PHILLIPS EDISON & COMPANY®

PECO | Nasdaq Listed

GROCERY CENTERED.
COMMUNITY FOCUSED.

2023 Corporate Responsibility & Sustainability Report

SOUTHWEST MARKETPLACE SHOPPING CENTER, LAS VEGAS, NV

PHILLIPS EDISON & COMPANY®

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Note From Leadership



DEAR PECO STAKEHOLDERS,

For more than 33 years, we have pursued our business objective of owning, operating, and managing well-occupied grocery-anchored shopping centers to deliver long-term growth and value creation to all stakeholders. We have grown from our first grocery-anchored shopping center acquired in 1992 to a publicly traded company with a total enterprise value of $6.9 Billion by 2023. Over the years, we have seen many trends come and go, but our discipline of staying focused on our business strategy, living our Core Values, building a strong corporate culture, and maximizing operating efficiencies has been fundamental to our tremendous growth and exceptional results.

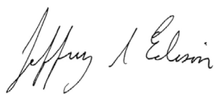
PECO's Corporate Responsibility and Sustainability (CRS) Program has been built over 30 years. The impact of our efforts is reflected in our CRS Program, which is built on our four pillars of People & Culture, Environmental Responsibility, Community, and Oversight & Ethics. In this report, we are pleased to share our strategies behind each pillar, along with our program's initiatives and accomplishments to date. These initiatives are designed to: deliver growth, innovation and engagement; align purpose with profitability; and further our strategic objectives.

A few highlights of our progress in 2023 include being once again named a "Top Place to Work" for a 7th consecutive year by the Cincinnati Enquirer. 97% of our associates participated in our annual Associate Engagement Survey which reflected a 92% engagement rate among our associates, and our voluntary turnover rate was 6%. We are very proud of these findings as we believe that highly engaged associates and our unique culture are key to sustained success and generating long-term value for all our stakeholders.

At PECO, we view sustainability opportunities as business opportunities and climate risk as investment risk. We seek sustainability initiatives that allow us to maximize resource efficiencies and to mitigate the impact of environmental risks (both physical and transitional). To that end, in 2023, we successfully reduced our Scope 1 and Scope 2 GHG Emissions by 10% and our water consumption by 18%, in each case, over 2022 levels. We also undertook a climate risk scenario analysis of our portfolio aligned with the latest climate science which will empower us to make smart long-term investment and portfolio management decisions. We plan to disclose our findings from this analysis in our next report.

We are proud of our progress in 2023 and are focused on our mission to "create great omni-channel grocery-anchored shopping experiences and improve communities, one shopping center at a time." We see our unique position as a leading owner and operator of grocery-anchored shopping centers as an opportunity to not only create value for our associates and stockholders but to create positive impacts locally and globally. We will continue to engage with all our stakeholders in an honest, transparent, and meaningful manner as we push forward to a healthy, sustainable, and bright future.

Thank you to all our stakeholders for taking the time to read about our progress.



Jeffrey S. Edison
Chairman & CEO



HOUSTON METRO | RIVERPARK SHOPPING CENTER, SUGAR LAND, TX



MINNEAPOLIS METRO | CENTENNIAL LAKES PLAZA, EDINA, MN


CHICAGO METRO | OAK MILL PLAZA, NILES, IL

ABOUT PECO

Phillips Edison & Company, Inc. (Nasdaq: PECO), a real estate investment trust founded in 1991, is one of the nation's largest owners and operators of grocery-anchored neighborhood shopping centers. As of December 31, 2023, PECO managed 301 shopping centers, including 281 wholly-owned centers comprising 32.2 million square feet across 31 states and 20 shopping centers owned in one institutional joint venture.

Our portfolio primarily consists of high-quality neighborhood and community shopping centers anchored by the #1 or #2 grocer retailers by sales within their respective formats by trade area. PECO's top grocery anchors include Kroger, Publix, Albertsons, and Ahold Delhaize. Our tenants, whom we refer to as "Neighbors," are a mix of national, regional, and local retailers that primarily provide necessity-based goods and services. We believe our locations are in fundamentally strong demographic markets throughout the U.S. Our brick and mortar assets positively contribute to our Neighbors' omni-channel strategies and serve as last-mile delivery solutions.

Our business objective is to own, operate, and manage well-occupied grocery-anchored shopping centers in order to deliver long-term growth and value creation to all stakeholders while acting as a responsible corporate citizen. We seek to achieve this objective by generating cash flow, income growth, managing risk, and capital appreciation for our stockholders through our differentiated and focused strategy, responsible balance sheet management, cycle-tested and experienced team, and integrated operating platform. Our mission is to create great omni-channel grocery-anchored shopping experiences and improve communities, one shopping center at a time.

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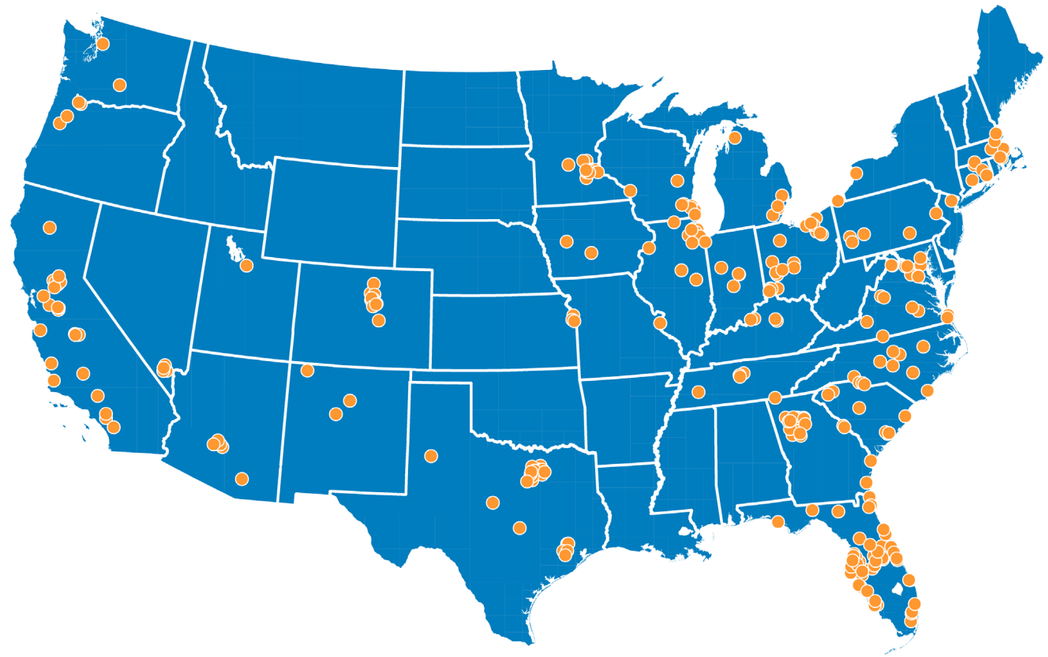

GROCERY CENTERED. COMMUNITY FOCUSED.

TOP MARKETS BY ABR

Atlanta 7.1%

Chicago 5.5%

Dallas 5.2%

Sacramento 4.5%

Minneapolis 3.9%

Denver 3.8%

Washington D.C. 3.2%

Las Vegas 3.1%

Houston 3.1%

Tampa 2.9%



ATLANTA METRO
BETHANY VILLAGE, ALPHARETTA, GA

281
Wholly-Owned Properties

32.2
Million Square Feet

31
States

3,000+
Neighbors

1991
Company Founded

292
Associates in 20 States

Our Strategy

The Four Pillars of PECO's Corporate Responsibility and Sustainability Program

PEOPLE & CULTURE

PECO Cultural Advantage (PECO XP)

Ownership Mindset

Transparency & Communication

Engagement & Retention

Health, Wellness & Benefits

Learning

Career Development

Space For All™

Recognition

ENVIRONMENTAL RESPONSIBILITY

Maximizing Resource Efficiencies & Mitigating Impact of Risks

Greenhouse Gas Emissions

Resource Efficiency

Renewable Energy

Water Conservation

Waste Management

Building Certifications

Data Management

Climate Risk Assessment

COMMUNITY

Improving Communities, One Shopping Center at a Time

Supporting Local Entrepreneurs

Connecting Residents to Necessity-Based Goods & Services

Providing Jobs & Opportunities for Social Connection

Enhancing Community through Re/Development Projects

Creating Significant Economic Impact

OVERSIGHT & ETHICS

Strong Corporate Governance

Culture of Integrity & Ethical Conduct

Relationship of Trust & Respect with Stakeholders

Sound & Ethical Decision-Making

Internal Control Frameworks

Independent Oversight & Review

Enterprise Risk Management & Mitigation

Transparent Reporting

Regular Engagement with Stakeholders

OUR CORE VALUES

THINK BIG. ACT SMALL.

We have big dreams and goals that we'll achieve by working together as a family and preserving our small company mentality.

DO THE RIGHT THING.

We do the right thing, even if it isn't always the easy thing.

HAVE FUN & GET IT DONE.

We know when it's time to work hard and work smart, but most importantly we know when it's time to have fun.

ALWAYS KEEP LEARNING.

Things constantly change, and the best way to be successful is through constantly learning.

2023 Highlights

Corporate Responsibility and Sustainability Program

PEOPLE & CULTURE

51%
of associates are female

6% voluntary turnover rate

92%
engagement rate on Associate Engagement Survey with a 97% completion rate

4,592
training hours averages 15.72 hours per associate

7
consecutive years of a *"Top Place to Work"* recognition

ENVIRONMENTAL RESPONSIBILITY

98%
eligible properties converted to LED

56%
of properties have IREM CSP certifications

10%
Scope 1 & 2 GHG emissions reduction since 2022

184
EV charging stations, a 19.6% increase since 2022

18.3%
reduction of water since 2022

20%
landlord-controlled waste diversion

COMMUNITY

443
community service hours completed by associates with 15 community service events

$11M+
invested in local Neighbors through capital investments

$34M+
invested in 13 re/development projects

✓ engaged independent implementation expert for Neighbor Survey

96%
overall satisfaction Neighbor Survey Results

OVERSIGHT & ETHICS

56%
gender and ethnically diverse directors

6 years
average director tenure

57
average age of directors

100%
board member attendance at Board and Committee Meetings

96%
associates completed cybersecurity training

0 Ethics Code violations

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Company Goals

Corporate Responsibility and Sustainability Program

PEOPLE & CULTURE

Goal: Achieve Associate Engagement Survey Participation Rate

Target: 85% or greater

Goal: Maintain Associate Engagement Index Score

Target: 85% or greater

Goal: Maintain Voluntary Turnover Rate

Target: Below 15%

Goal: Average Annual Training Hours per Associate

Target: 15 hours or greater

Goal: Participation in Wellness Programs (one or more programs annually)

Target: 60% or greater

ENVIRONMENTAL RESPONSIBILITY

Goal: Upgrade Landlord Controlled Parking Lot Lighting to LED

Target: 100% of properties by 2025

Goal: Reduce Landlord Controlled Waste to Landfills[1]

Target: 25% reduction by 2030

Goal: Install EV Charging Stations

Target: 50% of eligible properties by 2030

Goal: Reduce Landlord Controlled Water Consumption

Target: 30% reduction by 2030

[1]Excludes waste generated from construction or redevelopment.

COMMUNITY

Goal: Associate Support for Philanthropic Efforts (PECO Impact)

Target: 10 community service events or more

Goal: Include Green Lease language in new leases

Target: 50% or greater of executed leases

Goal: Conduct Neighbor Satisfaction Survey

Target: 85% satisfaction rate or greater

Goal: Conduct Vendor Engagement Survey

Target: Bi-annual process

OVERSIGHT & ETHICS

Goal: Acknowledgment of Code of Business Conduct and Ethics

Target: 100% of associates annually

Goal: Annual Ethics and Cybersecurity Training

Target: 100% of associates annually

Goal: Attendance at Board of Directors and Committee Meetings

Target: 75% or greater for directors

Goal: Attendance at Annual Meeting of Stockholders

Target: 75% or greater for directors

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Stakeholder Engagement

Effective stakeholder engagement, communication, and transparency is essential to our commitment to responsible business practices. We actively engage with various stakeholders to understand their perspectives, address their concerns, and maintain open lines of communication. Here's an overview of our engagement strategies:

NEIGHBORS

- **ANNUAL TENANT SATISFACTION SURVEY** to gauge the satisfaction and feedback of our Neighbors
- **TENANT SUSTAINABILITY GUIDE** available to all our Neighbors, providing information on sustainability efforts
- **PROPRIETARY COMMUNICATION PLATFORM (DASHCOMM®)** for our Neighbors
- **OPEN CHANNELS** for one-on-one discussions with Neighbors

ASSOCIATES

- **ASSOCIATE ENGAGEMENT SURVEY** sent to all our associates
- **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**
- **ASSOCIATE-LED BUSINESS RESOURCE GROUPS**

COMMUNITIES

- **AWARD-WINNING** associate community engagement business resource group
- **CONTRIBUTIONS TO COMMUNITY WELL-BEING** through charitable donations and support
- **ONGOING DIALOGUE** with communities to understand their needs and priorities
- **COMMUNITY EVENTS** to foster engagement and collaboration

STOCKHOLDERS & 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
- **LONG-TERM RELATIONSHIPS** with many of our vendors
- **COMPETITIVE BIDDING PROCESS** for all vendor engagements and frequent performance evaluations

SPOTLIGHT

INVESTMENT COMMUNITY DAY

In December 2023, PECO hosted an Investment Community Day in New York City. This event brought together key stakeholders, including investors and sell-side analysts, to engage with PECO's leadership team. During the event, PECO showcased the depth and breadth of its leadership team and provided a comprehensive update on the Company's strategic direction. Presentation topics included long-term growth opportunities, the quality and strength of our portfolio and other business and financial updates. The event was well-attended, with over 60 in-person guests and an additional 140 individuals joining via the live webcast. This occasion marked an important milestone for PECO, demonstrating our commitment to transparency and building strong relationships with the investment community.



