk management
- Reports progress and challenges to the Board's N&G Committee
- Champions CRS initiatives across departments and ensures executive alignment



## Execution

CRS Team

- VP, Energy and Sustainability leads the development and execution of the CRS strategy
- Coordinates with internal stakeholders to implement initiatives
- Tracks performance metrics and prepares internal and external reports
- Identifies opportunities for innovation and continuous improvement

## Cross Functional Partners

- **Property Management:** Implements sustainability practices in facilities and operations.
- **Risk Management:** Integrates CRS risks into enterprise risk assessments.
- **Finance:** Supports CRS reporting, budgeting, and sustainable investment strategies.
- **HR:** Drives diversity, equity, inclusion, and employee engagement initiatives.
- **Accounting:** Ensures accurate tracking and reporting of CRS-related financial data.

# Board of Directors

Our Board of Directors is composed of highly qualified and experienced individuals who set a high standard for effective corporate governance.

Operating through regular board meetings and three standing committees – Audit, Compensation, and Nominating & Governance – all of which are exclusively composed of independent directors, the Board maintains a commitment to transparency and independence. In 2025, our Board consisted of 10 directors, with seven designated as independent and three as non-independent. As of 2025, 30% of our Directors are women and two members are ethnically diverse. Leslie T. Chao serves as the Board’s Lead Independent Director. This composition reflects our commitment to a diverse and qualified leadership team.

In 2025, each director attended all Board and committee meetings, including executive sessions without the presence of management and the non-independent directors. None of our directors serve on more than two other for-profit public Company boards. Additionally, each Board and committee member undergoes an annual self-assessment, contributing to a culture of continuous improvement.

## Quick Stats | Board Composition

Gender & Ethnically Diverse	Average Age	Average Tenure
50%	60	8.6 years



Name	Jeff Edison	Les Chao	Liz Fischer	Devin Murphy	Steve Quazzo	Jane Silfen	John Strong	Tony Terry	Parilee Wang	Greg Wood
Tenure	2009	2010	2019	2024	2013	2019	2018	2023	2023	2016
<b>Experience/Qualifications</b>										
Business / Strategic Leadership	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Real Estate / Retail Industry	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Corporate Governance	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Financial / Accounting	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Investment / Capital Markets	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Risk Management or Oversight	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Technology / Information Systems / AI / Data and Cybersecurity	◆	◆					◆		◆	◆
Human Capital Management	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆

# Governance Framework

The principal framework for governance is set forth in our Charter (as amended), Bylaws (as amended), Board Committee charters, and Corporate Governance guidelines.

Please see the [Governance page](#) on our website to read these documents.



Board Property Tour, Naperville | Chicago Metro, Naperville, IL

## ◆ Key Corporate Governance Features

- Lead Independent Director
- Independent Audit, Nominating and Governance, and Compensation Committees
- Annual election of all Directors
- Compliance with Nasdaq’s Governance Requirements
- Opted out of the Maryland business combination and control share acquisition statutes
- Stockholder approval required to classify the Board
- Clawback policies covering both performance-based and time-vesting compensation
- Stockholder right to amend bylaws by majority vote
- No stockholder rights plan

## ◆ Board Committees

### Audit Committee

- Oversee the integrity of financial statements, accounting practices, and audits
- Review the scope, effectiveness, and results of the internal audit function
- Enterprise Risk Management Program
- Cybersecurity and information governance
- Artificial Intelligence

### Compensation Committee

- Review and approve the compensation of the CEO and other executive officers
- Evaluate and approve director and executive officer compensation plans, policies, and programs
- Assess compensation practices to ensure they do not incentivize executives to take unnecessary risks
- Oversee human capital management

### Nominating and Governance Committee

- Corporate Responsibility and Sustainability Program
- Annual Board and Committee assessments
- Establish corporate governance practices, guidelines, and policies for the Company
- Human Rights Policy

# Driving Ethical Behavior

At PECO, consistently fostering a culture of accountability and acting with integrity is fundamental to our business, anchored in our Core Value “Do the Right Thing”.

Our Core Values guide our actions and conduct, forming the foundation of our commitment to ethical behavior. To uphold this commitment, we have established a comprehensive framework of policies and procedures, reinforced by annual training, to ensure that every associate comprehends and adheres to our Company’s standards. These include:

- ◆ Code of Business Conduct and Ethics
- ◆ Vendor Principles and Standards of Conduct
- ◆ Human Rights Policy
- ◆ Whistleblower Policy

Our Board annually reviews the Code of Business Conduct & Ethics and considers any necessary changes or updates to our standards and practices.

## SPOTLIGHT



0

Ethics Violations  
in 2025

\*That met the threshold for materiality or required disclosure under SEC rules.

