

# A Sustainable Mindset.

2019 CORPORATE RESPONSIBILITY REPORT





# Letter from our CEO.

When we think about ESG at Federal, we see it as an integral part of our DNA, one that has helped us build a truly sustainable business— with no better indicator than our 52-year record of increased annual dividends to our shareholders, an unmatched record in the REIT industry that puts us in the company of less than 30 other publicly traded U.S. companies.

With our inaugural sustainability report, we hope to provide more context around our ESG efforts, including the sustainable principles we apply to our developments and capital investments, the efficient way we operate our properties, and our social programs aimed at supporting our employees and the communities we serve.

It starts with our portfolio of assets, where our focus during our more than 50-year history has been on owning high-quality properties in population dense locations; it is the focus of our development efforts on reinventing and reinvesting in our properties; it includes our long-standing belief that investing in placemaking is the foundation for creating an enduring bond with our communities; and it is prioritizing our people to provide them with the best opportunities to learn and grow in a healthy environment. Federal can weather accelerating changes in the retail landscape and consumer expectations.

As the world has evolved, so have we. Thinking about how to better develop and operate our properties is a natural way of doing business for us and has always been embedded in our decision-making. It's what led us to introduce solar power into our properties more than a decade ago. Combined with the LED lighting upgrades at 60% of our properties, energy efficiency has been a long-standing priority. We've invested \$1.4 billion in efficient buildings that have either earned LEED certification or are on track to do so. We concentrate on water conservation and waste diversion, not because it is the popular thing to do, but because it is the right thing to do. The list goes on, but the results are clear—at Federal, environmental, social and financial sustainability go hand in hand.

We see the accomplishments outlined in this report not as the end goal but as the groundwork for continuous improvement—in 2020 and for years to come.



A handwritten signature in black ink, which appears to read "Donald C. Wood". The signature is stylized and fluid.

**Donald C. Wood**

President and Chief Executive Officer

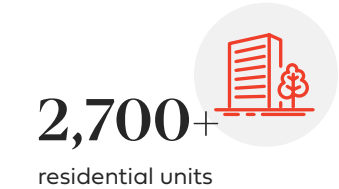
# About Federal.

Federal Realty Investment Trust (Federal) is a recognized leader in the ownership, operation, and redevelopment of high-quality retail-based properties located primarily in major coastal markets from Washington, D.C., to Boston, as well as San Francisco and Los Angeles. Founded in 1962, Federal’s mission is to deliver long-term, sustainable growth through investing in densely populated communities where retail demand exceeds supply. Our expertise ranges from small neighborhood shopping centers to urban, mixed-use neighborhoods and everything in between. We invest in retail-based locations that have the best prospects of delivering sustainable growth and increasing in value over the long term.

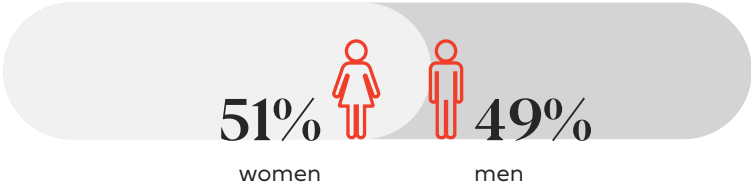
We understand that past success does not guarantee success in the future. That is why we continually reinvest in our properties as the environment and business climate change. We adapt to changes in the communities in which we operate. We partner with forward-thinking tenants. We prioritize doing what we can today to position our properties and our business to be relevant and successful five, 10, and 15 years from now. Sometimes that involves converting a car-centric shopping center with a sea of parking into a mixed-use, transit-friendly destination that combines retail, residential, and office uses with inviting public parks and gathering spaces as we did with Pike & Rose, Assembly Row, and Santana Row. Sometimes it is as simple as creating an engaging public space at a shopping center with an exciting tenant lineup that makes the property the destination of choice for the surrounding community, as we did with Plaza Del Mercado in Silver Spring, MD, and Willow Lawn in Richmond, VA. Other times it is simply improving the operations of properties that remain a mainstay in the community. As a fully integrated U.S. retail real estate company, we are confident in our ability to provide a sustainable real estate portfolio, no matter the circumstance.



## PORTFOLIO



## PEOPLE



# Sustainability at Federal.

At Federal, sustainability is not a separate function carried out by a handful of professionals. Rather, it is a mindset that permeates our company from top to bottom. We define sustainability broadly to include environmental, social, and governance (ESG) matters that can materially impact the long-term success and value of the company. Sustainability in its broadest sense is simply our way of doing business.