SACRAMENTO METRO | STERLING POINTE CENTER, LINCOLN, CA

Recognition and Partnerships

PECO and its associates are frequently honored for their impact on the business, the industry and our communities.

2023 SMART BUSINESS PILLAR AWARD – WINNER
PECO Impact

2023 CHAIN STORE AGE TOP 10 RETAIL CENTER EXPERIENCES IN THE UNITED STATES – #4 WINNER
Naperville Crossings | Naperville, IL

2023 CINCINNATI ENQUIRER TOP PLACES TO WORK – WINNER
PECO

2023 REALCOMM DIGIE BEST USE OF AUTOMATION: RETAIL – WINNER
PECO IT Team

2023 CONNECT CRE 2023 LAWYERS IN REAL ESTATE AWARDS CHICAGO & MIDWEST – WINNER
Richard Tranter, Vice President, AGC

2023 HEALTHIEST 100 WORKPLACES IN AMERICA – WINNER
PECO

2023 HEALTHIEST EMPLOYERS IN AMERICA – WINNER
PECO

WELL HEALTH SAFETY RATING AWARD
PECO Cincinnati Office

PROJECT DESTINED
Retail Real Estate Bridge Program in conjunction with ICSC

CEO ACTION FOR DIVERSITY & INCLUSION
Largest CEO-driven business commitment to advance diversity, equity, and inclusion in the workplace

GREEN GLOBE – WINNER
Recognition for sustainability efforts taken for construction
Northstar Marketplace | Ramsey, MN

2023 GOLD LEVEL GREEN LEASE LEADER
PECO

ABOUT OUR REPORT

This report, covering our 2023 calendar year, includes Company-wide information around our corporate governance and sustainability initiatives, highlights, and progress. The information comes from a variety of sources, including various PECO policies, our Proxy Statement, and our Form 10-K. The data in this report covers our 2023 calendar year unless otherwise noted and relates to our wholly-owned properties unless otherwise noted to include properties we own in partnership with a third party. We strive to align our data collection, measurement and reporting with industry-standard reporting frameworks, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) Standards, and the Task Force on Climate-Related Financial Disclosures (TCFD).

Throughout this report, we refer to Phillips Edison & Company as the "Company", "PECO", "we", "us" or "our" and 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) which such properties are located. The term **"ABR"** means annualized base rent and we calculate ABR as monthly contractual base rent as of December 31, 2023 multiplied by 12 months.



TAMPA METRO | SHOPPES AT AVALON, SPRING HILL, FL



ATLANTA METRO | RIVERMONT STATION, JOHNS CREEK, GA



Jennifer Robison, Chief Accounting Officer, Joe Hoffmann, Senior Vice President, Tax, Cherilyn Megill, Chief Marketing Officer | Cincinnati, OH

Our Strategy

We believe that our associates and the culture we foster form the bedrock for sustained success and generating long-term value for all our stakeholders. Our corporate ethos is firmly anchored in our Core Values: Do the Right Thing; Have Fun and Get It Done; Think Big Act Small; and Always Keep Learning.

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; fostering a supportive and inclusive environment; and 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.

PECO XP

PECO Cultural Advantage

- Ownership Mindset
- \+ Engagement & Retention
- \+ Learning
- \+ Space For All

- Transparency & Communication
- \+ Health, Wellness & Benefits
- \+ Career Development
- \+ Recognition

Exceptional Results

Think and Operate Like Owners

We encourage our associates to think and operate like owners, and we substantiate this philosophy with tangible actions. Every associate, regardless of level or tenure, has the opportunity to receive stock grants on an annual basis. **We believe that our associate stock grant program differentiates our Company in the marketplace because it incentivizes every associate in driving our success as a team.** This approach drives an ownership mindset in each associate and further aligns the interests of our team with those of our stockholders, fostering a shared commitment to the Company's long-term success.

Our leaders at all levels work hard to promote and drive a culture of teamwork and innovative thinking. Our associates are encouraged to come up with new ways of doing things and recognized for their innovations. Our leaders challenge their teams to think as "owners" every day in their decision-making, and strive to be "active" listeners and respond to the perspectives and feedback from their teams.

In 2023, 100% of eligible associates received grants of time-based restricted stock units.



Vasili Lyhnakis, Senior Vice President, Leasing, West | ICSC Las Vegas



Ziwei Yu, Manager, Enterprise Applications, Taylor Schlinger, Marketing Intern | Cincinnati, OH



Tony Haslinger, Senior Vice President, Construction, Anna Sevier, Tenant Contract Coordinator | Cincinnati, OH

Transparency and Open Communication

We believe that frequent transparent communication with our associates drives a greater understanding of our strategic goals and business objectives deep into the Company so that each associate feels connected to our vision, engaged in our process, and tied to our results. Further, by maintaining an open dialogue, we can create a more inclusive and collaborative environment where every voice is heard and valued.

INTERNAL COMMUNICATIONS PROGRAM

PECO has an extensive internal communication program that encompasses weekly emails to all associates, bi-monthly newsletters and regular town hall meetings. Our internal communications team collaborates with our senior leadership, human resources team, and our business resource groups regarding content for all internal communications.

TOWN HALL MEETINGS

Conducted virtually, our all-associate town hall meetings provide a direct line of communication with senior leadership and include time for an open question-and-answer session. These meetings offer a prime opportunity for all associates to gain insights on the Company's strategies and business objectives and have any questions answered.

ANNUAL MEETINGS

Every year, our associates convene in-person for a multi-day Annual Meeting, serving as the cornerstone of the PECO culture. This assembly provides a crucial opportunity to network and bond with colleagues, celebrate past successes, share best practices and establish meaningful objectives for the future. The dedicated time not only stimulates cross-functional collaboration and innovative ideas but also enhances associates' comprehension of how their roles contribute to the Company's exceptional performance and growth objectives.

SPOTLIGHT

Throughout 2023, our CEO, Jeff Edison, facilitated 12 separate round table sessions involving various departments and new hires. Jeff engaged with 167 associates, which represented 57% of our team. These sessions are invaluable for fostering open dialogue and promoting knowledge sharing.

167 associates
participated in
12 round table sessions

In our associate engagement survey, 96% of associates said that "senior leadership has communicated a clear vision for PECO."



Executive Management Team Q & A Session at Annual Meeting



Round Table Discussions at Annual Meeting

Engagement and Retention

Engagement translates into a happier team – a team that brings a high degree of energy and commitment to their work. This is evident in a positive cultural experience, a high degree of engagement with lower turnover, and strong financial results. We seek to understand and measure this performance through our annual associate engagement survey. This is a critical tool for us to receive associate feedback on how we are succeeding and where we have opportunities to improve.

2023 ASSOCIATE ENGAGEMENT SURVEY FINDINGS

97%
associate survey participation

92%
associate engagement rate

RETENTION RATE

8% overall turnover rate
6% voluntary, 2% non-voluntary

7 years
average tenure

GENDER REPRESENTATION

51% female

49% male

Senior Leadership Team:
18% female & 82% male

Manager Roles & Above:
39% female & 61% male


All-Associate Annual Meeting

PAY EQUALITY

One of the ways that PECO lives its Core Value of "Do the Right Thing" is our commitment to rewarding our associates justly and equitably. As such, we perform a pay equity analysis as a part of our annual compensation process. The most recent analysis confirmed that there are no statistically significant pay differences of our associates regardless of ethnicity, gender, or age. We also conduct an annual analysis of market competitiveness of our teams' compensation. PECO strives for all associates to understand and embrace our talent management and compensation programs to drive satisfaction and engagement. To facilitate this, we provide our managers with tools and training on the talent management and compensation communication process as well as training on these items directly to all associates.

SPOTLIGHT

2023 ASSOCIATE ENGAGEMENT SURVEY FEEDBACK

94%
of associates feel proud to tell people where they work

90%
of associates are likely to recommend PECO to family or friends as a great place to work

91%
of associates feel they are encouraged to come up with new ways of doing things

93%
of associates feel their manager listens to and responds to their ideas and concerns



Associates utilizing our in-house gym | Cincinnati, OH

2023 PROGRAM IMPROVEMENTS
Added a near-site clinic network that includes mental health visits at zero cost
Introduced family formation program including fertility and adoption reimbursement
Contracted with care-giving support vendor to help associates and their families with chronic and complex care needs
Engaged with a national network of cancer experts for patient guidance

beyond PECO WELLNESS

2023 HEALTHIEST EMPLOYERS WINNER

H100 Winner 2023 HEALTHIEST 100™ scored by Springbuk®

People & Culture

Health, Wellness & Benefits

PECO's commitment to health, well-being and safety of our associates is evidenced by our award-winning "Beyond Benefits" wellness program. These efforts demonstrate our continued dedication to promoting care and helping our associates maintain optimal health.

SPOTLIGHT

PECO consistently invests in programs that promote the health and wellness of our associates, **earning PECO a designation as one of the "Healthiest Employers of Ohio" for four consecutive years and as one of the "Healthiest 100 Workplaces in America" in 2023.** Recipients of the national award were recognized because of their commitment to workplace wellness and their exceptional health and benefits offerings.

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

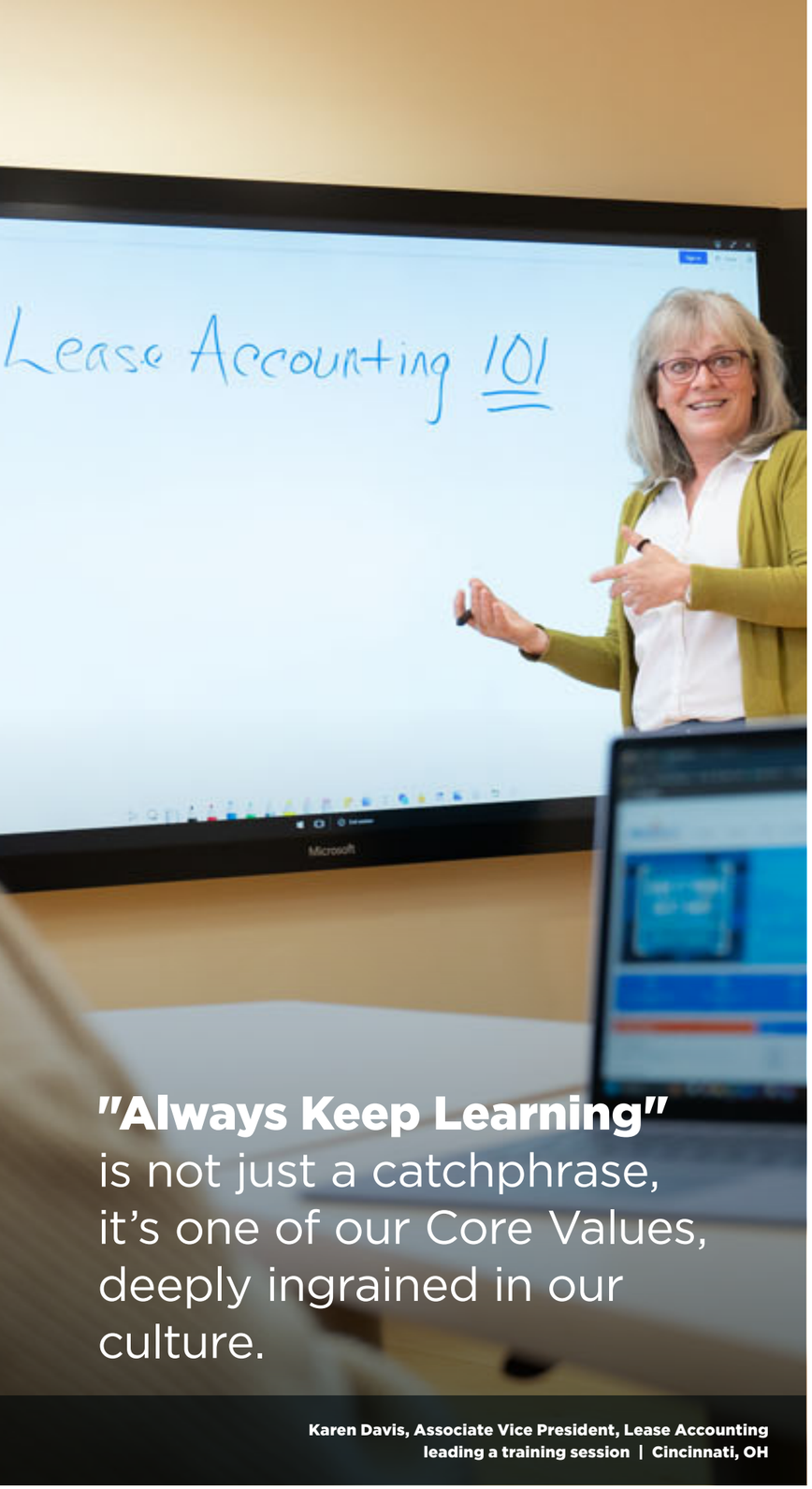
Donation Match Program
Dollar-for-dollar employer match up to $100 annually on eligible donations to 501c3 organizations

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



"Always Keep Learning" is not just a catchphrase, it's one of our Core Values, deeply ingrained in our culture.