## SPOTLIGHT

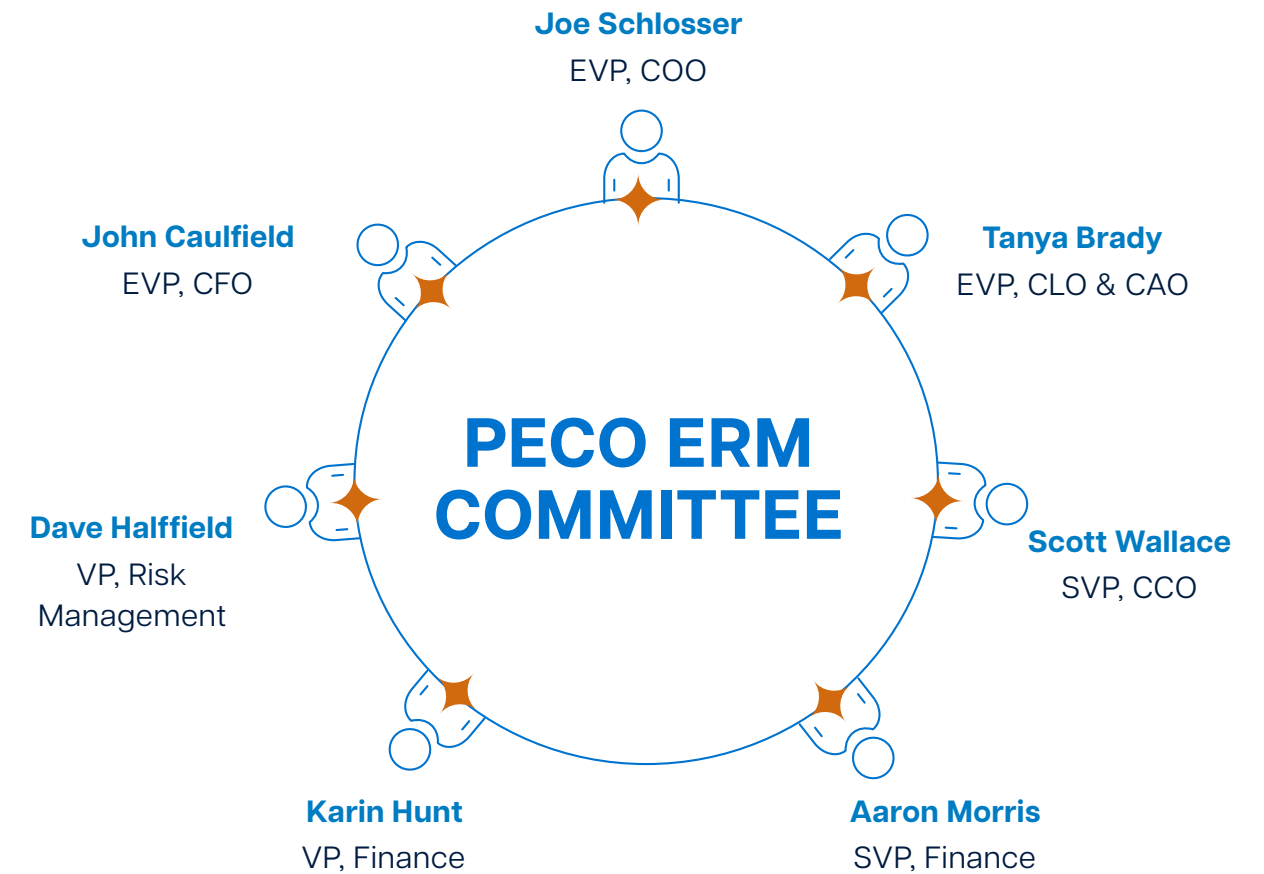


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OSHA Reportable Incidents  
in 2025

# Risk Management

Risk management is critical to our strategic approach to achieving our business objectives. Under the direction of the Audit Committee, our Enterprise Risk Management (ERM) Program serves to identify and highlight risks holistically across the Company.



# Cybersecurity

PECO's cybersecurity-risk management program, which is modeled after the National Institute of Standards and Technology cybersecurity framework (NIST CSF), works toward preventing, identifying, detecting, and mitigating cybersecurity risks.

Focused on people, processes, and technologies, it includes associate training, periodic workforce testing, and the deployment and monitoring of leading security solutions and controls.

Under the oversight of our Chief Information Officer, we maintain a cybersecurity risk management program designed to identify and mitigate material cybersecurity threats.

The cybersecurity team delivers quarterly cybersecurity training to all associates including security videos and informational tips, new hire training, quarterly refresher training, out-of-band timely cybersecurity alerts, and monthly simulated phishing campaigns with teachable moments and focused training, all designed to provide security specific knowledge to our associates. We utilize positive reinforcement to encourage associates' participation, in addition to required periodic training.

To maintain the currency of our cybersecurity measures, we internally publish and annually review a suite of cybersecurity policies and procedures. Additionally, we engage with external cybersecurity experts to conduct annual penetration testing, provide monitoring of the environment, conduct tabletop exercises, and for dedicated incident response and advanced forensics capabilities. In addition to internal and external audits, we undertake assessments including the NIST CSF, cybersecurity maturity assessment, and Center for Internet Security Benchmarks, to identify opportunities for enhancement.

## SPOTLIGHT

# 0

Cybersecurity Incidents in 2025

\*That met the threshold for materiality or required disclosure under SEC rules.



# Appendix



# Forward Looking Statements & Other Legal Matters

This report may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can generally be identified by the Company's use of forward-looking terminology such as "may", "will", "expect", "commit", or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as the date of this report. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including the risk factors and other risks and uncertainties described in the Company's 2025 Annual Report on Form 10-K, filed with the SEC on February 10, 2026, as updated from time to time in the Company's periodic and/or current reports filed with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Additionally, certain information included herein or elsewhere, such as our website, is informed by third-party frameworks or other stakeholder expectations and is not necessarily material for our SEC reporting purposes, even if we use language such as "material" or "materiality". Particularly in the sustainability context, "materiality" is subject to varying definitions that differ from and are often more expansive than the definition under US federal securities law. Our use of frameworks and other standards is meant to inform our disclosures, but we cannot guarantee, and no language of "alignment" or similar should be understood to mean, complete adherence to such standards or any particular stakeholders' interpretation of same. Some of the information herein is also reliant on third-party information or methodologies. Any inaccuracies or changes in such information or methodologies, whether in or out of our control, could cause results and performance to differ from what is reported. In addition, various aspects of this report are based on processes and procedures that we believe apply appropriate levels of support to address issues in scope and, while these statements may use words such as "ensure", "prevent", or similar language, such terms should not be considered to mean that such efforts will be successful in all situations.

Also, certain information included in this report is used for compliance with various legal obligations, including California's SB 261. However, this report is broader in scope than such legal requirements, and any such use shall not be deemed to incorporate portions of this report that are not responsive to such obligations or references to same. It is not intended, and we hereby disclaim, any legal relations, rights or obligations to any third-party in connection with these disclosures. Moreover, by providing this information, neither we nor any of our affiliates are conceding any specific item is required or applicable under any legal obligation, nor are we conceding any particular interpretation of such legal requirements. Moreover, in certain circumstances, information included in this report may differ from information included in regulatory reporting due to differences in methodologies for the calculation of certain metrics or other factors, which may be out of our control.