## Why it Matters

### Sustainability Improves Asset Longevity

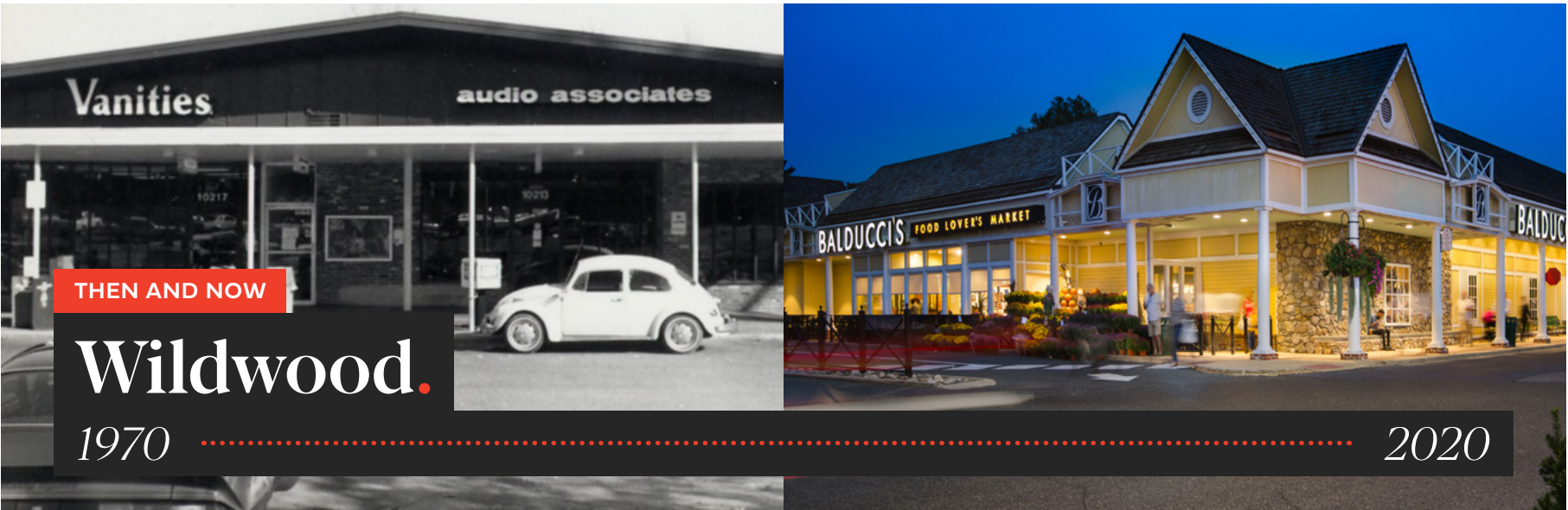
Thoughtfully designed and constructed buildings combined with smart management of day-to-day operations increases the lifespan of our properties, ensuring they are built to last and stand the test of time. This is truly important for us as a long-term owner of real estate, as nearly a quarter of our properties have been in our portfolio for more than 30 years.

### Sustainability Increases Value

Introducing technologies and practices that better manage energy, water, and waste reduces our operating costs, which in turn creates more value for our tenants and shareholders while lessening the impact of our business on the environment.

### Sustainability Creates Connection

Tailoring the property experience to the unique needs and desires of the local community positions our properties to be part of the fabric of that community, not just a place to transact business.





# Our Strategy.

Financial, environmental, and social sustainability are intrinsically linked. This belief guides the way we invest, build, and operate, beginning with our initial investment decision to acquire a property and continuing through the entire lifecycle of the property. Our approach to sustainability has four pillars:



**Investing with an Eye to the Future**



**Operational Excellence**



**Social Responsibility**



**Effective Governance**







## OUR STRATEGY

# Investing with an Eye to the Future.

Federal approaches all investment decisions through a long-term lens. Our longstanding governance structure requires that all but de minimis investments undergo a rigorous approval process through our Investment Committee and/or Board of Trustees. All of the financial and physical aspects of the property or other investment are debated at length before we allocate our shareholders' capital to the proposed investment. We evaluate the prospects for the investment to deliver sustainable long-term increases in cash flow and value. For newly acquired properties or partnerships, that requires an understanding of the environmental and physical condition of the property, the property's exposure to climate-related risks, whether the property and the tenancy serve the needs of the community, and whether any potential partner shares our view of real estate being owned and operated to be sustainable for the long term. When the investment requires significant construction, we carefully consider the materials incorporated into the property and methods used to complete the construction. This approach is well vetted and thorough to ensure we are investing in properties that will be successful in the long term.



In 2017, we formed a partnership with Primestar Development, a Los Angeles-based owner and developer of premier retail properties serving the urban Latino communities of Southern California. Primestar shares our vision for owning and operating real estate that is sustainable in every sense of the word for the long term, as exemplified by azalea Shopping Center in South Gate, CA. This successful shopping center replaced a blighted industrial site, delivered tenants requested by the community, serves as a hub for community activity with its outdoor plaza, exhibits sustainable features like a living wall, and provides nearly 1,200 jobs, with 84% of those positions being local hires.



## OUR STRATEGY

# Investing with an Eye to the Future.

## Development

We make significant investments in our own assets, re-imagining them in ways both big and small and making them sustainable for the long term. We focus our development on adding to or adaptively reusing our existing properties, not on greenfield development. In some cases, this has required significant environmental remediation, resulting in the re-imagination of entire communities, as evidenced at Assembly Row ([see case study on page 7](#)). We approach each new development thoughtfully and purposefully, with a focus on building the right product for the unique local market. We engage with the local community to understand who they are and what matters to them so that we design and build a product that not only serves the neighborhood but also enriches it over decades and generations. We focus on creating places that are both enduring and endearing—providing memorable, resilient, and immersive gathering places that support efficient operations and resonate with the community.

Using innovative and sustainable practices in the design and building process is a central part of this development strategy. We believe that building for the long term means adopting green building best practices, supporting sustainable design and construction, and making our properties resilient to natural disasters and the impacts of climate change.

Key components of our development process include:

- **Resilience:** Decision-making that takes into account climate and weather risks
- **Materials:** Environmentally responsible use of materials and practices
- **Water:** Site and building design to reduce stormwater runoff through green roofs, rain gardens, and Silva Cell systems
- **Energy:** Energy modeling and commissioning to manage energy impacts of design
- **Education:** Briefings for development and construction teams on current best practices in sustainable design and green building

## \$1.4B

invested in projects that have achieved LEED certification or are on track to do so



## 14

completed LEED certified buildings



## First

U.S. REIT-owned LEED for Neighborhood Development Stage 3 Gold certified project in the U.S.



RECENT REDEVELOPMENT  
Tower Shops | Davie, FL



# Assembly Row: *Transforming a Region*



From decaying industrial buildings and brownfields to a vibrant, transit-oriented neighborhood, Assembly Row in Somerville, MA, exemplifies our sustainability ethos and our approach to thoughtful investment decisions. It is home to over 70 retailers and restaurants, 1,700 residents, and 6,000 office workers. Most importantly, it sustains and supports its community holistically.

## Reimagining the Neighborhood

Prior to becoming Assembly Row, this site served as a Ford Motor Company assembly plant and steel factory, and the nearby Mystic River had become an outlet for waste. Federal made significant investments in environmental remediation and infrastructure to transform the project into the healthy urban community that it is today.