Karen Davis, Associate Vice President, Lease Accounting leading a training session | Cincinnati, OH

Learning and Career Development

We are committed to fostering a culture of continuous learning and career development that is highly individualized and tailored to meet the unique needs of each associate. We recognize that learning is not a one-size-fits-all endeavor, and we strive to provide a multitude of learning opportunities and methods to cater to diverse learning styles and preferences. By meeting associates where they are and by being nimble in our approach, we support growth and engagement, both of which are critical to our long-term success. Our approach to learning and development is guided by these principles:

- **Talent Management Informs Learning Objectives:** Our robust Company-wide annual talent management process helps identify talent and skill gaps that may be bridged through individual, group, or Company-wide learning opportunities, and has been the catalyst for such programs as our executive presence and innovation lab cohort-programs.
- **Individual Development Plans:** Associates create their own development plans that align to their career goals, strengths, and areas for growth. In 2023, we supported associates and managers by offering interactive workshops designed to support development planning efforts.
- **Flexible Learning Opportunities:** We offer a wide range of learning methods and modalities, including live instruction, on-the-job training, mentorship programs, e-learning, workshops, external conferences and programs, and collaborative cohort-based project work, ensuring that every associate can learn in the way that suits them best and that allows them to learn at their own pace and convenience.
- **Supportive Learning Environment:** We cultivate a supportive environment where feedback and coaching are integral to the learning process encouraging associates to continuously develop their skills and knowledge.
- **Career Development Programs:** Our career development initiatives are designed to help associates in their careers, offering opportunities for skill enhancement, leadership development, and cross-functional experiences.

By embracing a holistic and individualized approach to learning, we empower our associates to achieve their full potential and drive our Company's success.

SPOTLIGHT

ASSOCIATE DEVELOPMENT

We believe in nurturing talent and providing opportunities for growth and development. Ashley Selers' career trajectory epitomizes that commitment. Ashley began her career as a finance intern, where she quickly expanded her role to work with the leasing team. Her interest in leasing grew and in 2019, she transitioned from our finance team to a Junior Leasing Associate role. Over the next four years, Ashley honed her skills, managed complex leases, and demonstrated dedication and hard work. Recently, she was promoted to Senior Leasing Professional, exemplifying PECO's commitment to fostering career growth.



ASHLEY SELERS, SENIOR LEASING PROFESSIONAL

"I have had the opportunity to grow professionally and personally within PECO. I started as a finance intern, steadily gaining confidence in my skills and work product. This progressively led to building positive relationships with our leadership team. I had a strong interest in learning more about our leasing team, and I remember speaking to our leasing leaders about a new opportunity. Over the last five years, PECO has allowed me to come into my own and shine as a leasing professional. I have changed career paths and office locations, and have developed thanks to the opportunities available to me at PECO."

Learning and Career Development

4,592 training hours

Averages 15.72 per associate

Behind the Scenes @ PECO
Monthly course offered with live, virtual and on-demand formats. Leverages in-house expertise to help associates gain a more in-depth understanding of the fundamentals of real estate across all departments

Operations Leadership Program
Specialized 18-24 month rotational program designed to prepare high-potential associates for future operations leadership positions.

Innovation Lab
Project-based program that brings together a cross-functional group of associates to source and present solutions for an emerging issue for the Company

PECO NOW FOCUS Program
A learning and development cohort sponsored by PECO NOW, our women's leadership business resource group, to prepare and propel high-performing female associates for future leadership roles

Tuition Reimbursement
We provide flexible tuition assistance of up to $5,250 annually for any associate pursuing outside job-related education or professional certification programming

Annual Meeting
Annual multi-day all-associate event that offers a variety of opportunities for development, cross-functional collaboration and sharing of best practices

DiSC® Workshops
A behavioral style and preference tool utilized in a variety of custom training formats to improve communication, enhance productivity and create stronger teams

Technology Training
Cybersecurity and other technology training is offered regularly both online and in person

Space For All Workshops
Workshops offered to create a deeper sense of connection to each other and enhance the PECO workplace community, ultimately focused on increasing a sense of belonging across the Company in line with our Space For All commitment

New Hire Immersion Day
Full-day quarterly programs offered to new associates and interns to introduce PECO's business, culture and resources available to ensure a successful onboarding and integration into the Company

SPOTLIGHT

OPERATIONS LEADERSHIP PROGRAM

Our Real Estate Operations Leadership Program is designed to prepare high-potential associates for future leadership positions. Participants spend 18-24 months going through three different full-time rotations to ensure a well-rounded experience within our operations functions. After the completion of their third rotation, participants are placed in a full-time position within the operations team. Program participants are selected through a stringent application and interview process.



BEN ENGLER, OPERATIONS LEADERSHIP PARTICIPANT

"PECO's Leadership Program has been a multifaceted journey, teaching me the art of multitasking and effective communication across diverse real estate sectors. It has been a great experience giving me exposure to how roles connect. I'm eager to apply these insights as I transition into a permanent role, contributing to our collective success."



GRIFFIN HERSH, OPERATIONS LEADERSHIP PARTICIPANT

"I have honed my decision-making and negotiation skills, discovered the benefit of cross-departmental collaboration, and gained the confidence to tackle challenges with a problem-solving mindset. Being exposed to all sides of the operations team gave me the ability to learn from multiple leaders that all had different leadership styles and learn how those styles drive our Company's success."



Griffin Hersh, Finance Manager, Joe Schlosser, Chief Operating Officer, Ben Engler, Portfolio Manager | Cincinnati, OH

Learning and Career Development

PECO INTERNSHIP PROGRAM

Our Internship Program provides an immersive learning experience for college students, offering semester-long internships during the fall, spring, or summer. A challenging but rewarding program, it offers students of all majors the opportunity to explore the industry of commercial real estate through various departments and participate in meaningful work within their chosen discipline. The PECO Internship Program continues to be a key element in our early career talent pipeline.

- **45 interns were hired in 2023 (over 40% either worked for PECO for multiple semesters or were converted to full-time hires)**
- **83% offer conversion rate for the 2023 intern class**
- **100% of interns would recommend PECO's Internship Program***

*students surveyed from Summer 2023-Spring 2024

SPOTLIGHT

FOCUS
A PECO NOW DEVELOPMENT PROGRAM

The PECO NOW Focus program is a learning and development initiative, administered by PECO NOW, our women's leadership program. This program provides current and future female leaders with the opportunity to create an individual curriculum that identifies and addresses areas of development, including leadership and career-enhancing skills, in a collaborative group environment. Through its comprehensive approach, the program not only enhances the participants' skill sets but also boosts their confidence, empowering them to take on new challenges and leadership roles with conviction. The positive feedback from participants in this program speaks volumes about its effectiveness in meeting the aspirations of its participants and the value it adds to their personal and professional journeys.



Spring Intern Class group presentations | Cincinnati, OH


PECO NOW Focus 2023 Graduates: Candice Henderson, Senior AR Analyst, Victoria Hirschfeld, Senior Financial Analyst, Caitlin Lepera, Tenant Relations Manager, Megan Denton, Director of Internal Audit | Cincinnati, OH

Learning and Career Development



Jeff and Leslie Edison

THE EDISON FOUNDATION

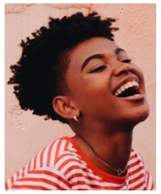
Jeff and Leslie Edison have always valued philanthropy. In particular, their personal commitment to helping others access and enjoy educational opportunities led them to establish The Edison Foundation in 2018. The Foundation supports the educational dreams of the children, grandchildren, dependents, and spouses of PECO associates. The Foundation's mission is to assist these families in pursuing and enjoying 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 the families, the students can fully immerse themselves in their learning and benefit from the educational experience. **As of 2023, The Edison Foundation has granted scholarships to 30 students, called Fellows.**

Fellows come from across the country, attending 21 different schools including Kent State University, University of Central Florida, University of Cincinnati, Miami University, Boston College, and Purdue University. Areas of study included music performance, computer science, environmental science, sociology, communications, architectural engineering, finance, data science, nursing and more.

Fellow Emily Shuppert wrote, *"The Edison Foundation scholarship was an important piece of my decision to attend St. Louis University. I am so thankful for the scholarship and the opportunity to study at SLU. I am getting a great education where I feel I can be creative and innovative. Today the financial component of the scholarship has allowed me to take time, outside of studying and working part-time, to give back to St. Louis community. This semester I am volunteering twice a week with Make-A-Wish helping deliver wishes. Beyond the financial component, it is encouraging to know that The Edison Foundation is in investing in me. Thank you, Edison Foundation!"*

2018


Ryan Boekholder

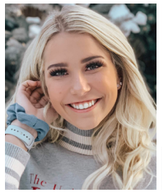

Jayda Coleman


Alexandra Davis

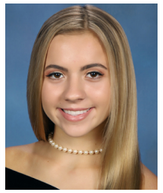

Emily Shuppert


Nick Wasserstrom

2019


Alyson Boekholder

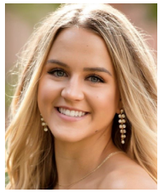

Abigale Davis


Alexis Heisler


Ally Megill


Maxwell Murphy

2020


Audrey Faloni


Julia Hoffmann


Autumn Kist


Jake Ortwein


Will Shuppert

2021


Madeleine Demarais

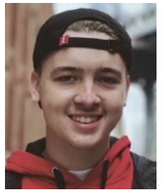

Sydney Hoffmann


Olivia Hunter


David Shuppert


Nash St. Clair

2022


Branden Bailey


Lillian Bien


Gabi Farris


Mackenzie McGregor


Caroline Rummer

2023


Sklyar Pearson


Kilian Sheehan


Matthew Shuppert


Seth Turkov


Vihaan Vulpala

PECO SPACE FOR ALL

At PECO, we strive to build a space where all associates feel a sense of belonging.

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.

Our commitment to building a Space For All™ is overseen by the Culture & Inclusion Executive Council (the "Council"), consisting of the Chief Executive Officer, President, Chief Financial Officer, General Counsel, Chief People Officer, and executive sponsors of each of PECO's business resource groups. The Council meets regularly to discuss strategies, programs, and initiatives and progress towards goals. These efforts are also reviewed annually with PECO's Board of Directors.

OUR BUSINESS RESOURCE GROUPS (BRGS)

PECO NOW (NETWORKING OPPORTUNITIES FOR WOMEN)

PECO NOW's mission is to foster a community where every woman at PECO understands her value, is inspired to share her perspectives, and has the courage to make decisions. The group focuses on increasing leadership opportunities for female associates and sponsoring collaborative networking events.

PECO IMPACT

PECO IMPACT, an associate-formed, award winning program, is dedicated to positively impacting the neighborhoods we are in and around and encouraging company-wide community involvement and helping PECO associates be involved in the causes that are most important to them.

PECO MORE (MULTICULTURAL OPPORTUNITIES, RESOURCES AND EDUCATION)

PECO MORE is dedicated to furthering diversity and inclusion within PECO, the communities we serve, and the commercial real estate industry. The group has developed a multi-pronged approach to accomplish its mission including: education and awareness, community and industry partnerships, internal engagement, recruiting and metric-led accountability. Programming revolves around education, raising awareness, and hosting events.

PECO CONNECT

PECO Connect is an associate engagement initiative that aims to strengthen the bonds between associates by tapping into shared interests. Creating an environment that encourages both personal and professional growth outside of the workplace, PECO Connect aims to attract a diverse audience and ensure our associates feel connected and fulfilled in their workplace. PECO Connect events bring associates together by fostering a sense of community within the Company.

Internal Recognition and 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. Further, they contribute to a dynamic and engaged workforce — reinforcing our dedication to excellence, community, and PECO's lasting success. Some of our internal awards and recognitions include the following:

SUPER HERO AWARD

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.