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All other marks are the property of their respective owners.

## Contact Us

For more information about PECO and our Corporate Responsibility and Sustainability Program, please contact Kim Green, Senior Vice President, Investor Relations, [kgreen@phillipsedison.com](mailto:kgreen@phillipsedison.com) or Ryan Knudson, Vice President, Energy and Sustainability, [rknudson@phillipsedison.com](mailto:rknudson@phillipsedison.com).

# Disclosures

## Boundary Approach

Phillips Edison & Company (PECO) has calculated and reported material Scope 1 and 2 GHG emissions utilizing the Operational Control Approach as defined in the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). This control approach best aligns with PECO's primary business function as a real estate owner and lessor. As defined by the GHG Protocol, under the operational control approach, a company has full authority to introduce and implement its operating policies at the operation. Using this approach, PECO accounts for all controlled spaces (including common areas, parking spaces, and vacancies of its owned assets as well as leased office spaces) within Scope 1 & 2. No Scope 3 categories are included in this inventory report.

## Methodology & Data Sources

### Scope 1

**Natural Gas:** Calculated using energy meter data provided by PECO and the EPA emissions factor for natural gas (2023).

**Mobile Combustion:** Calculated using pounds of jet fuel data provided by PECO. Emissions were then determined using the 2023 EPA emissions factor for Jet A Kerosene.

**Fugitive Emissions (Refrigerants):** Calculated using refrigerant recharge data provided by PECO and the EPA and DEFRA emission factors for the specific refrigerant types (R410A and R22).

**Stationary Combustion:** Phillips Edison did not have any stationary combustion usage or emissions in 2025.

### Scope 2

**Electricity:** Calculated using energy meter data tracked through Phillips Edison's energy management software (Goby/Conservice) as well as estimated data, where necessary, using the Energy Information Administration (EIA) 2018 Commercial Building Energy Consumption Survey (CBECS) data and averages calculated from the actual data (as explained above).

**Market-Based Emissions:** Phillips Edison purchased 996 MWh of unbundled Renewable Energy Certificates (RECs) for the reporting period ending in December 2025. RECs were retroactively allocated proportionally to the entities included in Phillips Edison's IREM certification. The 2024 market-based emissions were adjusted accordingly to account for the RECs purchased.

**Location-Based Emissions:** Calculations were conducted using the EPA EGRID subregion factors published in January 2025.

## Emissions Factors

Emissions factors were sourced from the EPA Emissions Factors Hub (January 2025), EPA Emissions & Generation Resource Integrated Database (eGRID) with 2023 data, Green-e Energy Residual Mix Emissions Rates (2025), and UK DEFRA 2025 factors.

## Year-to-Year Changes

The methodology used for the 2025 reporting period was consistent with the prior year's reporting, with minor revisions to best align with methodologies defined within the Company's 2020 baseline. Calculation and reporting methodologies will be revisited in the future as appropriate. These improvements reflect PECO's ongoing commitment to enhancing data quality and reporting accuracy.

**Vacancy Consumption:** PECO reported actual vacant consumption data this year as opposed to relying on estimated data as PECO's internal team was able to track meter-level vacancy consumption for the first time in calendar year 2025.

### Use of Estimations:

**Estimation Methodology:** If data for a given energy type covered more than 60% of the year, estimates based on the site's average daily energy consumption were utilized to address data gaps. Conversely, when data coverage fell below the 60% threshold,

estimation factors were applied from the EIA's CBECS, specific to each asset's building type and climate region.

**Natural Gas:** PECO reduced the number of entities requiring estimated data from 170 in the previous reporting period (including 167 vacancies) to 2 entities in the current year.

**Electricity:** PECO decreased the number of entities with estimated data from 306 entities (including 258 vacancies and 7 parking areas) to 55 entities (including 27 parking areas).

**Parking:** For parking usage that was not tracked by PECO's meters, ENERGY STAR Portfolio Manager Estimated Energy Metrics were used to estimate parking electricity usage.

# Supplemental Charts

The following tables reference data for the period of January 1, 2025, to December 31, 2025.

## Energy Consumption

Year	Electric (GJ)	Natural Gas (GJ)	Other Fuels (GJ)	Solar (GJ)	Total (GJ)
2020	164,814	55,950	2,169	–	222,933
2023	108,260	35,448	4,276	–	147,984
2024	106,317	35,147	3,859	1	145,324
2025	103,794	28,387	4,245	538	136,964

## Carbon Emissions

Year	Scope 1 (MTCO <sub>2</sub> e)	Scope 2 Market Based (MTCO <sub>2</sub> e)	Scope 2 Location Based (MTCO <sub>2</sub> e)	Total (MB) (MTCO <sub>2</sub> e)
2020	3,018	17,941	17,669	20,959
2023	2,148	12,217	11,651	14,365
2024	2,081	10,855	10,711	12,936
2025	1,804	9,845	10,232	11,649

## Waste Disposal

Year	Waste Production (tons)	Streams		
		Landfill (tons)	Recycle (tons)	Compost (tons)
2020	55,156	41,517	13,639	–
2023	73,176	58,565	12,217	3,093
2024	79,175	64,073	12,297	2,805
2025	85,321	68,527	13,485	3,308

## Water Consumption

Year	PECO Controlled Water Consumption (gal)
2020	186,847,889
2023	170,988,698
2024	170,470,510
2025	213,354,656

## Water Intensity

Year	PECO Controlled Water Intensity (gal/sqft)
2020	12.47
2023	13.91
2024	11.12
2025	13.26

## 2025 Waste Diversion

Landfill (tons)	Recycle and Compost (tons)
68,527	16,794
80%	20%

## Purchased Renewable Energy Credits (RECs)

Year	MW REC	MW EFEC (Nuclear)	Total MW
2023	795	-	795
2024	2,010	-	2,010
2025	2,177	211	2,388

## Solar Installations

Market Name	Developer <sup>1</sup>	Capacity (kW-DC)
Boronda Plaza	PECO	604
Boronda Plaza	PECO	464
Broadway Pavilion	PECO	981.9
Stop & Shop Plaza	PECO	100
Village At Glynn Place	Neighbor	97
Hickory Plaza	PECO	50
Mableton Crossing	Neighbor	97
Montville Commons	PECO	136
Richmond Plaza	Neighbor	97
Rosewick Crossing	Neighbor	60
Sterling Pointe Center	PECO	300
Sunridge Plaza	PECO	239
Willimantic Plaza	PECO	200
Willimantic Plaza	Neighbor	80
Bethel Shopping Center	PECO	79.2

<sup>1</sup>We refer to Phillips Edison & Company as "PECO" and our tenants as "Neighbors".