## Sustainable Development

Green spaces and community and wellness focused tenants host more than 100 events a year to promote health, productivity, and quality of life. Assembly Row is also home to the first Somerville office building to achieve LEED Gold status and has one of the USGBC's top 10 green roofs in Massachusetts.

## Solar Energy

The on-site rooftop solar array produces over 875,000 kWh of electricity, reducing greenhouse gas emissions by 1.3 million pounds of CO<sub>2</sub>.

## Best Bees

Assembly Row hosts bee colonies and one of our restaurant tenants incorporates the hyper-local honey into menus and special offerings.

## Public Transportation

Federal partnered with Massachusetts and Massachusetts Bay Transportation Authority to develop the Assembly T Station, estimated to service about 5,000 riders a day by 2030.





## OUR STRATEGY

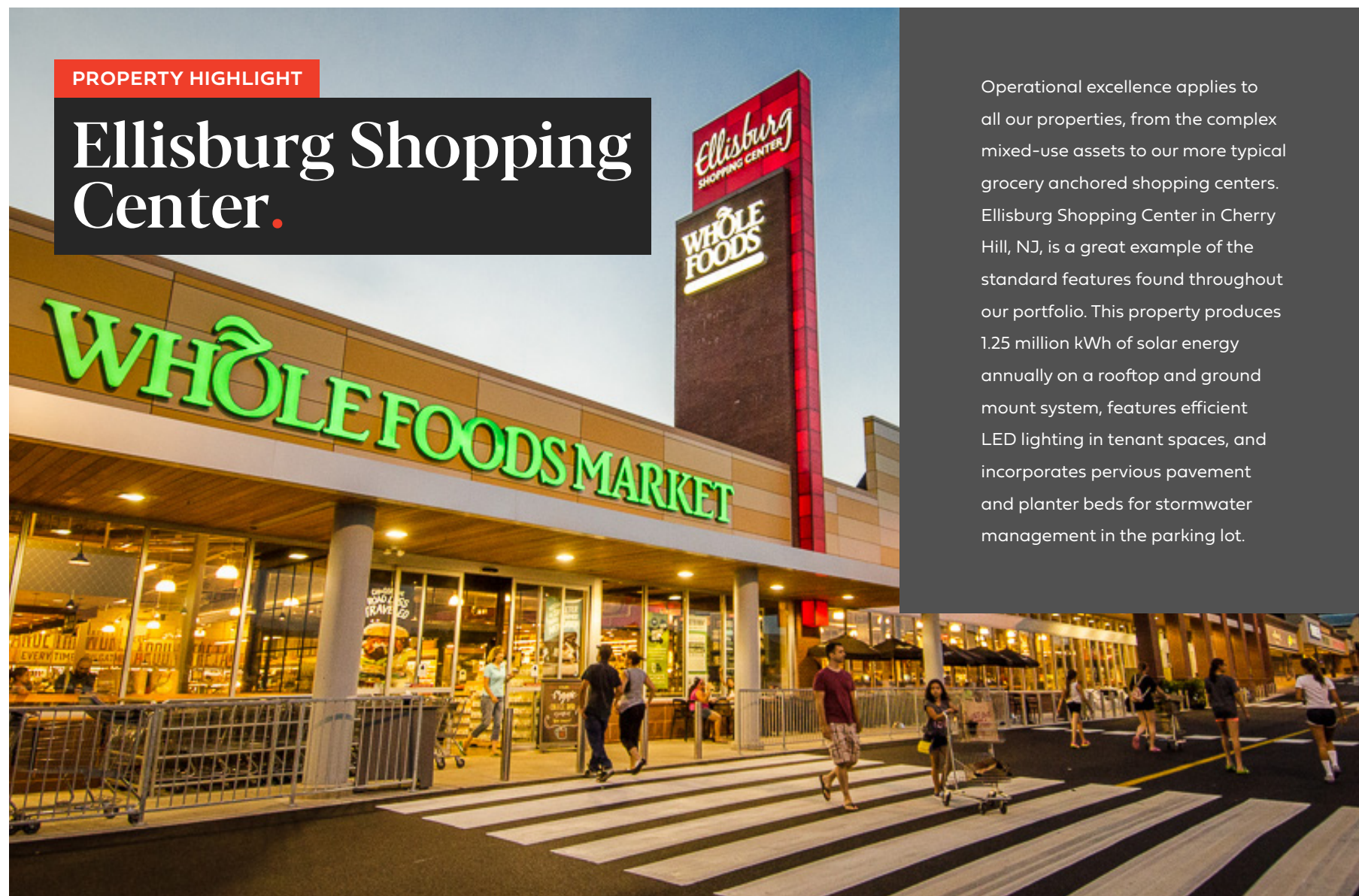
# Operational Excellence.

Operational excellence is at the heart of Federal's business model. We maintain a culture of continuous improvement focused on finding opportunities to reduce costs, improve performance, and enhance the tenant and consumer experience. This results in our properties—some of which we have held for more than 50 years—maintaining relevance throughout their lifecycles.

This philosophy led Federal to become a leader in sustainable practices before ESG criteria reached the mainstream. Sustainability is embedded in the way we manage the resources used at our properties, monitor ongoing operational performance, and ensure tenants and vendors operating on site are meeting our standards. From big investments in innovative energy technologies to small changes in property management practices, we work to improve every day. We invest in efficient, sustainable, and resilient properties that maximize returns, build healthy communities, and reduce our environmental impact.

### PROPERTY HIGHLIGHT

## Ellisburg Shopping Center.



Operational excellence applies to all our properties, from the complex mixed-use assets to our more typical grocery anchored shopping centers. Ellisburg Shopping Center in Cherry Hill, NJ, is a great example of the standard features found throughout our portfolio. This property produces 1.25 million kWh of solar energy annually on a rooftop and ground mount system, features efficient LED lighting in tenant spaces, and incorporates pervious pavement and planter beds for stormwater management in the parking lot.



