

SUSTAINABILITY AT FEDERAL REALTY

GROWTH AND SUCCESS THROUGH ENVIRONMENTAL, SOCIAL AND GOVERNANCE LEADERSHIP.

Federal Realty Investment Trust is committed to addressing the impact of our company through our environmental, social and governance (ESG) priorities. Our environmental practices are reflected in the way we develop and manage our properties; from our efforts to minimize and reduce environmental impact through energy and resource-efficient buildings in transit-oriented locations, to investing in renewable energy sources, to creating places that promote health and well-being throughout our portfolio.

ENVIRONMENTAL RESPONSIBILITY

SUSTAINABLE DEVELOPMENT

From new developments to the adaptive re-use of existing buildings, our projects reflect our commitment to sustainability and to creating places that better the community and enhance the quality of life for residents, tenants, employees and visitors.

- Since 2012, we have invested over \$1.9 billion in construction projects that have achieved or are on track to achieve a LEED certification by the US Green Building Council.
- We use energy modeling to understand the impact of design decisions on projected energy use and commissioning is undertaken to ensure that the designed energy efficiencies are achieved.
- We prioritize water quality in site and building design to improve stormwater through green roofs and rain gardens.

SHOPPING CENTER OPERATIONS

Through engagement with all stakeholders, including employees, tenants, vendors, local governments and the community, we continually measure the impact of our actions, search for opportunities for improvements and identify ways to advance environmental performance.

Energy Management

Reducing energy usage is not only positive for the environment—it makes good business sense that creates value for our stakeholders.



The 24-acre Pike & Rose neighborhood in North Bethesda, MD and the entirety of its buildings are LEED-certified.

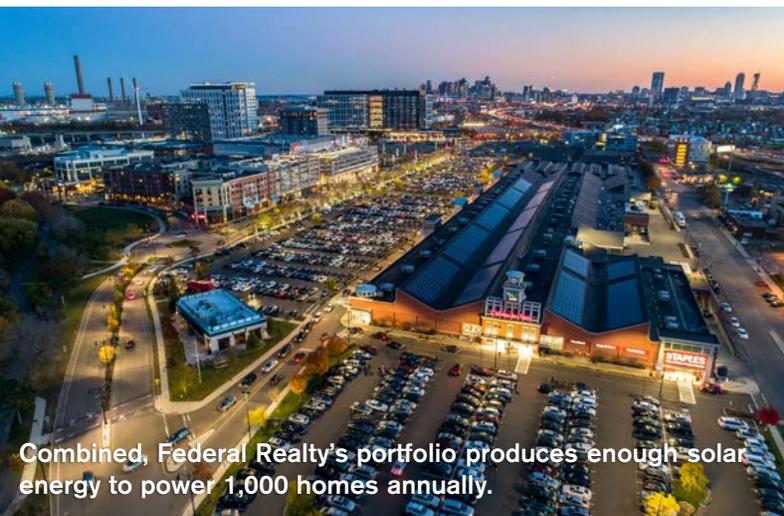
From installing LED lights at our properties for 50%–70% in energy savings to installing rooftop solar systems that produce clean, renewable energy on site, we measure and manage our energy consumption, which also helps drive smart business investments.

Energy Efficiency

- LED lighting technology installed at 60% of our properties.
- Upgrading and enhancing building automation and controls equipment.
- Implementation of data systems to continually monitor and analyze energy trends.
- Regular performance of internal and external energy audits and retro-commissioning.

Renewable Energy

Federal Realty was an early adopter of developing, owning and operating rooftop solar. Since 2010, we have made investments of nearly \$38M dollars in 25 solar photovoltaic



Combined, Federal Realty's portfolio produces enough solar energy to power 1,000 homes annually.

systems with an additional \$5.5 million currently being invested in 7 more solar arrays.

- With 13.3 MWdc of roof top solar installed at 30% of our properties, Federal Realty is a leader amongst U.S. corporations for utilizing our locations to generate renewable energy.
- Generating nearly 17 million kWh of electricity on an annualized basis, Federal Realty's solar portfolio produces enough electricity to power 1,000 homes for a full year.

Water Efficiency

- In 2018, our year-over-year water consumption was reduced by 37 million gallons.
- Real-time consumption meter reading technology that eliminates unnecessary water use at nearly half of our portfolio.
- Construction and design requirements for low-flow and water-efficient fixtures.
- Use of advanced monitoring technology to reduce process water consumption for air conditioning systems while extending the life expectancy of the capital investment.
- Landscaping with native, adaptive and drought-tolerant plants enhanced by smart controls to reduce irrigation needs.