## EV Charging Stations

Year	Number of Stations	Number of Shopping Centers
2023	184	50
2024	202	53
2025	268	57

## Sustainability-linked Investments

Project Type	Investment	Physical Risk Mitigation	Number of Projects
High Efficiency Lighting	\$2,128,269		58
Smart Irrigation	\$97,858	Water stress	6
Sub meter	\$10,950	Water stress	1
Well replacement	\$47,294	Water stress	2
White roof replacement	\$10,605,442	Severe storms, hail, heat stress	42
HVAC	\$172,970	Heat stress, cold compress, air quality	9

# Internal Financial Reporting Standards (IFRS) S2 Industry-Based Guidance

## IF-RE-130a.1

	Gross Floor Area (SQFT)	Consumption Data Coverage	% Electric Data Coverage	Consumption Data Coverage	% Natural Gas Data Coverage
Shopping Center – Whole Building	39,858,669	15,182,662	38%	7,917,870	20%
Shopping Center – Base Building	2,040,332	1,927,236	94%	2,015,181	99%
Office	146,890	143,070	97%	143,070	97%

## IF-RE-130a.2

	Total Energy Consumed	Grid Electricity	% Grid Electricity	Natural Gas	% Natural Gas	Renewable	% Renewable
Shopping Center – Whole Building	1,832,563	1,213,958	66%	618,605	34%		
Shopping Center – Base Building	114,440	92,093	80%	22,347	20%	2,427	2%
Office	10,660	4,932	46%	5,727	54%	1,268	12%

## IF-RE-130a.3

	2024 Like For Like Energy Consumption	2025 Like for Like Energy Consumption	Like for Like % Change	Gross Floor Area
Shopping Center – Whole Building	428,831	522,694	22%	3,482,949
Shopping Center – Base Building	117,062	96,987	-17%	1,743,009
Office	9,738	10,660	9%	143,070

## IF-RE-130a.4

	Gross Floor Area	IREM CSP Gross Floor Area	% IREM CSP
Shopping Center – Whole Building	38,726,109	28,365,122	73%
Shopping Center – Base Building	–	–	–
Office	137,794	137,794	100%

## IF-RE-140a.1

	Landlord Controlled Water Withdrawal Data Coverage	Gross Floor Area	% Data Coverage	% Floor Area
Total Floor Area	38,731,114	39,862,489	97.2%	100%
High or Extremely High Baseline Water Stress	14,155,189	14,674,238	96.5%	37%

## IF-RE-140a.2

	Total Water Withdrawal	% Water Withdrawal
Total Floor Area	213,350,000	100%
High or Extremely High Baseline Water Stress	126,910,000	59%

## IF-RE-140a.3

	2024 Like For Like Water Withdrawal	2025 Like for Like Water Withdrawal	Like for Like % Change	Gross Floor Area
Total Floor Area	167,478,720	164,064,259	-2%	14,992,281
High or Extremely High Baseline Water Stress	101,397,266	97,235,849	-4%	6,920,243

**IF-RE-410a.1**

New Lease Floor Area	New Lease Floor Area with a Cost Recovery Clause	% of New Leases
5,233,339	2,498,875	47.75%

**IF-RE-410a.2**

% of tenants Separately Metered Grid Electricity	% of tenants Separately Metered water withdrawal
99.5%	67.2%

**IF-RE-450a.1**

Gross Floor Area located in 100-year flood Zones (million Sqft)
1.22

# International Financial Reporting Standards (IFRS) Disclosure (S2)

## About TCFD and IFRS S2

In 2023, the Financial Stability Board (FSB) announced the conclusion of the Task Force on Climate-related Financial Disclosure's (TCFD) mandate and formally transferred responsibility for monitoring climate-related disclosure progress to the International Financial Reporting Standards (IFRS) Foundation.

This report has been developed in accordance with IFRS S2, which builds upon the foundational principles of the TCFD recommendations, while providing a more standardized and globally consistent framework for climate-related financial disclosures. IFRS S2 is specifically designed to help entities like Phillips Edison and Company (PECO) disclose material information about climate-related risks and opportunities. By aligning with IFRS S2, this report ensures compliance with evolving global disclosure expectations and supports more robust, decision-useful reporting for investors and stakeholders.

## Governance

### Board Oversight

**Governance Structure and Responsibilities:** Our Nominating and Governance (N&G) committee has direct oversight over our CRS program and the identification, assessment, and management of climate-related risks and opportunities.

**Integration into Risk Management:** Climate-related risks – both physical and transition – are integrated into PECO's enterprise risk management framework. The Board reviews how these risks could affect our operations, financial performance, and long-term resilience. This includes scenario analysis and stress testing to evaluate the potential effects of climate change under various plausible futures.

**Monitoring and Performance Review:** The N&G committee receives quarterly updates on our progress toward our climate related targets and transition plans. This includes evaluating the effectiveness of mitigation strategies, assessing the adequacy of disclosures, and ensuring compliance with regulatory requirements. The Board also considers stakeholder expectations and evolving best practices in climate governance.

**Capacity Building and Expertise:** To ensure effective oversight, the Board engages in ongoing education on climate-related topics and may seek external expertise when necessary. This helps maintain a high level of competence in understanding the implications of climate change for our business.