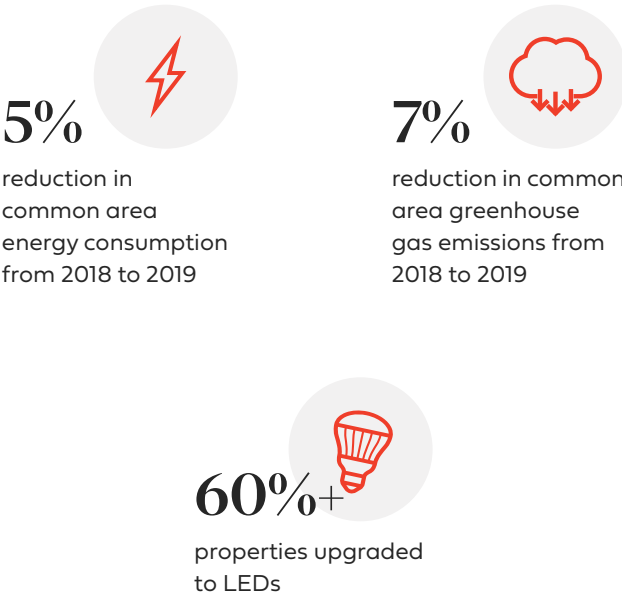


OUR STRATEGY

# Operational Excellence.

## Focus on Energy Efficiency

With a focus on reducing energy consumption, we have installed LED lighting technology at more than 60% of our properties, with a plan to upgrade the remaining properties over the next few years. Our strategy also includes regularly upgrading and enhancing building automation and controls equipment, conducting both internal and external energy audits, and performing retro-commissioning.



PROPERTY HIGHLIGHT

## Mount Vernon Plaza.

Mount Vernon Plaza, a 569,000 square foot shopping center in Alexandria, VA, completed an LED lighting retrofit in 2016. The new lighting saved 36% of common area electric usage in the first year after the upgrade, and an additional 26% in the following year.





OUR STRATEGY

# Operational Excellence.

HIGHLIGHT

## Partnering with Tenants.

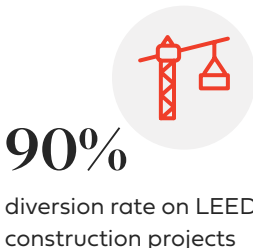
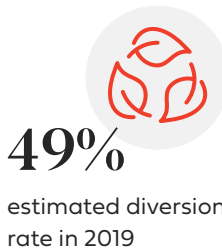
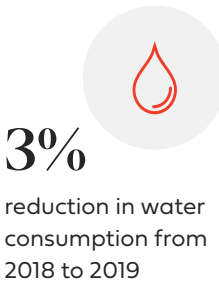
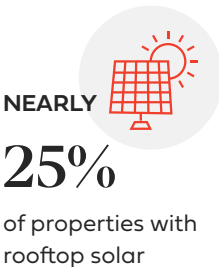
“As a result of the trusted partnership with Federal Realty Investment Trust, Nordstrom has significantly reduced its electric costs by purchasing the solar power produced on the roofs of our Federal Realty Investment Trust leased properties across the country. Additionally, as an added benefit, the amount of greenhouse gas emissions the projects have prevented is the equivalent of removing over 100 vehicles from the road for one year.”

—JOHN PEDRINI  
VP of Facilities & Energy  
Nordstrom (2018)

### Focus on Renewable Energy

Since 2010, we have invested nearly \$38 million in solar photovoltaic systems at 24 properties located in six different states, with more in the pipeline. On-site solar reduces the environmental impact of our properties and improves their long-term resilience. We now have 13.3 MW of installed capacity generating over 13 million kWh of electricity on an annualized basis—enough to power nearly 1,200 homes for a year.

The solar electricity generated at our properties is used to power our common areas and is sold to such tenants as Whole Foods, TJ Maxx, Nordstrom Rack, and Target to power their stores and help them achieve their own sustainability goals. Using renewable energy to partner with our tenants is a win-win for both us and our tenants while also lessening the environmental impact of our properties.



### Focus on Water

Reducing our water consumption cuts water-related energy use and carbon emissions while reducing operating costs and improving the resilience of our properties. Between 2018 and 2019 we reduced our common area water consumption by 3%, equating to over 6.5 million gallons. This has been achieved through a variety of actions including real-time data monitoring, proactive maintenance, and integrating water-efficient fixtures, controls, and landscaping in construction and design requirements.

### Focus on Waste

We actively manage our waste streams by using right-sized equipment, deploying technology for data intelligence gathering, and coordinating with our tenants. Our focus on managing waste also includes recycling materials on our construction projects, hosting book and clothing bins, and collaborating with local restaurants to reduce food waste.





## OUR STRATEGY

# Operational Excellence.

## Focus on Monitoring Performance

Tracking energy and sustainability performance for our properties allows us to strategically identify opportunities across our portfolio to lower costs and improve sustainable practices in our communities while tracking progress over time. Our property operations teams are accountable for using this information to identify and implement performance improvements that will have the greatest financial and ESG impact.

## Focus on Leases and Contracts

Green leasing practices incorporate sustainability, transparency, and accountability into the landlord-tenant relationship. Our leases address shopping center operations and maintenance issues such as chemical use, indoor air quality, energy efficiency, water efficiency, recycling programs, exterior maintenance programs, and investments in sustainable technology to establish accountable environmental standards between landlord and tenant. Federal was recognized as a Green Lease Leader – Gold in 2018. Our contracts with vendors and suppliers contain similar provisions that address the types of materials used in performing services, the disposal of waste, and the business practices of our vendors. We believe it is important for others with a vested interest in our assets to adhere to the same principles of sustainability as we do to truly impact the environment.

### HIGHLIGHT

## Green Lease Leader Gold.

Green Lease Leaders recognizes forward-thinking companies that break down barriers to high-performance buildings by revolutionizing leases to incorporate energy efficiency and sustainability language. In 2018, Federal became a Green Lease Leader – Gold.