Super Hero Award winners: Samantha Goebel, Leasing Associate, Lauren Meder, Property Accounting Manager

JOHN EDISON CULTURE AWARD

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.



John Edison Culture Award winners: Ashwin Nayak, Enterprise Application Developer, Samantha Goebel, Leasing Associate, Kat Hamilton, Benefits Manager, Charles McCarty, Building Engineer, Rachel Riley, Senior Cash Accountant, Morgan Capal, Due Diligence Analyst

WORKTANGO

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.



Worktango Award winners: Rodel Edjan, Senior Enterprise Application Developer, Brianna Koberling, Senior Accounts Payable Specialist, Josh Davidson, Senior Internal Auditor (not pictured: Kat Hamilton, Benefits Manager)

TAE INNOVATION AWARD

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.



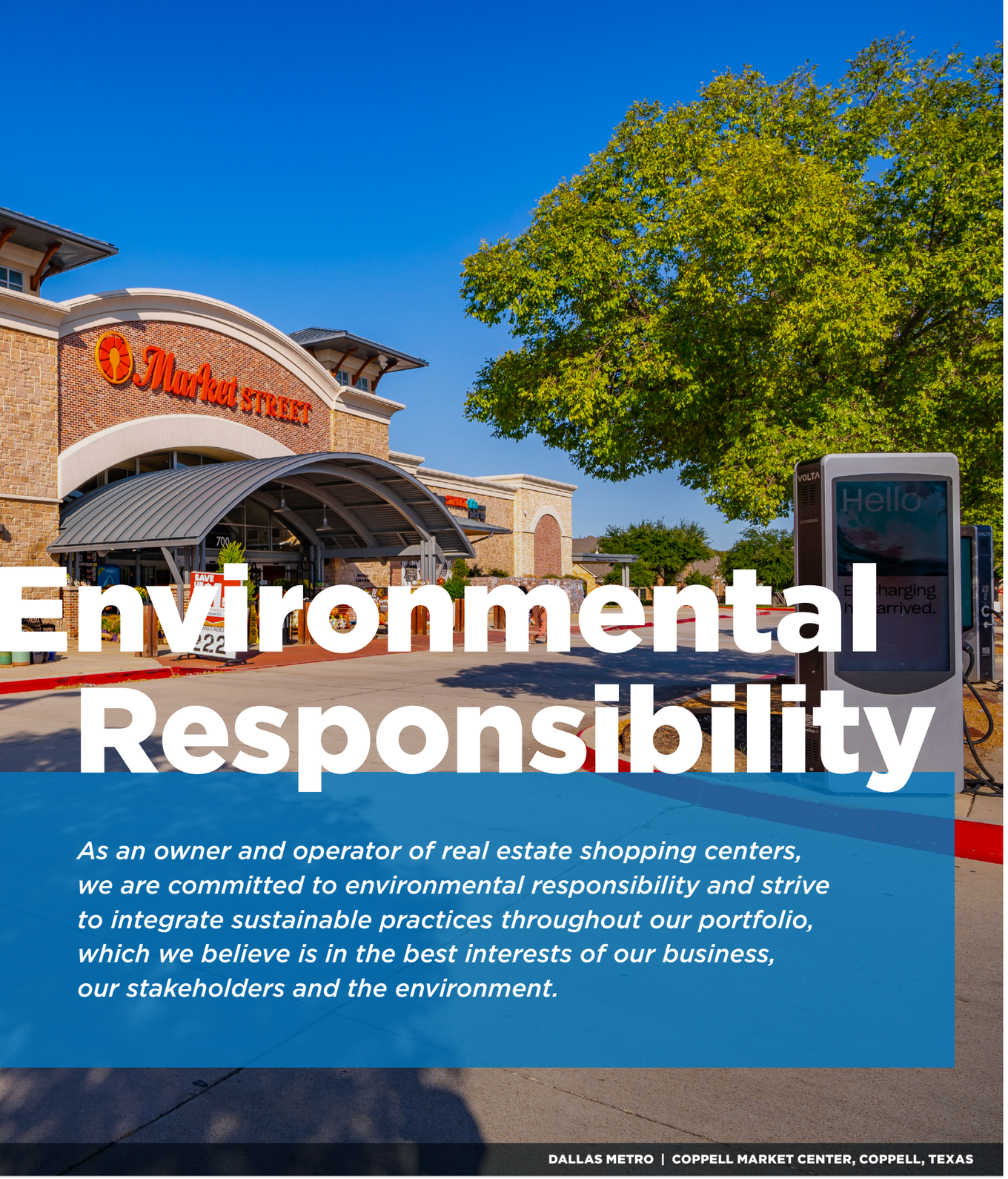
TAE Innovation Award winners: Cassandra Burnham, Associate Vice President of Marketing, Allison Lembright, Senior Marketing Manager



TAE Innovation Award winners: Nga Phan, Enterprise Application Developer, Brianna Koberling, Senior Accounts Payable Specialist



TAE Innovation Award winners: Jon Kasper, Director of Finance, Goutham Vulpala, Associate Vice President of Enterprise Applications, Rodel Edjan, Senior Enterprise Application Developer, Ziwei Yu, Manager, Enterprise Applicaitons



Environmental Responsibility

As an owner and operator of real estate shopping centers, we are committed to environmental responsibility and strive to integrate sustainable practices throughout our portfolio, which we believe is in the best interests of our business, our stakeholders and the environment.

DALLAS METRO | COPPELL MARKET CENTER, COPPELL, TEXAS

Our Strategy

As a long-term owner of community and neighborhood shopping centers with a primary objective of growing the value of our business for our stakeholders, our approach to environmental responsibility focuses on **maximizing resource efficiencies** and **mitigating the impact of environmental risks** and related issues throughout our entire portfolio. To accomplish this objective, our strategy focuses on initiatives relating to:



Greenhouse Gas Emissions

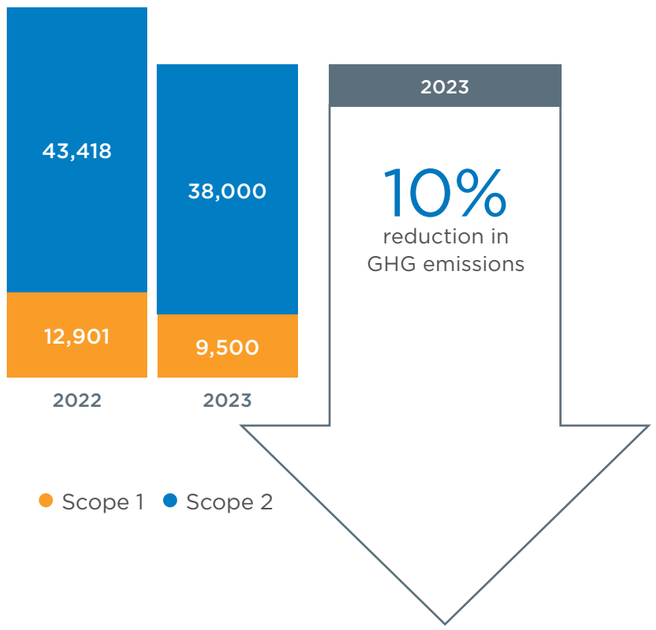
In 2023, we conducted an inventory of our Scope 1 and Scope 2 GHG emissions using the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. Our Scope 1 and 2 GHG emissions consist mainly of electricity to operate our parking lots and other common areas within our operational control. As described in the following section of this report, our energy management strategy is focused on maximizing resource efficiencies in the areas under our operational control.

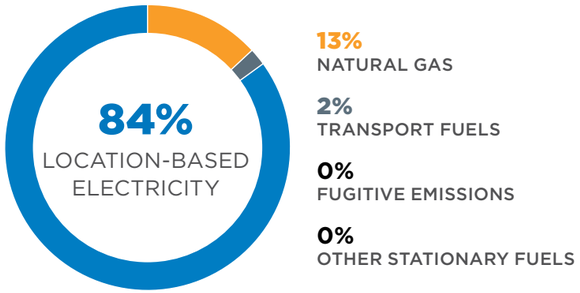
We recognize the importance and impact of our indirect emissions, especially those from our Neighbors, and we are working to establish a Scope 3 reporting strategy. Our approach is to understand the material significance and data availability of Scope 3 emissions. We anticipate these data collection, analysis, reporting, and reduction initiatives will be ongoing and will require cooperation and collaboration with both internal and external stakeholders.

Accurate data is critical to measuring and managing GHG emissions and developing long-term carbon reduction goals. In 2023, PECO focused on improvement of our data coverage and accuracy through data collection improvement. The results are a better understanding of our impact as shown in our emissions charts.

In 2023, our total absolute GHG emissions decreased 10% compared to 2022, which resulted in an absolute reduction of 1,612 metric tons of CO2e.

PECO GHG EMISSIONS
2022 vs. 2023







ATLANTA METRO | OLD ALABAMA SQUARE, JOHNS CREEK, GA



CHICAGO METRO | BAKER HILL, GLEN ELLYN, IL



TAMPA METRO | VALRICO COMMONS, VALRICO, FL

Resource Efficiency

Our energy management strategy is currently focused on maximizing resource efficiencies for areas under our operational control. Some of the key initiatives are described below.

HIGH EFFICIENCY LIGHTING

Over the course of nearly a decade, we have converted more than 98% of our eligible shopping centers to high efficiency LED fixtures. As of year-end 2023, retrofitting properties in our portfolio to LED aggregated an estimated annual energy savings of 23,463,660 kWh and cost savings of over $1.6 million.

98%

eligible properties converted to LED

LIGHTING CONTROL SYSTEMS

To date, we have invested in remote lighting control systems at 75% of our eligible shopping centers. These systems enable us to tailor lighting solutions to property needs, resulting in estimated savings of 4,435,206 kWh and cost reduction over $300,000.

75%

eligible properties have remote lighting control systems

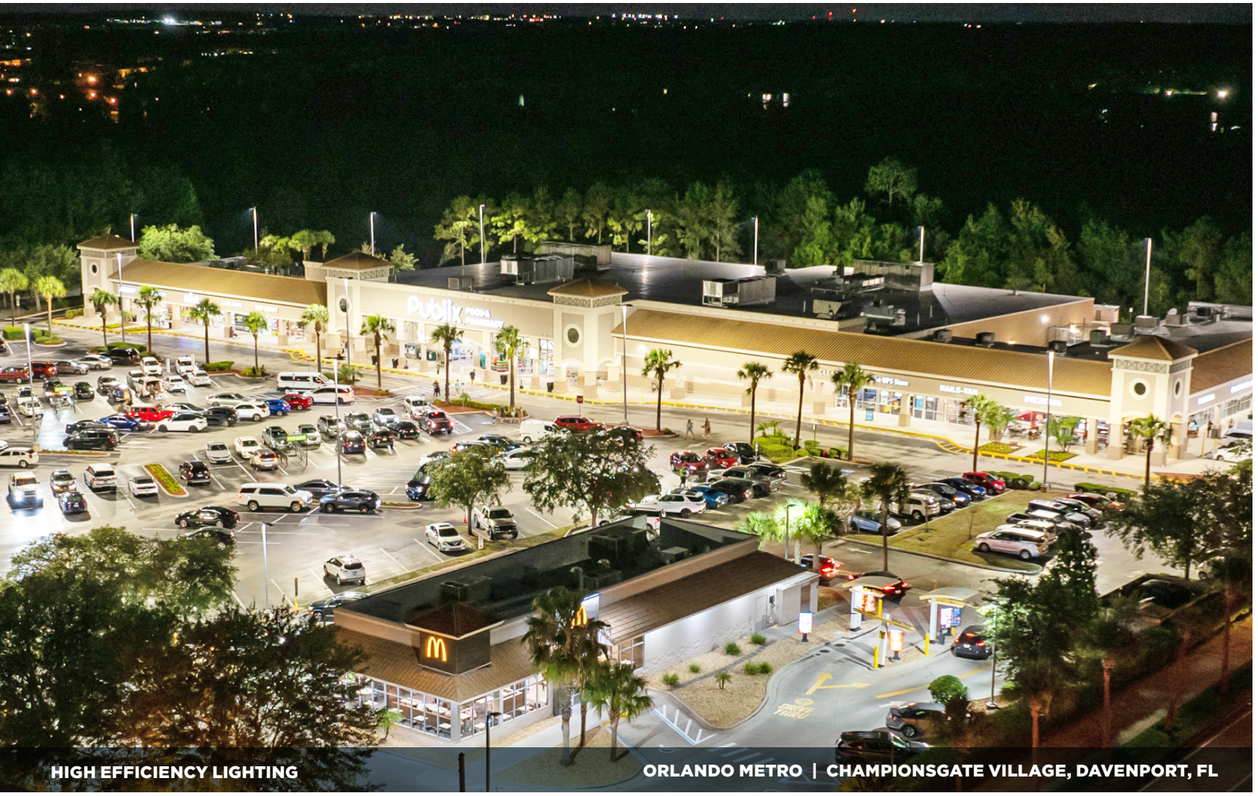
WHITE REFLECTIVE ROOFS

To further enhance our energy conservation efforts in 2023, we installed over 717,153 square feet of white reflective roof.