Waste Reduction

Minimizing our environmental impact takes many forms, including our commitment to reducing waste and maximizing landfill diversion—from construction all the way through the ongoing operation of our shopping centers.

- Throughout our construction activities, recycling has been in excess of 90%. Recycling is required in our contracts as part of FRIT's Green Box® standards.
- Hosting book and clothing donation bins.
- Collection of restaurant oils to be re-used for bio-diesel production.
- Active management of the waste streams that includes using the right equipment, deploying technology for data intelligence and ongoing coordination with our tenants to increase landfill diversion rates.

Green Leasing

Our leases contain clauses that primarily focus on shopping center operations and maintenance issues such as chemical use, indoor air quality, energy efficiency, water efficiency, recycling programs, exterior maintenance programs, and system upgrades to ensure that landlord and tenant have established, accountable environmental standards.

RECOGNITION & REPORTING

- Federal Realty was recognized as a Green Lease Leader Gold by the Institute for Market Transformation and the U.S. Department of Energy (DOE)'s Better Buildings Alliance for our high-performance leasing practices which drive shared energy savings and sustainability benefits in buildings.



Native and drought-tolerant landscaping at The Point in El Segundo, CA

- Since 2015, Federal Realty has been reporting to GRESB, the leading ESG Benchmark for real assets. In this year's results, we achieved 2nd place in our peer group, ranked among the top 10% worldwide on incorporating sustainability into new construction and renovations, and were awarded Green Star recognition with 4 out of 5 stars for the 4th consecutive year.



INNOVATIVE PARTNERSHIPS

Up Top Acres

In partnership with Up Top Acres, The Farm at Bethesda Row became one of the first conversions of an existing green roof to an urban rooftop farm in 2015.

Building on the success of our first farm, we converted a half-acre green roof above one of the residential buildings at our Pike & Rose project into the largest rooftop farm in the mid-Atlantic. The 20,000 lbs. of produce grown there annually enable the local community to connect with the built environment through a Community Supported Agriculture program where subscribers, that include residents, restaurant tenants and office workers, receive weekly deliveries of the farm's harvest.



The Farm at Pike & Rose is a productive agricultural site growing greens, root vegetables, tomatoes and more.



Summer yoga series at Pentagon Row in Arlington, VA

Best Bees

In 2019, we launched a partnership with Best Bees and three of our Northeast properties became home to colonies of Italian honeybees. The harvested honey is often incorporated into our restaurant tenants' menus, while the beehives serve as data points that contribute to scientific research to improve the health and safety of bees nationwide.

SOCIAL RESPONSIBILITY

HEALTHY INFRASTRUCTURE

We strive to support physical and emotional well-being through infrastructure that includes biophilic design features that reconnect us with nature, wider sidewalks that inspire visitors to take a stroll, and bikeshare stations and trails that promote active lifestyles—consistently inspiring wellness in the daily routines of our residents, customers and employees.

Many of our properties feature thoughtfully designed gathering spaces such as open green areas where concerts are held, and communal tables and outdoor living rooms where friends and families gather. In addition, ice rinks, splash pads and other seasonal installations are often available for customers of all ages to enjoy. Although many of our customers may not realize the importance of open space and active areas, the collaboration and connections fostered by them are proof that bringing people together fortifies a sense of belonging and happiness.

QUALITY WORKPLACES

EMPLOYEE ENGAGEMENT

We gauge our employees' engagement through an employee engagement survey every other year. Feedback from our employees is crucial to our success, and this survey allows us to measure how well we are performing. In the results of our last survey, we are proud to say that we ranked higher than the benchmark for all major categories of engagement.

- Learn@FRIT, our internal learning management system, contains a myriad of e-courses, books, and audiobooks available to everyone in the company.
- We want our employees to understand how well they are doing and how they can improve. To encourage a culture of feedback, we provide annual performance reviews that give employees the opportunity to receive formal feedback from their managers along with development plans that help them align their training and development with their career goals. In addition to the annual reviews, we have implemented quarterly check-ins to keep continuous feedback top-of-mind.
- To further encourage our employees to continue acquiring knowledge to grow their careers, Federal Realty offers a tuition reimbursement program open to all employees.