### HIGHLIGHT

## Green Box Criteria.

Federal is setting the standard in sustainable tenant-delivered spaces by transforming the industry standard “white box” into a “Green Box.” Our Green Box® standards focus contractors on conserving resources, minimizing the use of harmful chemicals, maximizing the use of sustainable materials, and engaging in efficient waste management practices. These requirements are included in our standard construction contracts, are provided to our tenants, and have a lasting impact on the sustainability and long-term value of our portfolio.



### HIGHLIGHT

## GRESB.

GRESB is the global standard for investors to compare ESG performance in the real estate industry, with more than 1,000 participating entities in 2019. Federal has been reporting to GRESB since 2015, providing a valuable guidepost to assess and improve our ESG performance. In 2019, we were awarded 4 out of 5 Green Stars for the fifth consecutive year and ranked among the top 10% worldwide on incorporating sustainability into new construction and renovations.







## OUR STRATEGY

# Operational Excellence.

## Focus on Sustainable Transportation

Considering how to get visitors, employees, tenants, and deliveries to and from our properties quickly, safely, and in an environmentally friendly way is a priority as we invest in our assets. . For example:

- **Electric Charging.** We have charging stations installed at 12% of our properties, totaling 88 chargers, with plans to expand.
- **Transportation Sharing.** We have partnered with Zipcar to offer environmentally friendly car-sharing services to patrons.
- **Walkability.** We invest in properties with high walk scores, reducing environmental impact from motorized transportation. Walk Scores measure how easily residents can accomplish daily errands on foot. The average Walk Score for our properties is 71, on a scale of 0 (entirely car dependent) to 100 (entirely walkable). Fifteen of our properties have walk scores of 90 or better.

MORE THAN

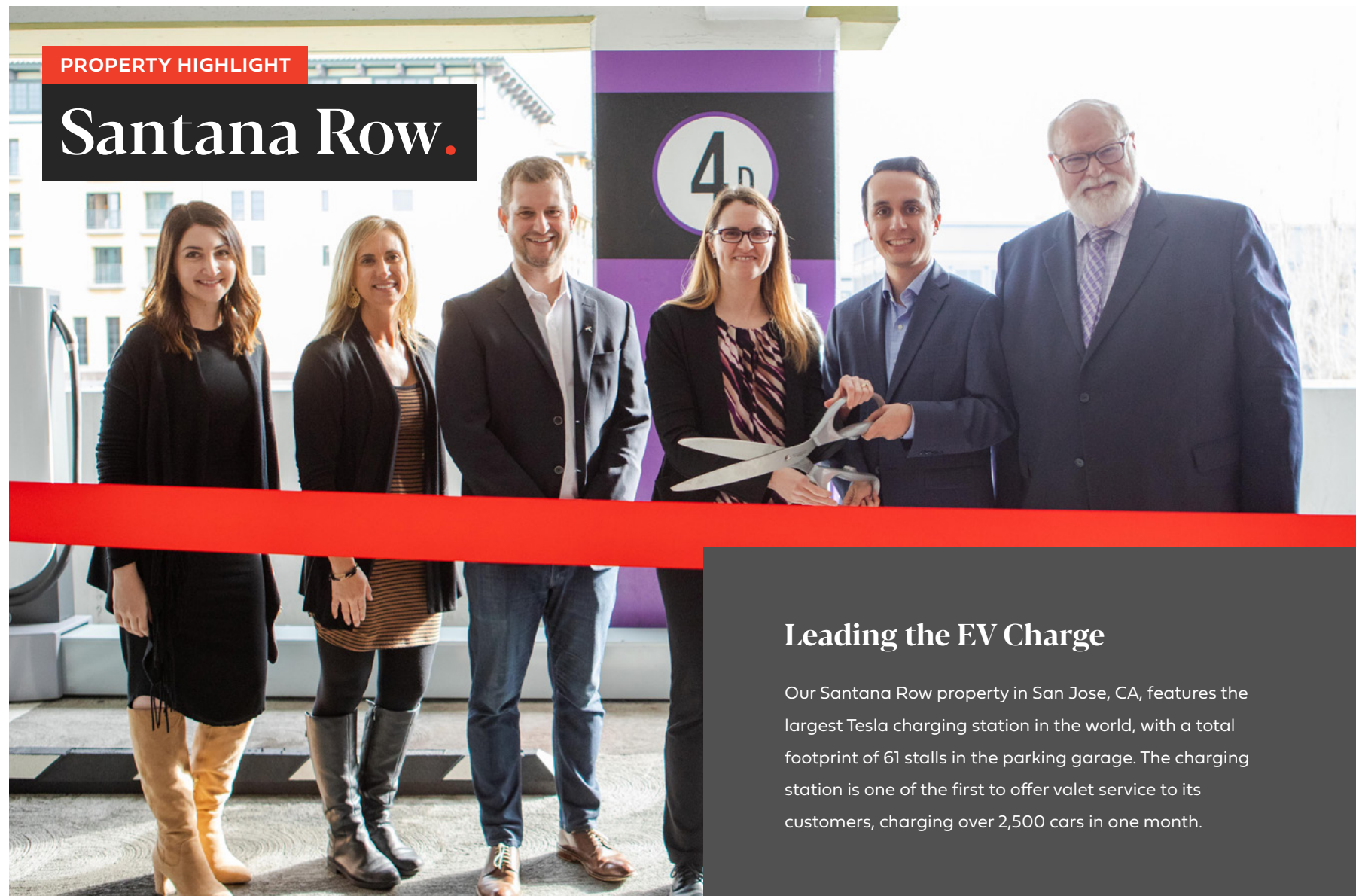
50%

of the portfolio has a Walk Score of 70 or above



### PROPERTY HIGHLIGHT

## Santana Row.



### Leading the EV Charge

Our Santana Row property in San Jose, CA, features the largest Tesla charging station in the world, with a total footprint of 61 stalls in the parking garage. The charging station is one of the first to offer valet service to its customers, charging over 2,500 cars in one month.