To date, PECO has overseen the installation of 132 white reflective roofs which accounts for 44% of our properties.

44%

properties have white reflective roofs



HIGH EFFICIENCY LIGHTING | ORLANDO METRO | CHAMPIONSGATE VILLAGE, DAVENPORT, FL



WHITE REFLECTIVE ROOF | ORLANDO METRO | ROCKLEDGE SQUARE, ROCKLEDGE, FL

Renewable Energy

SOLAR

We expect that solar energy will continue to grow in significance across the country by providing cleaner and more efficient energy sources. We are actively assessing the installation of solar projects and determining which of our shopping centers are most eligible and suitable for these projects. Our goal is to select opportunities yielding measurable energy efficiencies and savings while potentially providing additional income streams at the center.

To date, we have installed 14 solar array systems installations at 12 of our centers. These 14 installations represent a total capacity of approximately 3.5 MW.



SOLAR ARRAYS

BORONDA PLAZA, SALINAS, CA

ELECTRIC VEHICLE (EV) CHARGING STATIONS

We anticipate that electric vehicles (EV) charging stations will increasingly be a desired amenity for our Neighbors, their employees and the customers at our shopping centers in the upcoming years. To that end, in partnership with several providers of EV charging stations, we carefully assess our centers to identify those that are most suitable for the installation of EV charging facilities. Our providers utilize exclusive data and analyze regional statistics on EV ownership to assist us in selecting centers that resonate with our mission of "improving communities, one shopping center at a time." The addition of EV charging stations to our eligible centers is an example of our dedication to sustainability and serving the needs of the communities in which we operate.

In calendar year 2023, we added 36 additional EV chargers in our portfolio, for an aggregate of 184 EV chargers at 50 or 18% of our centers. These additional chargers represents a 24% increase from calendar year 2022.



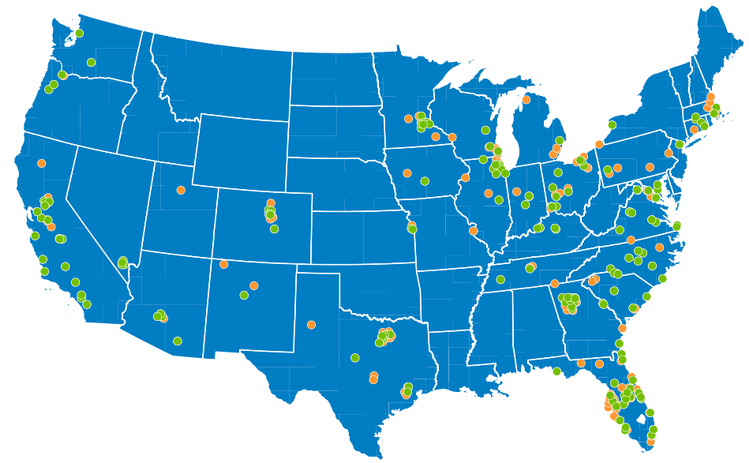
EV STATIONS

CHICAGO METRO | BAKER HILL, GLEN ELLYN, IL

Building Certifications

IREM®
INSTITUTE OF REAL ESTATE MANAGEMENT

The Institute of Real Estate Management® (IREM), the international institute for property and asset managers, offers an internationally recognized Certified Sustainable Property® (CSP) certification for real estate properties, which symbolizes best practices, ethical leadership,and well-managed properties worldwide. The IREM program focuses on existing buildings, acknowledging sustainable property operations and performance related to energy, water, health, recycling and procurement.



- PECO Properties
- PECO Properties with IREM Certification

GREEN GLOBES®
BUILDING CERTIFICATION

The Green Building Initiative's (GBI) Green Globes® is a science-based, three-in-one whole building certification system that evaluates the environmental sustainability, health & wellness, and resilience of all types of commercial real estate. Green Globes certification is designed to allow building owners and managers to select which sustainability features best fit their building and occupants. **In 2023, PECO received its third GBI award in three consecutive years.**

WELL
HEALTH-SAFETY RATED

The WELL Health-Safety Rating serves as a guide to help organizations establish essential plans and protocols for resilience and response. It aims to empower leaders, owners, and operators of both large and small businesses to prioritize the health and safety of their employees, staff, visitors, and other stakeholders. This rating includes a selection of strategies from the WELL Building Standard (WELL Standard) that address safety and acute health issues within buildings, primarily through operational and management policies. **In 2023, PECO received a WELL Health-Safety Rating for a third consecutive year.**

As of year-end 2023, IREM CSP certifications have been awarded to 172 of our shopping centers which represents 56% of our properties.

SPOTLIGHT

GREEN GLOBE AWARDS

Recognizing the sustainability efforts taken by PECO in the construction of this 7,200 square foot building at our Northstar Marketplace shopping center in Ramsey, Minnesota, the Green Building Initiative (GBI) awarded us with a Green Globe for Core & Shell certification for resource efficiency and reduction of environmental impacts. In 2023, this marks our third GBI award in three consecutive years.



2023 AWARD — **MINNEAPOLIS METRO | NORTHSTAR MARKETPLACE, RAMSEY, MN**



2022 AWARD — **MILWAUKEE METRO | POINT LOOMIS, MILWAUKEE, WI**



2021 AWARD — **DALLAS METRO | MURPHY MARKETPLACE, MURPHY, TX**

Development & Redevelopment

We are dedicated to creating additional value at our shopping centers and improving the communities we serve through our development and redevelopment initiatives. Our commitment to sustainability is deeply ingrained in our approach to these projects at our shopping centers. We aim to integrate sustainable features into every stage of the development and redevelopment process through thoughtful site design, efficient use of energy and water, prioritizing safety and resilience, and striving for green building certifications.

Sustainable Site Design

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

Energy and Water Efficiency

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

Safety and Resilience

- Climate assessments for properties and risk mitigation associated with extreme weather events
- Sustainable building materials and sustainable procurement practices for enhanced resilience and environmental responsibility

Green Building Certification

- Evaluating development projects for the Green Building Initiative's Green Globes Building Certification, which considers environmental sustainability, health and wellness, and resilience

DENVER METRO | ROXBOROUGH MARKETPLACE, LITTLETON, CO | GREEN GLOBE CERTIFIED IN 2024





Michael Reisch, Senior Regional Property Manager, onsite at Golden Town Center, Golden, CO

Water Conservation

We actively manage water conservation at our shopping centers, employing efficient and resourceful strategies to minimize water usage such as:

- High-efficiency irrigation systems
- "Smart" controllers
- Submetering
- Xeriscaping and drought tolerant plants
- Stormwater management systems
- Technical assessments
- Neighbor Sustainability Guide promoting conservation practices to our Neighbors

LANDSCAPE IRRIGATION AND NATIVE PLANTS

A key initiative for us is irrigation, which is within our operational control at our shopping centers, and we utilize responsible water management strategies such as xeriscaping and smart irrigation controllers.

PECO's use of water within our operational control primarily derives from landscaping activities. **A key focus of our water conservation strategy is the installation of smart irrigation control systems and planting drought tolerant and native plants.** As of year-end 2023, 49 of our shopping centers were equipped with smart irrigation controllers.

18.3%

reduction of water consumption since 2022, reducing our water demand in 2023 by 69.7 million gallons



LAS VEGAS METRO | GREEN VALLEY PLAZA, HENDERSON, NV

Waste Management

PECO collaborates with our vendors and Neighbors to promote and implement responsible waste management practices across our portfolio. We conduct thorough property assessments to streamline waste services and enhance diversion efforts. Our waste management strategy includes, to the extent feasible and available, various initiatives such as:

- Waste bins
- Integrating recycling measures
- Reducing number of waste pickups at shopping centers
- Composting
- Waste management programs at our corporate offices
- Technical waste assessments
- Neighbor Sustainability Guide promoting conservation practices to our Neighbors

Currently, our waste diversion rate for landlord-controlled waste is 20% — exceeding our 2030 goal.

PECO LANDFILL DIVERSION RATE
2022 vs. 2023

19%
diversion rate
2022

Landfill	50,057	81%
Recycled	**9,715**	**16%**
Composted	**1,911**	**3%**
Total	61,683	

20%
diversion rate
2023

Landfill	58,565	80%
Recycled	**11,517**	**16%**
Composted	**3,093**	**4%**
Total	73,176	



DENVER METRO | FAIRFIELD COMMONS, LAKEWOOD, CO



LAS VEGAS METRO | SOUTHWEST MARKETPLACE, LAS VEGAS, NV

SPOTLIGHT

AMERICA RECYCLES DAY

Our commitment to environmental stewardship and promoting responsible waste management practices extends beyond our shopping centers. In 2023, PECO held an e-waste recycling event at our corporate headquarters on America Recycles Day. Our associates brought in 1,197 pounds of e-waste which was collected and responsibly recycled. At the end of the third quarter, we implemented a single stream recycling dumpster at our corporate headquarters, simplifying the recycling process for employees and promoting higher participation rates. **The impact of this initiative was significant, resulting in an increase in waste diversion at our corporate headquarters by 11% for the fourth quarter alone.**



Corporate Headquarters: Associates participate in the America Recycles Day

Climate Risk Management

We recognize that climate change is an important factor in a comprehensive enterprise risk management program. As an owner and operator of real estate with a strategy of a long-term hold and value creation for our stakeholders, we are focused on understanding, assessing and measuring the potential physical and transitional risks that climate change may have on our shopping centers. Our goal is to develop a mitigation and resiliency plan for these challenges so that our centers can continue to operate profitably, safely and sustainably for the long-term.

To address climate risks, our Corporate Responsibility & Sustainability (CRS) and Enterprise Risk Management (ERM) teams, under the supervision of our full Board of Directors, are focused on identifying, evaluating, and developing mitigation strategies. In 2023, PECO engaged a third-party provider to conduct a climate risk scenario analysis of our portfolio, aligned with the latest climate science and the TCFD framework for climate risk scenario analysis.

We are currently in the process of reviewing the scenario analysis, identifying any potential short, medium and long-term climate related risks (physical and transitional) at our centers and integrating our finding into our general ERM assessments. We plan to disclose our findings and plans in subsequent CRS reports.

PECO is also working towards an annual climate risk training for all associates. The goal of this training is for our associates to understand how climate related risks tie into our ERM program and our business continuity, resiliency, and safety plans for our shopping centers.



WASHINGTON D.C. METRO | CASCADES OVERLOOK, STERLING, VA



SACRAMENTO METRO | QUAIL POINTE, FAIR OAKS, CA



HOUSTON METRO | KLEINWOOD CENTER, SPRING, TX



ATLANTA METRO | MANSELL VILLAGE, ROSWELL, GA

Community

For every $1 spent with a local business, $0.68 stays in the community to support local families, causes and businesses, according to the 2022 American Express Impact Study released on November 19, 2023.

WASHINGTON D.C. METRO | CASCADES OVERLOOK, STERLING ,VA

Our Strategy

Our business is the ownership and operation of community and neighborhood shopping centers, driven by our mission of "creating great omni-channel grocery-anchored shopping experiences and improving communities, one shopping center at a time."

Our centers are integral to the lifeline of the local communities they serve:

- **supporting local entrepreneurs and small business owners;**
- **connecting residents to essential and necessity-based goods, services and amenities;**
- **providing jobs and opportunities for social connection and entertainment;**
- **enhancing the communities through development and redevelopment projects; and**
- **creating significant economic impact for the local townships and municipalities**

We are so committed to the success of our community and neighborhood centers that we consider ourselves a neighbor of each community we serve and we refer to our tenants as our "Neighbors" – this is not just part of our vernacular, it is how we conduct ourselves every day, being a great neighbor and providing a mix of great Neighbors at our centers, collectively contributing to the well-being and vibrancy of our communities.

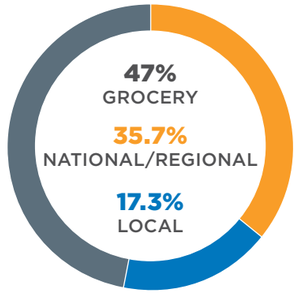
Impact on Our Communities and Neighbors

SUPPORTING LOCAL ENTREPRENEURS AND SMALL BUSINESS OWNERS

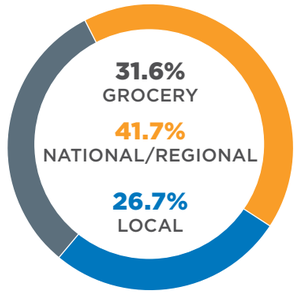
At PECO, we highly value the unique shopping experiences that our local entrepreneurs and small business owners bring to our shopping centers. Our local Neighbors reflect the spirit, diversity, interests and needs of the communities that we proudly serve.