### Management's Role

At PECO, climate-related risks and opportunities are integrated into our broader enterprise risk management (ERM) framework. Our management team plays a central role in identifying, evaluating, and responding to these risks in alignment with our strategic objectives and regulatory obligations.

**Enterprise Risk Management Oversight:** Our ERM group meets on a quarterly basis to review all material risks, including those related to climate change. This cross-functional team includes:

- Chief Compliance Officer (CCO)
- Chief Financial Officer (CFO)
- Chief Legal and Administrative Officer (CLO and CAO)
- Chief Operating Officer (COO)

This group is responsible for assessing both physical risks (e.g., extreme weather events, water stress) and transition risks (e.g., regulatory changes, market shifts), as well as identifying emerging climate-related opportunities such as energy efficiency initiatives and green building certifications.

### Integration into Strategic and Operational Planning:

Management ensures that climate-related risks are considered in capital planning, asset acquisition, and operational decision-making. This includes:

- Evaluating the climate resilience of new and existing assets
- Incorporating climate risk into due diligence processes
- Aligning property management practices with sustainability goals

**Reporting and Escalation:** Findings and recommendations from the ERM group are reported to the Board and relevant committees, helping to ensure that climate-related risks are addressed at the highest levels of governance. This structure supports informed decision-making and continuous improvement in our climate-risk management practices.

## Strategy

### Risks and Opportunities

See page 31.

### Decision Making

**Scenario Analysis and Strategic Planning:** To assess the resilience of our business under different climate futures, PECO leverages a third-party tool to conduct scenario analysis using SSP1-2.6 (low), SSP2-4.5 (medium), and SSP5-8.5 (high). These scenarios help us evaluate a range of physical and transition risks, from high-emissions trajectories with severe climate impacts to low-emissions pathways aligned with the goals of the Paris Agreement. Insights from this analysis inform our capital allocation, asset management, and risk mitigation strategies, enhancing the resilience of our portfolio under varying climate conditions.

**Science-Based Targets and Emissions Reduction:** We have committed to a near-term target of 46% reduction in Scope 1 and 2 greenhouse gas emissions by 2030 from a 2020 baseline, aligned with the Science Based Targets initiative (SBTi). This target reflects our ambition to align with a 1.5°C pathway and is embedded into our operational planning and performance metrics.

**Integration of Corporate Responsibility into Decision-Making:** To ensure climate considerations are embedded across the organization, we have integrated our dedicated Corporate Responsibility Team into property operations and capital investment decisions. This cross-functional collaboration ensures that sustainability is a key criterion in evaluating projects, vendor selection, and long-term asset planning.

**Sustainability-Driven Projects:** We are prioritizing sustainability-focused initiatives across our portfolio, including:

- LED lighting retrofits to reduce energy consumption and operational costs.
- Smart irrigation systems that optimize water use and enhance landscape resilience.
- High-efficiency white reflective roofs to minimize heating and cooling loads of our buildings.

These projects not only contribute to emissions reductions but also enhance tenant satisfaction, operational efficiency, and long-term asset value.

**Transparent and Ongoing Stakeholder Engagement:** We are committed to transparent and consistent communication with our stakeholders. Progress on our climate strategy, targets, and transition plan will be disclosed annually through our 10-K filings, Proxy Statements, and Corporate Responsibility & Sustainability (CRS) Reports. These disclosures will provide updates on emissions performance, scenario analysis outcomes, and the integration of climate considerations into our strategic planning.

## Assessing Risks

**Climate-Related Risk Assessment:** PECO employs a structured and proactive approach to prioritizing climate transition risks, integrated within our broader Enterprise Risk Management (ERM) framework. The ERM team convenes quarterly to assess our exposure to climate-related transition risks, such as regulatory changes, market shifts, and evolving stakeholder expectations.

We utilize a dedicated ERM tool that quantifies each identified risk based on three key dimensions:

- **Financial Impact** – Estimating the potential economic consequences of the risk.
- **Probability of Occurrence** – Assessing the likelihood of the risk materializing.
- **Effectiveness of Mitigation Measures** – Evaluating the extent to which existing or planned actions can reduce the risk.

This structured evaluation enables us to prioritize risks that pose the greatest threat to our business and to allocate resources effectively toward mitigation and adaptation strategies. The process ensures that climate transition risks are continuously monitored, reassessed, and integrated into strategic planning and decision-making.

**Scenario Analysis and Strategic Planning:** To assess the resilience of our business under different climate futures, PECO conducted scenario analysis using Representative Concentration Pathways (RCPs) 4.5 and 2.6. These scenarios help us evaluate a range of physical and transition risks, from high-emissions trajectories with severe climate impacts (RCP 4.5) to low-emissions pathways aligned with the goals of the Paris Agreement (RCP 2.6). Insights from this analysis inform our capital allocation, asset management, and risk mitigation strategies, ensuring our portfolio remains resilient under varying climate conditions.

**Monitoring and Reporting:** Our Enterprise Risk Management Committee meets quarterly to review and assess climate-related risks alongside other strategic and operational risks. A key component of this process is our internally developed ERM Risk Management Tool, which quantifies the potential impacts of climate-related risks on Funds from Operations (FFO) and asset value. This tool enables scenario-based analysis and prioritization of risks based on financial materiality.

The tool is regularly updated by our Corporate Responsibility & Sustainability (CRS) Team, who integrate the latest climate data, regulatory developments, and asset-level insights. This ensures that our risk assessments remain current and aligned with evolving climate science and market expectations.

## Metrics and Targets

**Greenhouse Gas Emissions:** Operational Control Approach ([link to page 50](#))

- Scope 1 greenhouse gas emissions: 1,804 MTCO<sub>2</sub>e
- Location-Based Scope 2 greenhouse gas emissions: 10,232 MTCO<sub>2</sub>e
- Market-Based Scope 2 greenhouse gas emissions: 9,845 MTCO<sub>2</sub>e

PECO is still assessing its corporate Scope 3 boundary categories.