# Pike & Rose.



## Setting the Standard for Sustainable Development and Operation

Built on the site of a former 24-acre shopping center with a vast asphalt parking lot, Pike & Rose in North Bethesda, MD, is now a vibrant, transit-oriented, mixed-use development with 379,000 square feet of retail, 765 apartment units, 99 condominium homes atop a 177-room hotel, and an 80,000-square-foot Class A office building. An additional 212,000 square feet of Class A office is currently under development and still more to come. Located just a short walk from White Flint Metro Station, Pike & Rose enhances the local economy, provides access to food, entertainment, and living spaces, and is built in consideration of the environment. Pike & Rose is the first LEED for Neighborhood Development Stage 3 Gold certified project to be owned and developed by a US REIT.

Federal led the efforts of nearby property owners that resulted in the adoption of the White Flint Sector Plan that reimagined the transformation of 430 acres in and around the White Flint area from a car-centric, traffic-laden suburban destination to a compact urban center with a network of sidewalks and streets to encourage people to leave their cars and walk.



### 2019 NAIOP DC, MD Chapter Best Sustainable Project

Award winner exemplifies environmentally responsible design and innovative building strategies.



### 2019 USGBC National Capital Region, Innovative Project of the Year for LEED for Neighborhood Development

Awards are given to green projects in the region that exemplify outstanding sustainable practices.



### 2016 Maryland Sustainable Growth Award

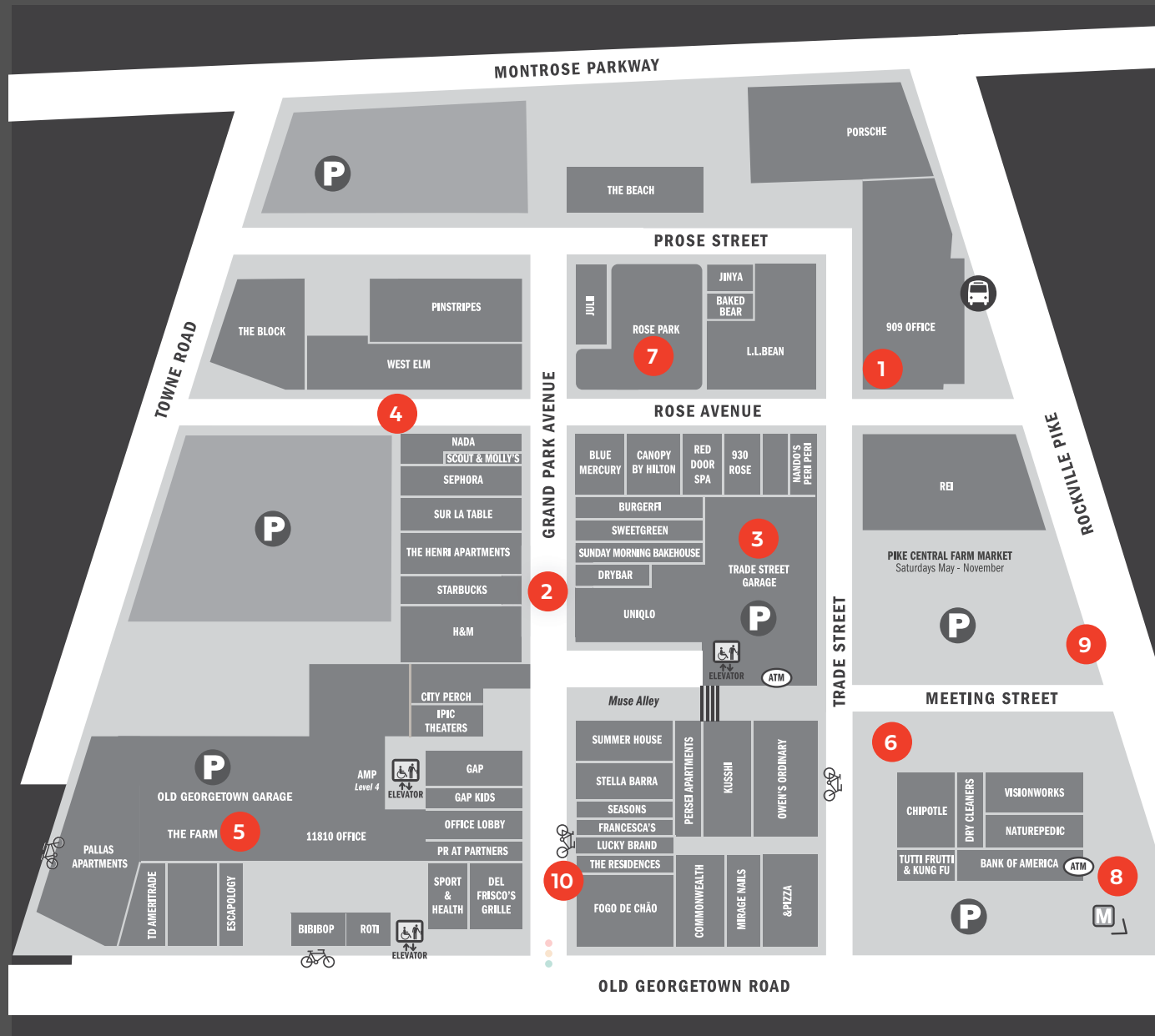
The awards go to people and projects that demonstrate a commitment to achieving results that advance sustainable growth and preservation.

SUSTAINABILITY FEATURES PERMEATE  
EVERYTHING WE DO AT PIKE & ROSE.

**TAKE A PROPERTY TOUR OF THESE HIGHLIGHTS**







## 1 LEED-Certified

100% of the buildings within the project are LEED-certified; one of few projects in the world to do so. The new 909 Rose office building, currently underway, will be no exception. We intend to pursue LEED certification for all future buildings.

## 2 Green Construction

As part of a comprehensive effort to reduce waste and recycle material during construction, concrete from the buildings of Mid-Pike Plaza, the shopping center that stood where Pike & Rose is today, was crushed and repurposed as base material for the roads within the project.