HEALTH & WELLNESS

- We have a dedicated Health & Wellness section on our



At Assembly Row, 'Bloom' was developed by Artists for Humanity, a nonprofit that employs underserved students.

PHILANTHROPY

In addition to our commitment to community engagement, we prioritize giving back to the communities our properties call home. Through the years, we have partnered with several local charities within our communities to provide time, funding and donations to support our neighbors and contribute to causes important to our employees. Some examples include:

- Our Philadelphia office has volunteered over 450 hours of their time at Philabundance's Hunger Relief Center, where they help pack and sort donated food and prepare it for distribution to our neighbors in need every year.
- Through One Warm Coat, our Santana Row property in San Jose, CA hosts an annual holiday coat drive which has collected over 75,000 coats during the 16-year partnership.
- In Rockville, MD, through our corporate match program our office makes an annual donation, which is matched dollar for dollar by the company to that year's designated organization; such recipients have been the National Multiple Sclerosis Society, the Leukemia & Lymphoma Society, Make a Wish Foundation, Autism Speaks, and many more.

PHILABUNDANCE

MS National Multiple Sclerosis Society

LEUKEMIA & LYMPHOMA SOCIETY

AUTISM SPEAKS

MAKE-A-WISH



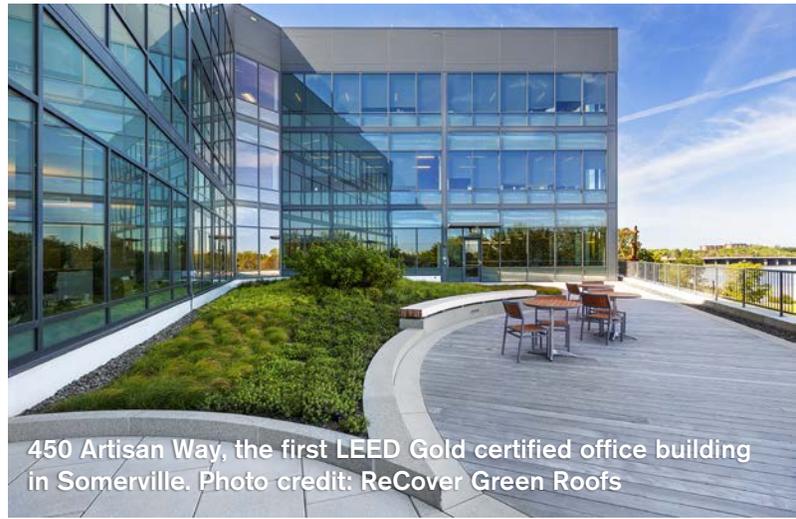
A manmade 'beach' and a public park serve as community-gathering spaces where friends and families congregate.

our company intranet that includes tips on how to best manage stress, healthy meal recipes, and other health and nutrition advice. In addition to this digital resource, we periodically offer in-person nutrition classes.

- Our Employee Assistance Program provides our employees and their loved ones with assistance and advice on life planning, financial counseling, legal resources, and emotional counseling and support.
- To encourage health and fitness, Federal Realty provides reimbursement for gym memberships and exercise classes.

EMPLOYEE SAFETY

- We work to ensure that we have a safe working environment for our employees. To do so, we have developed an Employee Action Plan handbook to help employees deal with a variety of different crises and have designated CPR and AED-certified captains throughout our offices to assist with emergency situations.
- We are committed to providing a respectful and motivating work environment, free from discrimination and harassment. As part of this commitment, our workplace harassment prevention training is mandatory for all employees.



450 Artisan Way, the first LEED Gold certified office building in Somerville. Photo credit: ReCover Green Roofs

CORPORATE GOVERNANCE

Federal Realty is committed to operating under corporate governance policies that are designed to promote the long-term success of the company. From our more than two decades of having a significant portion of women on our leadership team to ensure diverse perspectives in decision making to our annual election of Trustees, our Board believes that ethical and best in class business practices such as these are the foundation for creating long-term shareholder value and for continuing our track record of increased annual dividends which now stands at 52 years.

BY BALANCING ENVIRONMENTAL, SOCIETAL, AND ECONOMIC PRIORITIES WITH INNOVATION, CREATIVITY, AND RESOURCEFULNESS, WE SEEK TO CONTINUOUSLY CHALLENGE THE WAY BUILDINGS IMPACT THE PLANET.