In 2023, our local Neighbors constituted 17.3% of PECO's leased square footage or 26.7% of ABR. We believe that thriving small businesses are the cornerstone of vibrant communities. In 2023, PECO invested over $11 million in our local Neighbors through capital investment in their spaces. These financial investments reflect our partnership with our local Neighbors and our commitment to serving our communities – neighbors serving neighbors.

Invested over $11 million in our local Neighbors through capital investments in their spaces



LEASED SQUARE FEET BY NEIGHBOR TYPE



ABR BY NEIGHBOR TYPE

PROVIDING AMENITIES AND SERVICES TO THE COMMUNITY

Our national footprint of experienced and Locally Smart™ leasing professionals is dedicated to attracting high-quality retailers while improving the merchandising mix, thereby improving the amenities available to the communities we serve.

We hold our associates accountable to being Locally Smart™ and understanding the needs of our local communities. Through our resources and the experience of our Locally Smart™ leasing and property management professionals, we strive to ensure the success of our local Neighbors.

70% of our ABR was generated from **Neighbors providing necessity-based goods and services to the local communities**

SPOTLIGHT

SCORE FOUNDATION

In 2023, we proudly sponsored the SCORE Foundation, a non-profit organization dedicated to providing free business mentoring services to entrepreneurs and small business owners. By offering one-on-one mentoring, workshops, and online resources, SCORE's network of over 10,000 volunteer mentors helps our Neighbors navigate the complexities of business ownership, turning dreams into reality and challenges into opportunities. In the first six months of the program, 36 Neighbors were matched with mentors. This partnership is more than just a sponsorship; it's a commitment. We're proud to stand alongside SCORE in empowering entrepreneurs, believing that when our local Neighbors succeed, we all succeed.



OUR INLINE NEIGHBORS | RIDGEVIEW MARKETPLACE, COLORADO SPRINGS, CO



OUR INLINE NEIGHBORS | ROCKY RIDGE TOWN CENTER, ROSEVILLE, CA

Impact on Our Communities and Neighbors

DEVELOPMENT AND REDEVELOPMENT

In addition to the direct benefits of operating our shopping centers in each of our communities, our centers positively impact the residents of our communities when we reinvest in our centers.

In 2023, PECO completed 13 development and redevelopment projects encompassing a total of 0.2 million square feet with a total investment of $34.1 million. We anticipate that we will continue to spend between $40 million and $50 million on such projects annually at our centers. Not only do these projects provide great retailers and amenities for the local communities, they also create job opportunities for architects, construction professionals and suppliers located in each community to construct the additional retail space.

ECONOMIC IMPACT

In addition to providing goods and services that are indispensable for day-to-day living, our shopping centers offer entrepreneurial and employment opportunities for the local residents that can improve their financial well-being. Given our merchandising mix of essential and necessity-based Neighbors, we believe that our centers will continue to provide the residents of our communities with steady and consistent employment opportunities through any economic cycle.

Our centers indirectly benefit the residents of our communities by maintaining and/or improving the governmental services available in our communities, such as roads, education systems, elderly care, law enforcement and fire protection, etc.

As a result of the continued retailer demand and customer foot traffic at our shopping centers, we expect that the payroll tax collections from employment generated by our centers and sales tax collections from consumer sales at our centers to continue to positively contribute to funding of these governmental services.

Invested $34.1 Million in 13 development and redevelopment projects

Generated $72.5 Million in real estate taxes and approximately $1.0 million in state and local income, franchise and license taxes



BUILD-TO-SUIT DEVELOPMENT — SHASTA CROSSROADS, REDDING, CA



BUILD-TO-SUIT DEVELOPMENT — ATLANTA METRO | LOGANVILLE TOWN CENTER, LOGANVILLE, GA

Engagement With Our Communities and Neighbors

PECO IMPACT

Dedicated to encouraging community involvement and connecting associates to causes important to them.

Our PECO associates are enthusiastic about serving the communities in which they live and PECO operates. PECO IMPACT (formerly known as PECO Community Partnership) is an associate-formed, award-winning program that encourages community involvement and connects our associates to causes they care about. This is not a "top down" approach to community and charitable engagement. **This is an associate-initiated group in which our associates choose community-service or charitable events that they are passionate about and want to serve.** PECO IMPACT has the full support of our executive management team and is one of our key business resource groups with a dedicated executive sponsor as a resource to the associates driving its mission and initiatives.



443 service hours and
15 community service events
sponsored by PECO IMPACT



Associates participated in a park cleanup and revitalization project for Keep Cincinnati Beautiful | Green Man Park, Cincinnati, OH



Associates collected 4,500 snacks for children in foster care, setting a new Company record, for the Family Nurturing Center | Cincinnati, OH



Associates joined the American Heart Association Mini Heart 5K to help fund lifesaving science | Cincinnati, OH



Associates prepared and served approximately 700 meals to families in need at the Ronald McDonald House Taste of Hope | Cincinnati, OH



The Leadership Team packed 200 welcome bags filled with crafts, sncaks, and activity books | Cincinnati, OH

Engagement With Our Communities and Neighbors

VENDOR ENGAGEMENT

PECO has an expansive vendor base as a result of owning and operating a national portfolio of grocery-anchored shopping centers. Most of our vendors perform work at a local level and a smaller portion of our vendors are contracted to support our national platform. Therefore, it is important that our mission and culture extends to our business vendors and contractors as well.

PECO has established ethical standards for our vendors and contractors, outlined in our Vendor Principles and Standards of Conduct, to ensure alignment with our expectations for ethical behavior, environmental responsibility, and social commitments. Our Vendor Principles and Standards of Conduct is available on the Governance page on our website.

PECO's biennial Vendor Engagement Survey was launched in 2023 to better understand our vendor composition around governance, diversity, and the extent to which our suppliers and vendors embrace environmental, social and governance considerations. The next Vendor Engagement Survey is scheduled to take place in 2025.

NEIGHBOR ENGAGEMENT

With a focus on customer satisfaction, PECO's annual Neighbor Satisfaction Surveys play a pivotal role in shaping our operational policies and enhancing the overall customer experience. **Our Neighbor Satisfaction Surveys gauge various indicators, including department responsiveness, shopping center appearance, space adequacy, and future needs.**

In 2023, we engaged an independent implementation expert to improve the quality of our survey questionnaire and assist us in analyzing the responses and results. We take great pride in managing the survey process, and we ensure a PECO representative promptly responds to Neighbors that may raise issues in their survey responses.

GREEN LEASE LEADERS

PECO is once again recognized as a Gold Level Green Lease Leader. Various provisions in our leases are designed to align with our Corporate Responsibility and Sustainability Program's objectives. **During 2023, 92% of our new leases executed have green lease language and 38% of our total portfolio leases have green lease language.**



WINTER WONDERLAND | WINTER SPRINGS TOWN CENTER , WINTER SPRINGS, FL



CHESS TOURNAMENT | NAPERVILLE CROSSINGS, NAPERVILLE, IL

SPOTLIGHT

NEIGHBOR LOYALTY AND SATISFACTION

PECO is dedicated to ensuring the satisfaction of our Neighbors. Through our annual Neighbor Satisfaction Surveys, we measure various performance indicators to establish best practices to ensure our Neighbors' experience with PECO is positive.

In 2023, PECO was proud to achieve a Net Promoter Score (NPS) of 15.5, reflecting a strong level of customer loyalty and satisfaction. The NPS is a market research metric that serves as a barometer for customer experience and a predictor of business growth.

2023 NEIGHBOR SURVEY HIGHLIGHTS*

96%

Overall satisfaction with PECO

94%

Satisfaction with the appearance of our shopping centers

97%

Satisfaction with the response time from PECO team with Neighbor requests

97%

Of Neighbors expressed interest in renewing their lease

*Over 1,600 Neighbors participated

We asked our Neighbors **"why they enjoy being a PECO Neighbor"** and here are some of their responses*:

PHILLIPS EDISON & COMPANY®
PECO | Nasdaq Listed
GROCERY CENTERED. COMMUNITY FOCUSED.



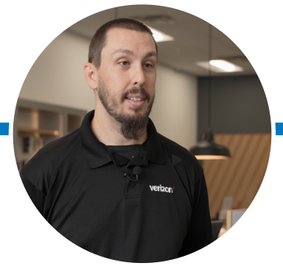
"I think it's great to have a community of businesses working together to build a better community."

HEATHER BOLTON, KIDSTRONG



"Phillips Edison keeps up with the property itself, from the details of the landscaping to the little places to sit and for kids to play, and I love that feel."

ANNA PECHIN, ROBEKS JUICE



"It's nice to know that property management is actively engaged in trying to do more events not just for our business, but for the outreach to the community."

MATT DEGROAT, VERIZON



"I enjoy being a PECO neighbor because of the interaction with the community. There's a lot of events which brings everybody together. "

JOHNSON CHOI, 45 DEGREE TEA



"I really love the sense of community we have here. All the neighbors are really welcoming. There's always something going on here for the people to enjoy the neighborhood."

ALEXIS LANDRIEU, A LA FOLIE



"The best part about PECO is that they actually care. We have seen a lot of great improvements like adding an area in front of our restaurant for customers to sit and hang out."

JONATHON SANTOS, KATRINA'S LATIN BITES & BAR

*Neighbor survey conducted in 2023

Health and Safety at Our Centers

PECO is a fully integrated platform with more than 30 years of operating experience. **Our Locally Smart® property management team has developed an extensive and thorough Property Management Handbook which provides first-class operating guidelines and procedures for our team.** Our property management team conducts frequent (at least monthly) inspections of our shopping centers to assess the general condition of our centers including safety, cleanliness, compliance matters, capital needs, customer amenities, Neighbor operations, and opportunities for common area sustainable practices. We strive to promptly address any inspection issues as quickly as possible to ensure our centers are safe, clean and operational at all times.

In addition, our property management team has developed a robust Incident Response Plan, which is an invaluable tool in times of crisis or emergency. In the event of an emerging situation, DashComm© — our proprietary Neighbor portal — enables swift and effective communication with all our Neighbors, ensuring everyone is informed and prepared.

Further, in 2023, PECO invested meaningful capital expenditures to enhance our shopping centers by upgrading facades, improving landscaping features and efficiencies, and enhancing safety features such as roof hatch entries, vehicular safety improvements, and pedestrian sidewalks.

SPOTLIGHT

INCIDENT RESPONSE TEAM

PECO's partnership with communities also extends to disaster relief efforts, exemplified by our Incident Response Team. This team provides support to Neighbors and communities impacted by disasters as part of PECO's commitment to being there for its Neighbors and communities during challenging times. For example, when Florida was impacted by Hurricane Idalia in August 2023, the PECO team closely monitored the storm's path along with our restoration vendors using advanced tracking software. Through DashComm, our tenant communication portal, we sent timely updates to potentially impacted Neighbors, providing guidance on storm preparations. As the storm approached, our boots-on-the-ground Property Managers and onsite vendors quickly assessed and addressed any damage. To support them, we deployed an additional Incident Response Team comprising of Property Managers and personnel from other markets to assist Neighbors through this challenging time. **These efforts ensured closure periods for our Neighbors were kept under three days.**



HVAC TIEDOWNS



ROOF PARAPETS AND SIGN BANDS FOR WIND LOADS



BRIGHTLY PAINTED GAS LINES ON PEDESTALS

Oversight & Ethics

Our corporate governance framework is built upon the principles of our Core Values and guides our decision-making at every level, driving accountability and ownership throughout our Company.

PECO CORPORATE HEADQUARTERS | CINCINNATI, OH

Our Strategy

We believe that strong governance practices promotes long-term value creation for our stockholders and other stakeholders 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; and**
- **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 of our stakeholders. Please visit our website for access to all of our public filings and the key policies and procedures constituting our corporate governance framework.