### 3 Solar Panels

The canopy atop the Trade Street garage provides covered parking, and a sustainable source of energy. The 855-panel solar array produces 350,000 kWh of electricity annually—enough to power 42 homes for a full year.

## 4 Silva Cells

The innovative technology of Silva Cells is used to absorb and treat stormwater. Silva Cells are a modular, underground bioretention system that utilize the proven capacity of soils for stormwater management and healthy tree growth.

## 5 The Farm At Pike & Rose

The 17,000-square-foot farm is the Mid-Atlantic's largest rooftop farm. It produces 20,000 lbs. of fruits and vegetables annually that are sold directly to residents and restaurants in the neighborhood, and through the on-site farmers market.

## 6 EVSEs

There are 29 electric vehicle charging stations throughout the project, including 2 DC fast chargers and 8 superchargers. Additional installations are currently underway and will bring the total to 50 chargers by mid-2020.

## 7 Sustainable Landscaping

Use of native plants and sustainable irrigation methods designed to reduce potable water consumption by 96% versus typical commercial landscaping.

## 8 Transit-Oriented

Visitors have their choice of a variety of transportation options—from Metro just across the street to the several bus lines that stop at the property.

## 9 Bikeshare

On-site Capital Bikeshare stations add to the many transportation options for residents and visitors to the property.

## 10 Bike Parking

Ample bike parking is provided throughout the property for visitors who bring their own bikes.





OUR STRATEGY

# Social Responsibility.

Federal doesn't just invest in real estate—we invest in the people that make our business successful. From employee engagement to tenant partnerships, we have created a culture that fosters creativity, innovation, and inspiration both in our offices and at our properties.

## Our People and Culture

Federal's longstanding success has been achieved through the dedication and talent of our more than 300 employees. Every employee is important to our success, whether they have been here 30 years or 30 days, whether they provide accounting expertise or know how to keep our properties clean and safe, or whether they lease our spaces or support the people who do. Our objective is to provide a workplace where each individual can thrive and achieve personal goals.

### Excellence.

We strive to be best-in-class in what we do and how we do it. We embrace change quickly and decisively, and approach every challenge with a determination to succeed. We set the bar high.

### Integrity.

We are committed to doing the right thing, even when no one is looking. Trustworthiness, fairness, and respect lead to work we can be proud of. We value diversity and embrace what makes each of us unique.

### Accountability.

We take ownership for the quality of our work and pride in what we deliver as a team. We're accountable to our shareholders, our co-workers, our tenants, and our partners, and expect the same in return.

### Innovation.

We're constantly challenging the norm and know that if we are not changing, evolving and improving – we're falling behind. We encourage creativity, taking smart risks, and learning from setbacks.

Our culture is defined by our four core values





OUR STRATEGY

# Social Responsibility.

## Engagement

We foster a collaborative and supportive work environment that encourages creativity and continuous growth. Our workforce is highly engaged, as evidenced by an average tenure of eight years across our 313 employees. We undertake regular, third-party-administered engagement surveys to gauge whether we are satisfying employee expectations and to understand where we have room for improvement. In 2019, our engagement survey showed we did well in many of the areas that indicate an engaged and satisfied workforce but highlighted places we can focus on to improve to better support our evolving workforce.

### EMPLOYEE ENGAGEMENT SURVEY RESPONSES

- “I’m proud to work at Federal”  
87%
- “I understand how I help Federal succeed”  
89%
- “I have trust in senior leadership”  
89%

## Programs and Benefits

We provide our employees with competitive programs and benefits that address the things that our team values. We provide professional growth opportunities through regular employee reviews, frequent internal education events, and reimbursement for tuition and professional licensures. We maintain a Learn@FRIT platform where employees can access a variety of training courses, books, book summaries, and audio books covering myriad business and soft skills training subjects. We provide competitive pay and benefit packages to help our employees with everything from retirement and financial planning to health and wellness services. Our employees have opportunities to give back to our communities through numerous charitable endeavors and volunteer opportunities that also serve as team-building exercises. Our annual bonus program is structured as a profit-sharing plan, allowing employees to actively participate in the success of the company they are so instrumental in creating.

Our programs and benefits also extend to simple things that improve quality of life at Federal. We foster an environment that allows our employees to succeed while balancing work and life—whether that means providing breakfast on Wednesday mornings, bringing our staff and their families together at company-sponsored social events, dressing casually every day in the office, working at home in pajamas as part of our telework program, or living in a Federal residential property at discounted rent and enjoying exclusive discounts with many of our retail tenants.







## OUR STRATEGY

# Social Responsibility.

## Health & Wellness

We prioritize the health of our employees by offering services that promote physical and mental wellbeing. Our employees have access to health & wellness education, gym and fitness class reimbursement, and an assistance program available to staff and their loved ones offering advice on life planning, financial counseling, legal resources, and emotional counseling and support. We sponsor an annual health fair that gives our employees access to basic health screening tests, free flu shots, and other health-related information. Through our Step Up with Federal program, we've partnered with Givhero to give our employees a way to

improve fitness through counting steps and then turning those steps into dollars donated by Federal to charitable causes.

Our focus on the health and wellbeing of our employees extends to our office environments, where employees spend so much of their day. By August 2020, when we relocate our corporate headquarters to Pike & Rose, our largest offices will all be located in one of our mixed-use, walkable properties. This will provide our employees with access to public transit commuting options, food, activities, and services without getting into a car, as well as inviting public spaces

where they can relax and recharge at any time during the day.

Approximately 70% of our office employees will work out of LEED-certified buildings, where they will have the benefit of the improved lighting and air quality that come with those designations. As we've designed these offices, we've also invested in improvements such as ergonomically designed desk chairs, adjustable height desks, and standing height conference room tables. We want our employees to thrive; investing in their work environment is one way to help them on that path.

## HIGHLIGHT

## Awards from Alliance for Workplace Excellence.



12th consecutive year



12th consecutive year



9th consecutive year

NOTE: The Alliance for Workplace Excellence (AWE) is a non-profit organization dedicated to helping companies become great places to work.