### Risks and Opportunities:

Transition Risks- [page 32](#)

Physical Risks- [page 31](#)

Opportunities- [pages 23 and 24](#)

Deployment- [page 52](#)

## Real Estate

### Energy Management

For over a decade, PECO has been committed to implementing environmental initiatives such as white reflective roofing upgrades, LED exterior lighting retrofits, and the installation of solar panels across our properties. Utility data management plays a critical role in our energy management strategy, both at the building and portfolio levels. We also evaluate all properties for green building certifications, including Green Globes and IREM Certified Sustainable Property (CSP).

#### Results:

- (1) Total energy consumed in CY 2025 was 136,964 GJ under our Operational Control Boundary and 114,440 GJ for base building usage where data is available.
- (2) 76% of this energy was grid electricity.
- (3) PECO does not retain the RECs for solar generated onsite, 2,709 MWh of electricity was produced from Hosted Solar, and 1,309 MWh of RECs were obtained from purchase agreements.
- (4) Like-for-like assets saw a 17% reduction in energy usage with 117,062 GJ for 2024, and 96,987 GJ in 2025.
- (5) The Strip Mall category is not eligible for certification or an energy rating through ENERGY STAR. At the end of 2025, 232 properties or 73% of GLA have an IREM CSP Certification.

### Water Management:

PECO assesses water sources during the due diligence process. PECO complies with public policy and local requirements for water use and monitors property water consumption. Water use within PECO’s operational control is largely for the shopping center’s landscaping in the common areas. PECO has taken a multifaceted approach to reducing water consumption across the portfolio. PECO has implemented xeriscaping and a Smart Water Control Program. For additional information see Water Management (link to page 25). & Sustainability (CRS) Reports. These disclosures will provide updates on emissions performance, scenario analysis outcomes, and the integration of climate considerations into our strategic planning.

#### Results:

- (1) 37% of our GLA operates in high or extremely high baseline water stress areas according to WRI’s Aqueduct tool.
- (2) Our total water withdrawal in 2025 was 213,350,000 gallons where PECO operates some level of operational control. 59% of the withdrawal occurred in high or extremely high stress regions.
- (3) Like-for-like assets saw a 2% reduction in water withdrawal, 4% reduction in high or extremely high stress regions.

### Measurement of Neighbor Sustainability Impacts:

As part of our sustainability strategy, we partner with our neighbors through green leasing to embed provisions that support energy efficiency, water conservation, and sustainable operations. PECO continues to install AMR submeter equipment across the portfolio, allowing faster leak detection and resolution. Data sharing with our neighbors remains a high priority, forming the foundation for transparency, accountability, and ongoing improvement in sustainability performance across our properties.

#### Results

- (1) 48% of new leases in 2025 included green lease language.
- (2) This amounts to 2.5 million square feet of new leased floor area containing green lease language.
- (3) 99.5% of Neighbors are separately metered for electricity.
- (4) 67.2% of Neighbors are separately metered for water usage.

### Climate Change Adaptation:

PECO aims to avoid major flood zones and assesses flood zones during a property’s due diligence process. PECO performs a flood analysis on each newly acquired property, and it’s used to determine which properties need additional measures to help mitigate flooding-related risks.

- (1) 1.22 million square feet are located in 100-year flood zones.

### Regulatory Targets:

As an owner and operator of open-air shopping centers, PECO is subject to state and local benchmarking and Building Performance Standard (BPS) ordinances across its portfolio. PECO maintains compliance with all applicable benchmarking and performance requirements and, to date, has not incurred any fines or penalties related to these regulations.

Statewide Benchmarking	Properties	Municipal Benchmarking	Properties
California, AB 802	26	Boulder, CO	1
Colorado	12	Orlando, FL	1
Massachusetts	9	Des Moines, IA	1
Maryland	8	Edina, MN	2
Minnesota	18	Columbus, OH	2
New Jersey	2	Portland, OR	1
		Pittsburgh, PA	1
		Austin, TX	1

IFRS Sustainability Disclosure Standard		S2-Climate Related	
Governance	A	the governance body responsible for oversight of climate-related risks and opportunities.	<a href="#">Governance – Board Oversight</a>
	B	management’s role in the governance processes, controls and procedures used to monitor, manage, and oversee climate-related risks and opportunities	<a href="#">Governance – Management’s Role</a>
Strategy	A	risks and opportunities that could reasonably be expected to affect the entity’s prospects	<a href="#">Strategy – Risks and Opportunities</a>
	B	the current and anticipated effects of those climate-related risks and opportunities on the entity’s business model and value chain	<a href="#">Strategy – Decision Making</a>
	C	the effects of those climate-related risks and opportunities on the entity’s strategy and decision-making, including information about its climate-related transition plan	<a href="#">Strategy – Decision Making</a>
Risks and Opportunities	A	processes and related policies the entity uses to identify, assess, prioritize, and monitor climate-related risks	<a href="#">Risk Management – Assessing Risks</a>
	B	processes the entity uses to identify, assess, prioritize, and monitor climate-related opportunities	<a href="#">Risk Management – Assessing Risks</a>
	C	extent to which, and how, the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the entity’s overall risk management process.	<a href="#">Risk Management – Assessing Risks</a>
Metrics and Targets	A	Climate-Related Metrics	<a href="#">Metrics and Targets – Cross Industry</a>
	B	Industry-Based Metrics	<a href="#">Metrics and Targets – Industry Based</a>
	C	Climate-Related Metrics	<a href="#">Metrics and Targets – Targets</a>

IFRS S2 Industry-Based Guidance Volume 36 – Real Estate		S2-Climate Related	
Activity Metric	IF-RE-000.A	Number of assets, by property subsector	10-K
	IF-RE-000.B	Leasable floor area, by property subsector	10-K
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	10-K
	IF-RE-000.D	Average occupancy rate, by property subsector	10-K