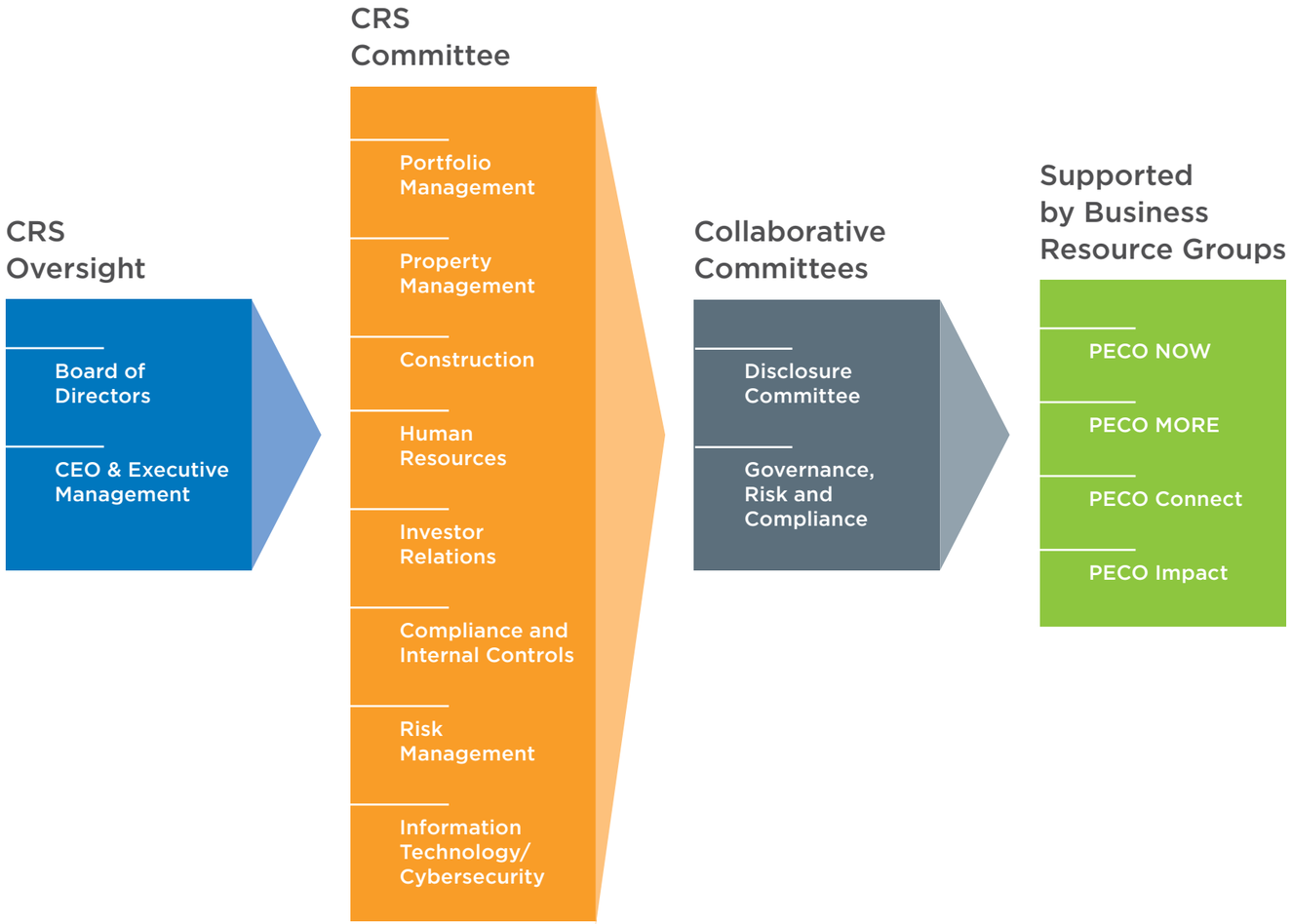
Lead Independent Director, Les Chao, and Chairman and CEO, Jeff Edison

Board & Governance Oversight

Our full Board of Directors oversees our Corporate Responsibility & Sustainability (CRS) program, ensuring the PECO team's accountability to the program's strategic initiatives, goals, and alignment with PECO's Mission. Our General Counsel has primary responsibility for leading our CRS program and provides quarterly updates to the Board on the program's strategic initiatives and progress. Jane Silfen, one of our Directors, is a seasoned expert in energy innovation and sustainability, and serves as a dedicated Board liaison to our General Counsel. She maintains regular communication with the General Counsel and the Board, offering valuable insights into the program's progress.

Management of our CRS program is distributed through various functions within PECO to best support the various initiatives and goals of the program. The CRS Committee is led by senior members of management from our portfolio and property management, construction, human resources, investor relations, compliance and internal controls, risk management and information technology teams. The CRS Committee further collaborates with representatives from our Governance, Risk and Compliance Committee and Disclosure Committee.

Consistently evaluating changes in responsible practices, monitoring industry best practices and regulatory shifts, and providing education and training to relevant stakeholders on corporate responsibility and sustainability strategies and initiatives, the CRS Committee ensures our commitment to responsible and sustainable business practices.





BOARD OF DIRECTORS PICTURED LEFT TO RIGHT: Greg Wood, Steve Quazzo, Liz Fischer, Tony Terry, Jeff Edison, John Strong, Parilee Wang, Jane Silfen, Les Chao

Board of Directors

Our Board of Directors is composed of highly qualified and seasoned individuals who set a high standard for effective corporate governance. Operating through regular board meetings and three standing committees — Audit, Compensation, and Nominating and Governance — all of which are exclusively composed of independent directors, the Board maintains a commitment to transparency and independence. **Our Board also has a Lead Independent Director, Leslie T. Chao.**

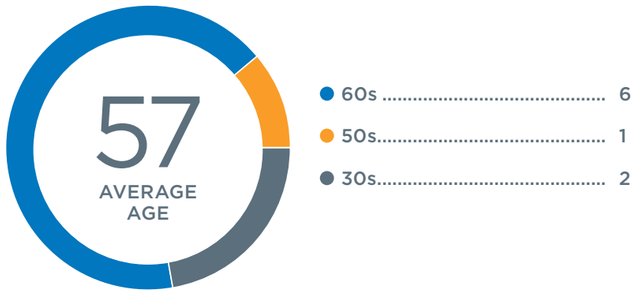
In 2023, our Board consisted of nine (9) directors, with seven (7) designated as independent and two (2) as non-independent. This composition reflects our commitment to a diverse and qualified leadership team. We value both new perspectives and the deep institutional knowledge and experience of longer-tenured directors. Our Board has significant diversity of length of service, reflecting our Board's attention to an effective director refreshment process.

In 2023, each director demonstrated their dedication by attending all Board and committee meetings, including the annual meeting of stockholders. To foster open dialogue, independent directors regularly participate in executive sessions without the presence of management and the non-independent directors. Recognizing the importance of focused commitments, 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.

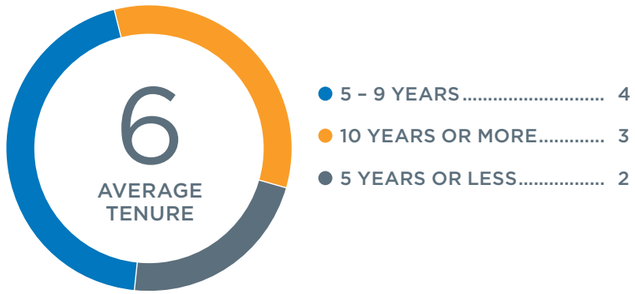


	Leslie T. Chao	Jeffrey S. Edison	Elizabeth O. Fisher	Stephen R. Quazzo	Jane E. Silfen	John A. Strong	Anthony E. Terry	Parilee E. Wang	Gregory S. Wood
Director Since	2010	2009	2019	2013	2019	2018	2023	2023	2016
Experience/ Qualifications									
Business / Strategic Leadership	■	■	■	■	■	■	■	■	■
Real Estate / Retail Industry	■	■	■	■	■	■	■	■	
Corporate Governance	■	■	■	■	■	■	■	■	■
Financial / Accounting	■	■	■	■	■	■	■	■	■
Investment / Capital Markets	■	■	■	■	■	■	■		■
Risk Management or Oversight	■	■	■	■	■	■	■	■	■
Technology / Information Systems / Data and Cybersecurity	■	■				■		■	■
Human Capital Management	■	■	■	■	■	■	■	■	■

AVERAGE AGE



AVERAGE TENURE



GENDER AND ETHNIC DIVERSITY





Corporate Governance

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

These documents are posted on the Governance page on our website.



Board of Directors with Senior Management Team

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, including the Board Diversity Rule
- Direct full Board oversight of Corporate Responsibility and Sustainability Program
- Direct full Board oversight of Enterprise Risk Management Program
- Direct full Board oversight of cybersecurity and information governance
- Annual Board and Committee assessments
- Opted out of the Maryland business combination and control share acquisition statutes
- Stockholder approval required to classify the Board
- Clawback policies adopted
- Stockholder right to amend bylaws by majority vote
- No stockholder rights plan
- Director and executive officer stock ownership requirements
- Prohibition on hedging and pledging stock by executives

Our corporate governance framework has been designed to promote stakeholder trust in our Company and to establish the standards and expectations for our directors, officers, and associates.



Board of Directors with Senior Management Team

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.

CODE OF BUSINESS CONDUCT AND ETHICS

Our Code of Business Conduct and Ethics (Ethics Code) sets the standard for ethical conduct among associates, officers, and the Board of Directors. All associates annually acknowledge in writing their agreement to be bound by the Ethics Code.

Our Ethics Code addresses vital aspects including:

- Recognizing and Reporting Violations
- Non-Retaliation
- Diversity, Equity and Inclusion
- Discrimination and Harassment

Prevention

- Workplace Safety and Health
- Gifts and Entertainment
- Anti-Corruption / Anti-Bribery
- Anti-Money Laundering
- Antitrust and Fair Compensation
- Insider Trading
- Data Privacy and Use of Artificial Intelligence
- Fair Dealing with Third Parties

Competitors

- Political Activity
- Charitable Contributions
- Social Responsibility

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

WHISTLEBLOWER POLICY

At PECO, we encourage associates to report concerns of improper conduct, with our Ethics Code mandating the prompt disclosure of violations through various channels. Our policies and procedures, available on our intranet, facilitate easy reference. Additionally, an anonymous ethics hotline operates 24/7 by an independent third party. Our Audit Committee is kept informed of all reported concerns. Whistleblower procedures are in place to investigate and report complaints, prohibiting retaliation against those reporting in good faith.

VENDORS AND CONTRACTORS

Further, we have established ethical standards for our vendors and contractors, outlined in our Vendor Principles and Standards of Conduct, to ensure alignment with our expectations for ethical behavior, environmental stewardship, and social commitments.

Our Code of Business Conduct and Ethics, Whistleblower Policy, Human Rights Policy and Vendor Principles and Standards of Conduct are available on our website.

ZERO ETHICS CODE VIOLATIONS IN 2023



Emily LeFevre, Vice President, Human Resources | Cincinnati, OH

Risk Management



Aaron Morris, Senior Vice President, Finance and Risk Management Team Lead

PECO's enterprise risk management process is crucial to our strategic approach to achieving robust business outcomes. Under the guidance of our Senior Vice President of Finance, our dedicated Risk Management Team consists of key department leaders, including our Chief Financial Officer, Vice President of Risk Management, General Counsel, Chief Compliance Officer, and Chief Operating Officer.

Our Risk Management Team operates under the oversight of the Board of Directors to ensure the effective implementation of Enterprise Risk Management (ERM) across various crucial stages. The Risk Management Team Lead provides updates on the ERM process to the Board on a quarterly basis, reinforcing our commitment to transparency and accountability.

The ERM assessment identifies, updates, and evaluates key trends and issues across business, finance, environment, technology, and cybersecurity. The subsequent "ERM Scoring and Action Plan" is crafted based on this comprehensive input, evaluating the risk universe, emerging risks, and attributes such as likelihood, impact, and mitigation control strength. This plan integrates with corporate strategic discussions, enabling the incorporation of identified risks and mitigation measures at both departmental and enterprise levels.



DENVER METRO | GOLDEN TOWN CENTER, GOLDEN, CO



DALLAS METRO | MARKET STREET CENTER, COPPELL, TX



LAS VEGAS METRO | SOUTHWEST MARKETPLACE, LAS VEGAS, NV

Cybersecurity

PECO's cybersecurity risk management program is generally based on the National Institute of Standards and Technology cybersecurity framework (NIST CSF) with the intention of preventing, identifying, detecting, and mitigating cybersecurity risks. **Our program focuses on people, processes, and technologies. It includes training of associates, periodic workforce testing, and the deployment and monitoring of leading security solutions and controls.**

Our cybersecurity team, led by our Chief Information Officer (CIO), is responsible for identifying and managing our material risks from cybersecurity threats.

CIO

- Leads overall cybersecurity risk management program
- Supervises the PECO cybersecurity team and external cybersecurity consultants

Our Cybersecurity Team Members

- Have years of experience working in cybersecurity
- Possess industry certifications such as Certified Information Systems Security Professional (CISSP) and Security+
- Pursue advanced degrees and studies in the field
- Participate in regular cybersecurity team meetings with the CIO and provide monthly executive leadership team updates

The Board oversees our cybersecurity program and is briefed quarterly by our cybersecurity team, including the CIO, on cybersecurity risks and initiatives. In addition, the CIO updates the Board as necessary regarding any significant cybersecurity incidents.

The cybersecurity team delivers regular 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. Positive reinforcement is utilized and encourages associates' participation, in addition to required periodic training.

We maintain, internally publish, and annually review our 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, assessments have included the NIST CSF, cybersecurity maturity assessment, and Center for Internet Security Benchmarks to identify opportunities for enhancement.