# GRI Index

GRI Standard	Disclosure	Description	Response
GRI 2: General Disclosures 2021	2-1	Organizational details	<a href="#">Page 4, Proxy, 10-K</a>
	2-2	Entities included in the organization's sustainability reporting	<a href="#">Page 3, 10-K</a>
	2-3	Reporting period, frequency and contact point	<a href="#">Page 3</a>
	2-4	Restatements of information	<a href="#">Page 3 and 50</a>
	2-5	External assurance	<a href="#">Page 61-62</a>
	2-6	Activities, value chain and other business relationships	<a href="#">Pages 62 and 63</a>
	2-7	Employees	<a href="#">Page 4</a>
	2-8	Workers who are not employees	<a href="#">Page 16</a>
	2-9	Governance structure and composition	<a href="#">Pages 41 and 43, Proxy</a>
	2-10	Nomination and selection of the highest governance body	<a href="#">Page 42, Proxy</a>
	2-11	Chair of the highest governance body	Proxy
	2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Page 41</a>
	2-13	Delegation of responsibility for managing impacts	<a href="#">Page 41</a>
	2-14	Role of the highest governance body in sustainability reporting	<a href="#">Page 41</a>
	2-15	Conflicts of interest	Proxy
	2-16	Communication of critical concerns	<a href="#">Page 44, Proxy</a>
	2-17	Collective knowledge of the highest governance body	<a href="#">Page 42, Proxy</a>
	2-18	Evaluation of the performance of the highest governance body	Proxy
	2-19	Remuneration policies	Proxy
	2-20	Process to determine remuneration	Proxy
	2-21	Annual total compensation ratio	Proxy
	2-22	Statement on sustainable development strategy	<a href="#">Page 27</a>
	2-23	Policy commitments	<a href="#">Page 44</a>
	2-24	Embedding policy commitments	<a href="#">Page 43</a>

GRI Standard	Disclosure	Description	Response
GRI 2: General Disclosures 2021	2-25	Processes to remediate negative impacts	Code of Business Conduct & Ethics
	2-26	Mechanisms for seeking advice and raising concerns	Code of Business Conduct & Ethics
	2-27	Compliance with laws and regulations	<a href="#">Page 44</a>
	2-28	Membership associations	<a href="#">Page 9</a>
	2-29	Approach to stakeholder engagement	Proxy
GRI 3: Material Topics 2021	3-1	Process to determine material topics	PECO engages with stakeholders to determine which topics are relevant and material to the business.
	3-2	List of material topics	Topics relevant and material to PECO's Corporate Responsibility are identified through our materiality assessment, which is reviewed at least annually and integrated into our Enterprise Risk Management (ERM) process including: Energy Consumption Greenhouse Gas Emissions Water Consumption Waste Diversion Sustainability Education Construction Sustainable Practices Associate Engagement Internal Leading and Development Health, Well-Being and Safety Risk Management Cybersecurity Corporate Governance
	3-3	Management of material topics	PECO revisits topics determined as material to the business regularly, and works with all stakeholders and management to evaluate and align on materiality.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	10-K
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	<a href="#">Page 44</a> and Code of Business Conduct & Ethics
	205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Page 44</a> and Code of Business Conduct & Ethics
	205-3	Confirmed incidents of corruption and actions taken	<a href="#">Page 44</a> and Code of Business Conduct & Ethics
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of Business Conduct & Ethics
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Proxy
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	<a href="#">Page 25</a>
	303-3	Water withdrawal	<a href="#">Page 50</a> ; Recycled water is included in the total water withdrawal

GRI Standard	Disclosure	Description	Response
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	<a href="#">Page 22</a> and <a href="#">50</a>
	305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Page 22</a> and <a href="#">50</a>
	306-2	Management of significant waste-related impacts	<a href="#">Page 26</a>
	306-3	Waste generated	<a href="#">Page 50</a>
	306-4	Waste diverted from disposal	<a href="#">Page 26</a> and <a href="#">50</a> ; zero percent of non-hazardous waste is incinerated.
	306-5	Waste directed to disposal	<a href="#">Page 26</a> and <a href="#">50</a>
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	<a href="#">Page 14</a>
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Page 15</a>
	401-3	Parental leave	<p>Associates working at least 30 hours a week are eligible for parental leave.</p> <p>Maternity leave - PECO offers 12 weeks of maternity leave, with the first 6 weeks at 100% paid off of the associate's weekly basic income, and the last 6 weeks 50% paid time off of the associate's weekly basic income.</p> <p>Paternity leave - PECO offers 4 weeks of paternity leave, with the first 2 weeks at 100% paid time off of the associate's weekly basic income, and the last 2 weeks 50% paid time off of the associate's weekly basic income.</p>
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	<a href="#">Page 15</a>
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	<a href="#">Page 16</a>
	404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Page 12</a> and <a href="#">16</a>
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Page 33</a> and <a href="#">35</a>

# Data Assurance Statement



**Independent Assurance Statement**  
Provided by ISOS Group, Inc.

## To the Management Team of Phillips Edison & Company, Inc.:

ISOS Group, Inc. [“ISOS” or “we”] were engaged by Phillips Edison & Company, Inc. [“Client” or “PECO”] to conduct moderate level type 2 assurance of environmental data to be reported in its 2025 Corporate Responsibility & Sustainability Report [“Reported Information”], covering the period beginning January 1, 2025 and ending December 31, 2025 (“CY25”).

We have performed our moderate assurance engagement in accordance with the AccountAbility 1000 Assurance Standard v3 (“AA1000AS”). Our review was limited to the Reported Information comprising of:

- Energy consumption
- GHG emissions (Scope 1, Scope 2 location and market-based)
- Water use
- Waste management

We have not performed any procedures with respect to other sustainability-related information to be reported in its 2025 Corporate Responsibility & Sustainability Report and, therefore, no conclusion on information outside of this scope of work is expressed.

### PECO’s responsibilities

The Company’s management are responsible for:

- Preparing the data in accordance with generally accepted reporting practices,
- The accuracy and completeness of the information reported,
- The design, implementation and maintenance of internal controls relevant to the preparation of the report to provide confidence that the report is free from material misstatement, whether due to fraud or error,
- Ensuring the data performance is fairly stated in accordance with the applicable criteria and for the content and statements contained therein.

### Methodology and Criteria

The assurance procedures undertaken were to determine the strength of the systems in place and the quality and reliability of the Reported Information. ISOS Group:

- Engaged a sample of individuals responsible for performance measurement,
- Evaluated the organization’s sustainability data management and governance systems and adherence to AA1000 AccountAbility Principles, and
- Validated alignment to standard reporting protocols to ensure accurate claims to the methodology and approach used.
- To verify quantitative claims, both at the aggregate level and on a sample basis, and test accuracy, consistency, completeness, and reliability, ISOS Group:
  1. Conducted a portfolio assessment analyzing performance results to uncover any errors, misstatements, gaps, or performance anomalies,
  2. Selected a group of properties for detailed testing and analysis, including cross-reference to source data to uncover variances and address any exclusions and other limitations, and
  3. Brought all findings to the Client’s attention to address and confirmed resolution of any material misstatements.

### Boundary

Organizational Boundary	Phillips Edison & Company, Inc. is an owner and operator of omni-channel grocery-anchored neighborhood shopping centers. PECO’s centers feature a mix of national and regional retailers; its top grocery anchors include Kroger, Publix, Albertsons, and Ahold Delhaize. As of March 31, 2026, PECO’s wholly-owned portfolio consisted of 326 properties, totaling approximately 36.9 million square feet, located in 31 states.
Assurance Boundary	The boundary of assurance included three hundred and ninety-three (393) assets reporting on landlord-controlled spaces in PECO’s 2025 Corporate Responsibility & Sustainability Report.
GHG Emissions Consolidation Approach	The GHG emissions boundary followed the operational control methodology specified in the GHG Protocol.

### Limitations and Exclusions

The following limitations and exclusions regarding the Reported Information were observed during the engagement. It was determined that these do not materially impact the performance criteria or assurance conclusion.

- Greenhouse gas quantification is unavoidably subject to inherent uncertainty because of both scientific and estimation uncertainty and for other non-financial performance information the precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.
- Reviews pertaining to the completeness and capture of all utility meters at properties is limited to what is disclosed in data management systems.
- No visit to the Client’s headquarters or facilities was conducted throughout this engagement.

### Findings and Conclusions

Based on the process and procedures conducted regarding the quality and reliability of the Reported Information, there is no evidence that the Reported Information is not materially correct and provide a fair representation of the Client’s environmental impacts to stakeholders for the stated period and reporting boundary.

Parameter	2025 (Absolute)
Total Energy Consumption (MWh)	38,046
Total Scope 1 GHG Emissions (MT CO <sub>2</sub> e)	1,804
Total Scope 2 Location-Based GHG Emissions (MT CO <sub>2</sub> e)	10,232
Total Scope 2 Market-Based GHG Emissions (MT CO <sub>2</sub> e)	9,845
Total Water Consumption (Gallons)	213,354,656
Total Waste Production - Landfilled (Tons)	68,527
Total Waste Production - Diverted (Tons)	16,794

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles include:

Inclusivity	PECO documents their key stakeholders – neighbors, communities, associates, stockholders & investment partners and vendors – within their public Corporate Responsibility & Sustainability Report. They document an overview of their engagement strategies per stakeholder group. PECO incorporates stakeholder feedback on material topics into its overall Corporate Responsibility Strategy, working with both stakeholders and management to evaluate and align on materiality.
Materiality	PECO engages with stakeholders to determine which topics are relevant and material to the business and documents their 13 material topics within their public Corporate Responsibility & Sustainability Report. The report aligns its disclosures in part with IFRS and GRI frameworks and includes information on industry-relevant topics and metrics for commercial real estate. PECO also participates annually in the GRESB Real Estate Assessment to further align its sustainability efforts with impactful topics and enhance its approach to managing material issues.
Responsiveness	PECO outlines its Corporate Responsibility strategy across four key areas: People and Culture, Environmental Management, Centers and Economic Impact, and Oversight and Ethics. PECO emphasizes regular and transparent stakeholder engagement and provides ongoing updates on its corporate responsibility and sustainability performance, management systems and processes and objectives and targets through its public disclosures, including its annual Corporate Responsibility & Sustainability Report.
Impact	The company discloses its sustainability-related goals and associated performance metrics and tracks progress against these objectives. Oversight of the program is maintained through regular updates to the Board, with the relevant committee receiving quarterly progress reports, ensuring accountability and alignment with stated goals. Progress is also shared in the annual Corporate Responsibility & Sustainability Report.

**Restriction of use**

This assurance report is provided exclusively to the Client under the terms of our engagement, including agreed disclosure arrangements, and may only be reproduced in its entirety. Our work is intended solely to address the matters outlined in this moderate assurance report and is not intended for any other purpose. Any third party, accessing or relying on this report, does so at its own risk. To the fullest extent permitted by law, we disclaim any responsibility or liability to any party other than the Client for our work, this report, or the conclusions stated herein.

**Statement of Competency and Independence**

ISOS Group is an independent professional services firm that specializes in the provision of external assurance services. Our team of experts have the technical expertise and competency to conduct assurance to the AA1000 assurance standard, which meets the criteria for assurance of sustainability information. The assurance team has extensive experience in conducting assurance engagements over sustainability-related information, systems and processes.

No member of the assurance team has any business relationship with the Client, its directors or managers beyond the scope of this assignment. We conducted this assurance independently and, to our knowledge, without any conflicts of interest. ISOS Group upholds a strong code of ethics, ensuring high professional standards in all business activities.

Signed on behalf of ISOS Group: San Diego, California – USA, June 2, 2026.



Lauren Anderson  
Sustainability Director, LCSAP



Kiani Yost  
Sustainability Analyst, ACSAP





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