SPOTLIGHT

CYBERSECURITY TRAINING

In 2023, the cybersecurity team delivered ongoing cybersecurity training to all associates. This included:

154 different
cybersecurity training activities

463 hours
of cybersecurity training

96% of associates
completed cybersecurity training



Allison Lembright, Senior Marketing Manager, Matthew Price, Cybersecurity Intern, Craig Syvertsen, Associate Vice President, Cybersecurity



Craig Syversten, Associate Vice President, Cybsecurity and David Draginoff, IT Cybersecurity Analyst

More About Our Report

FORWARD LOOKING STATEMENT

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," "intend," "anticipate," "estimate," "believe," "continue," "seek," "objective," "goal," "strategy," "plan," "focus," "priority," "should," "could," "potential," "possible," "look forward," "optimistic," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. 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 2023 Annual Report on Form 10-K, filed with the SEC on February 12, 2024, 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. 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.

REPORTING BOUNDARY APPROACH

PECO has calculated and reported environmental sustainability data in accordance with the Operational Control Approach as defined in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The company used the operational control approach based on alignment with PECO's business model as a real estate owner and operator, availability of data, relevance to our stakeholders. For this report, PECO defines scope 1 (direct) emissions to include combustion of fuel from owned or controlled back-up generators, corporate jet fuel, and fugitive emissions from controlled HVAC. Scope 2 (indirect) is defined as energy consumption related to exterior parking lot lighting, common area and building lighting, vacant tenant spaces, and our corporate offices. Due to Scope 3 emissions covering those emissions outside of our control we currently do not track or include estimates in this report.

DATA MANAGEMENT AND METHODOLOGY

At PECO we strive to provide our stakeholders with the most accurate, relevant, and timely sustainability and corporate social responsibility data. Throughout 2023, we focused on improving our data governance and coverage by refining our collection, scope, and controls processes. The result of these good faith efforts has seen an increase in data quality and, in some cases, an increase in the absolute value of emissions versus the previous reporting year. Additionally, some data reported in this report are based on reasonable estimations made by PECO and our partners to calculate the emissions based on data availability and quality. These estimates are aligned industry best-practices and reporting standards, and do not reflect any omission by PECO. We will continue to evaluate and improve our data coverage and alignment with greenhouse gas accounting, best practices, and reporting requirements, which may entail future adjustments and refinement to our processes and approach.



LAS VEGAS METRO | SOUTHWEST MARKETPLACE, LAS VEGAS, NV



SACRAMENTO METRO | ROCKY RIDGE TOWN CENTER, ROSEVILLE, CA

GRI Index

GRI STANDARD	DISCLOSURE	PECO RESPONSE
GRI 2: General Disclosures	2-1 Organizational details	PECO Overview
	2-2 Entities included in the organization's sustainability reporting	About Our Report
	2-3 Reporting period, frequency and contact point	Reporting Period: January 1st, 2023 - December 31st, 2023 Contact: Ryan Knudson, VP, Corporate Responsibility
	2-4 Restatements of information	None
	2-5 External assurance	None
	2-6 Activities, value chain and other business relationships	Annual Report/10-K
	2-7 Employees	People & Culture
	2-8 Workers who are not employees	People & Culture
	2-9 Governance structure and composition	Board & Governance Oversight
	2-10 Nomination and selection of the highest governance body	Board & Governance Oversight and Proxy Statement
	2-11 Chair of the highest governance body	Proxy Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	Board & Governance Oversight and Our Board of Directors
	2-13 Delegation of responsibility for managing impacts	Board & Governance Oversight
	2-14 Role of the highest governance body in sustainability reporting	Board & Governance Oversight
	2-15 Conflicts of interest	Driving Ethical Behavior
	2-16 Communication of critical concerns	Board & Governance Oversight
	2-17 Collective knowledge of the highest governance body	Board & Governance Oversight
	2-18 Evaluation of the performance of the highest governance body	Proxy Statement
	2-19 Remuneration policies	Proxy Statement
	2-20 Process to determine remuneration	Proxy Statement
	2-21 Annual total compensation ratio	Proxy Statement
	2-22 Statement on sustainable development strategy	Development & Redevelopment
	2-23 Policy commitments	Business Code of Conduct
	2-24 Embedding policy commitments	Board & Governance Oversight
	2-25 Processes to remediate negative impacts	Board & Governance Oversight
	2-26 Mechanisms for seeking advice and raising concerns	Board & Governance Oversight
	2-27 Compliance with laws and regulations	Board & Governance Oversight
	2-28 Membership associations	International Council of Shopping Centers (ICSC) Institute of Real Estate Management (IREM) National Association of Real Estate Investment Trusts (NAREIT) GRESB
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, Community
	2-30 Collective bargaining agreements	Not applicable

GRI Index CONTINUED

GRI STANDARD	DISCLOSURE	PECO RESPONSE
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 Corporate Responsibility include: Energy Consumption Greenhouse Gas Emissions Water Consumption Waste Diversion Sustainability Education Construction Sustainable Practices Associate Engagement DEI 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	2023 10-K pages 29 - 45
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Board & Governance Oversight
	205-2 Communication and training about anti-corruption policies and procedures	Board & Governance Oversight
	205-3 Confirmed incidents of corruption and actions taken	None
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 302: Energy 2016	302-1 Energy consumption within the organization	144,552 GJ
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Conservation
	303-5 Water consumption	1,818,159 m^3
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated	73,176 tons
	306-4 Waste diverted from disposal	14,611 tons
	306-5 Waste directed to disposal	58,565 tons

GRI Index CONTINUED

GRI STANDARD	DISCLOSURE	PECO RESPONSE
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	27 and 22
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Associates working 30 hours or more per week are eligible for the following benefits during the reporting period • Medical Insurance – cost sharing by employee and employer • Dental Insurance • Vision Insurance • Health Savings Account • Flexible Spending Account • Health/ Wellness Programs – employer funded annual health screenings, flu shots, mammograms, wellness incentive HSA contributions • Short Term disability insurance – employer funded for employees • Long Term Disability Insurance- employer funded for employees • Group Life Insurance – employer funded for employees • Supplemental Life Insurance • 401K Match • Performance Bonus • Long Term Incentive Plan • Employee Assistance Program • Tuition Reimbursement • Parental Leave • Critical Illness Insurance • Accident Insurance
	401-3 Parental leave	Associates working at least 30 hours a week are eligible for parental leave. Maternity leave - PECO offers 12 weeks of maternity leave, with the first 6 weeks at 100% paid time off of the Associate's weekly basic income, and the last 6 weeks 50% paid time off of the Associate's weekly basic income. 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.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	PECO is in compliance with all applicable laws regarding workplace safety.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People and Culture
	404-2 Programs for upgrading employee skills and transition assistance programs	Learning and Career Development
	404-3 Percentage of employees receiving regular performance and career development reviews	All PECO employees are eligible to participate in regular performance and career development reviews.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community

Sustainability Accounting Standards Board (SASB) Index

TOPIC AREA	CODE	SASB ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	
Real Estate Services Activities - Relevant Metrics					**PECO RESPONSE**
Energy Management	130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	Percentage (%) by floor area	20% data coverage for entire portfolio. We have over 95% coverage for landlord-controlled energy areas, which primarily consists of outdoor and indoor lighting. Landlord-controlled area square footages were estimated based on the GRESB-provided ratios of gross leasable area to common area for PECO's asset types.
	130a.2	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, by property subsector	Quantitative	Gigajoules (GJ), Percentage (%)	(1) 144,552 (2) 99% (1965.6) (546 MWh) 2023 GHG Inventory (3) 1% (1.36%)
	130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	1.1%
	130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and Analysis	n/a	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). As of the end of 2023, 173 of our shopping centers received IREM CSP certification. For additional information see pages 22-30 in our CR Report.
Water Management	140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	Percentage (%) by floor area	(1) 39% data coverage for entire portfolio. We have over 97% coverage for landlord-controlled water areas, which primarily consists of irrigation. Landlord-controlled area square footages were estimated based on the GRESB-provided ratios of gross leasable area to common area for PECO's asset types. (2) PECO has not yet calculated the percentage of properties in regions of water stress.
	140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	Thousand cubic meters (m3), Percentage (%)	(1) 1,818,159 m^3 (2) PECO has not yet calculated the percentage of properties in regions of water stress.
	140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	-9.40%

Sustainability Accounting Standards Board (SASB) Index CONTINUED

TOPIC AREA	CODE	SASB ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	
Real Estate Services Activities - Relevant Metrics					**PECO RESPONSE**
Water Management (continued)	140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	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 page 28 of our 2023 CR Report.
Management of Tenant Sustainability Impacts	410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	Percentage (%) by floor area, Square feet (ft2)	(1) PECO's standard green lease language contains a cost recovery clause for resource and efficiency related capital improvements. PECO earned the 'Gold' Green Lease Leader designation in 2023. (2) Around 35% of our portfolio square footage is covered by leases with sustainability-related clauses.
	410a.2	Percentage of tenants that are separately metered or sub metered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Quantitative	Percentage (%) by floor area	PECO has submetered around 30% of its portfolio for electricity and water.
	410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Quantitative	n/a	PECO created a 'Neighbor Sustainability Guide' to encourage and inform Neighbors of sustainability initiatives at our properties. PECO also utilizes green lease clauses in our lease template and is a 'Gold' Green Lease Leader.
Climate Change Adaptation	450a.1	Area of properties located in 100-year flood zones, by property subsector	Quantitative	Square feet (ft2)	PECO aims to avoid major flood zones and assesses flood zones during the due diligence process of a property. 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.
	450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and Analysis	n/a	PECO performs regular maintenance on all properties to better protect the portfolio from unexpected climate impacts, in addition to having emergency response plans in place. PECO also monitors the regulatory landscape for changes that may impact the portfolio. In 2023 PECO conducted a climate scenario analysis on its portfolio and found the largest potential risks to PECO properties may be heat waves and river flooding.

Sustainability Accounting Standards Board (SASB) Index CONTINUED

TOPIC AREA	CODE	SASB ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	
Activity Metrics					**PECO RESPONSE**
	000.A	Number of assets, by property subsector	Quantitative	Number	PECO has 281 wholly-owned properties and 20 properties associated with our unconsolidated joint venture for the period ending 12/31/2023
	000.B	Leasable floor area, by property subsector	Quantitative	Square feet (ft2)	Our total leasable floor area (including our 20 JV properties) is approximately 34 million square feet for period ending 12/31/2024.
	000.C	Percentage of indirectly managed assets, by property subsector	Quantitative	Percentage (%) by floor area	PECO has 0% indirectly managed assets, with the acknowledgment that PECO has some control over all assets, although the scope of this control varies.
	000.D	Average occupancy rate, by property subsector	Quantitative	Percentage (%)	In 2023, PECO had an average occupancy rate of 97.4%.

Task Force on Climate-Related Financial Disclosure (TCFD)

PILLAR	TOPIC	
GOVERNANCE - Oversight of climate-related risks and opportunities		**PECO RESPONSE**
a) Board's oversight of climate-related risks and opportunities	Process and frequency	Board & Governance Oversight Climate Risk Management
	Influence on business planning and goals	Climate Risk Management Risk Management
	Assessment of progress against goals	Climate Risk Management Risk Management
b) Management's role in assessing and managing climate-related risks	Responsibilities for climate-related risk	Board & Governance Oversight Climate Risk Management
	Description of organizational structure	Board & Governance Oversight
	Process of communication	Board & Governance Oversight
	Process for monitoring climate-related risk	Board & Governance Oversight Risk Management
STRATEGY - The actual & potential impacts of climate-related risks and opportunities on the organization		
a) Short, medium and long-term climate-related risks	Description of time horizons	Climate Risk Management
	Specific risks that could be material for each time horizon	Climate Risk Management Risk Management
	Process to determine material risks	Climate Risk Management Risk Management
b) Impact on business, strategy and planning	Impact on business and strategy	Climate-related events may result in uninsured or under-insured losses, and extreme weather events have the potential to cause property damage and business interruption.
	Impact on financial planning, timing and prioritization	Risk Management
	How risks are integrated into current decision-making and strategy formulation	Climate Risk Management Risk Management
c) Resilience of strategy using 2-degree or lower scenarios	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Risk Management Risk Management
RISK MANAGEMENT - The process used to identify, asses and manage climate-related risks		
a) Process to assess climate-related risks	Risk management process	Climate Risk Management Risk Management
	Existing and emerging regulatory requirements	Climate Risk Management Risk Management
	Process for assessing size and scope of risk	Climate Risk Management Risk Management

Task Force on Climate-Related Financial Disclosure (TCFD) CONTINUED

PILLAR	TOPIC	
RISK MANAGEMENT - The process used to identify, asses and manage climate-related risks (continued)		
b) Process to manage climate-related risks	Describe the organization's processes for managing climate-related risks.	Climate Risk Management Risk Management
c) Integration of risk process into overall risk management	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate Risk Management Risk Management
Metrics and Targets - Used to assess and manage relevant climate-related risks and opportunities		
a) Metrics used to assess climate-related risk	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	PECO Overview, Company Goals GHG Emissions Climate Risk Management Risk Management
b) Scope 1 & Scope 2 emissions	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	GHG Emissions Climate Risk Management Risk Management
c) Describe targets used	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	PECO Overview, Company Goals Climate Risk Management Risk Management