## OUR STRATEGY

# Social Responsibility.

## Our Communities

Federal invests in the neighborhoods where we do business. On any given day, you can find families gathering, grandparents chatting, and business meetings taking place at our properties. We are honored to have an opportunity to be a connector and facilitator in our communities. Through events, partnerships, philanthropy, and thoughtfully designed spaces, we provide the place to bring people together and enhance the long-term vitality of our communities.

MORE THAN



700

annual community events hosted or facilitated at our properties

where concerts are held and communal tables and outdoor living rooms where friends and families gather. Each year, we host or support nearly 700 events at our properties ranging from volunteer days to social events to community art. Examples of community events we supported in 2019 include:

By being good neighbors, we help build quality neighborhoods and healthy communities. This is not only the right thing to do—it is the bedrock of our sustainable business model and an expression of our commitment to investing for the long term. Many of our properties include spaces for people to connect such as open green areas

- **Wynnewood Shopping Center** in Wynnewood, PA, hosted the 36th Annual National Night Out in partnership with the National Association of Town Watch and Lower Merion Community Watch. Thousands of residents, nonprofits, and businesses gathered with first responders to strengthen the neighborhood spirit, promote police-community partnerships, and support local anti-crime programs. The event featured music, food, a carnival, and crime prevention awareness activities presented by the local police department.
- **Bethesda Row**, located in Bethesda, MD, hosted the Great Strides walk, an annual run/walk event to raise money for the Cystic Fibrosis Foundation. The Foundation raises money for research to combat cystic fibrosis, which is a genetic disease that impacts the lungs.
- **Assembly Row** in Somerville, MA, celebrated Pride Month in June 2019. In partnership with Boston Pride, The Row hosted events including a banner unveiling ceremony with City Council representatives and the LGBTQ+ liaison for the City of Somerville, a silent disco to benefit New England's first domestic violence prevention agency, and a movie screening of Love, Simon for all of Assembly Row and the Somerville community to enjoy.

## PROPERTY HIGHLIGHT

## The Point.



Located in El Segundo, CA, The Point is a shopping, dining, and entertainment destination featuring an expansive outdoor plaza that has been described as the area's "living room." Both luxurious and innovative, the property features solar energy and efficient LED lighting and received the International Council of Shopping Centers Design and Development Awards Commendation for Sustainability in 2018. It is also a mainstay in the community, hosting events such as block parties, pop-up mini-golf, community yoga, and much more.





## OUR STRATEGY

# Social Responsibility.

## Philanthropy

Through the years, we have partnered with many local and national charities in our communities to provide our time, funding, and donations to support our neighbors and contribute to causes important to our employees. Examples include:

- **Charity Match:** Every year, the Federal charity raffle solicits employee donations to a chosen charity, which are then matched 1-to-1 by Federal. The charities we select are recommended by employees and therefore have a deep personal connection for our team. Some of the most recent groups we have supported are Children's National Hospital, Autism Speaks, and Boulder Crest Retreat—a rural sanctuary in nearby Virginia where combat veterans, first responders, and their families can enjoy recreational and therapeutic activities aimed at assisting with their physical, mental, financial, and spiritual wellness.
- **Donations for Kids:** We hold an annual holiday toy drive for Toys for Tots, and team members support the Neediest Kids organization, which provides school supplies, backpacks, and other basic essentials to low-income students.
- **Hunger Relief:** Our Philadelphia office has volunteered over 450 hours of 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.
- **Coat Drive:** 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.
- **Manna Food Center:** In 2019, Federal partnered with the Manna Food Center on their Community Food Rescue program. At Bethesda Row as well as Pike & Rose, Federal facilitated the coordination between restaurant tenants and Manna Food Center to donate unsold food to those in need.







OUR STRATEGY

# Effective Governance.

The long-term success Federal has enjoyed has only been possible as a result of the strong governance practices put in place by our Board of Trustees, and the expectation set by our Board for the company and our employees to conduct business in accordance with the highest ethical standards consistent with our values. Some of the key underpinnings of our governance structure and policies are:

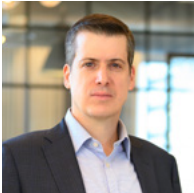
- Independent Chairman of the Board since 2003
- Diverse board with 2 of 7 Trustees being women
- Annual election of Trustees with no ability to classify the Board unless approved by shareholders
- Majority vote for Trustees in uncontested elections
- No poison pill in effect
- Requirements for Trustees and senior management to own a significant amount of our shares
- Absolute prohibition on Trustees and employees hedging or pledging our shares

Our Board of Trustees also adopted a Code of Conduct that applies to every employee and addresses things such as conflicts of interest, prohibition on bribery, fair dealing with third parties, and protection of Federal’s assets. An additional Code of Conduct was put in place by our Board to specifically address our most senior officers as it relates to professional integrity and appropriate controls with respect to all our financial reporting. Each year our senior officers acknowledge their agreement to be bound by that Code of Conduct. Violations of the Code of Conduct can be reported anonymously through a telephone hotline that is displayed in our offices and on our internal communications platform. There have been no calls to our hotline for more than a decade.

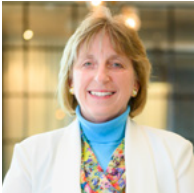
SENIOR LEADERSHIP



**Don Wood**  
President & CEO



**Dan Guglielmone**  
EVP – CFO & Treasurer



**Dawn Becker**  
EVP – General Counsel & Secretary



**Jeff Berkes**  
EVP – Western Region, President



**Wendy A. Seher**  
EVP – Eastern Region, President



**Jan W. Sweetnam**  
EVP – Western Region, COO

Average Tenure at Federal  
**18+ Years**

BOARD OF TRUSTEES



**Joseph S. Vassalluzzo**  
Non-Executive Chairman of the Board



**Jon E. Bortz**



**David W. Faeder**



**Elizabeth I. Holland**



**Gail P. Steinel**



**Mark S. Ordan**



**Don Wood**  
President & CEO

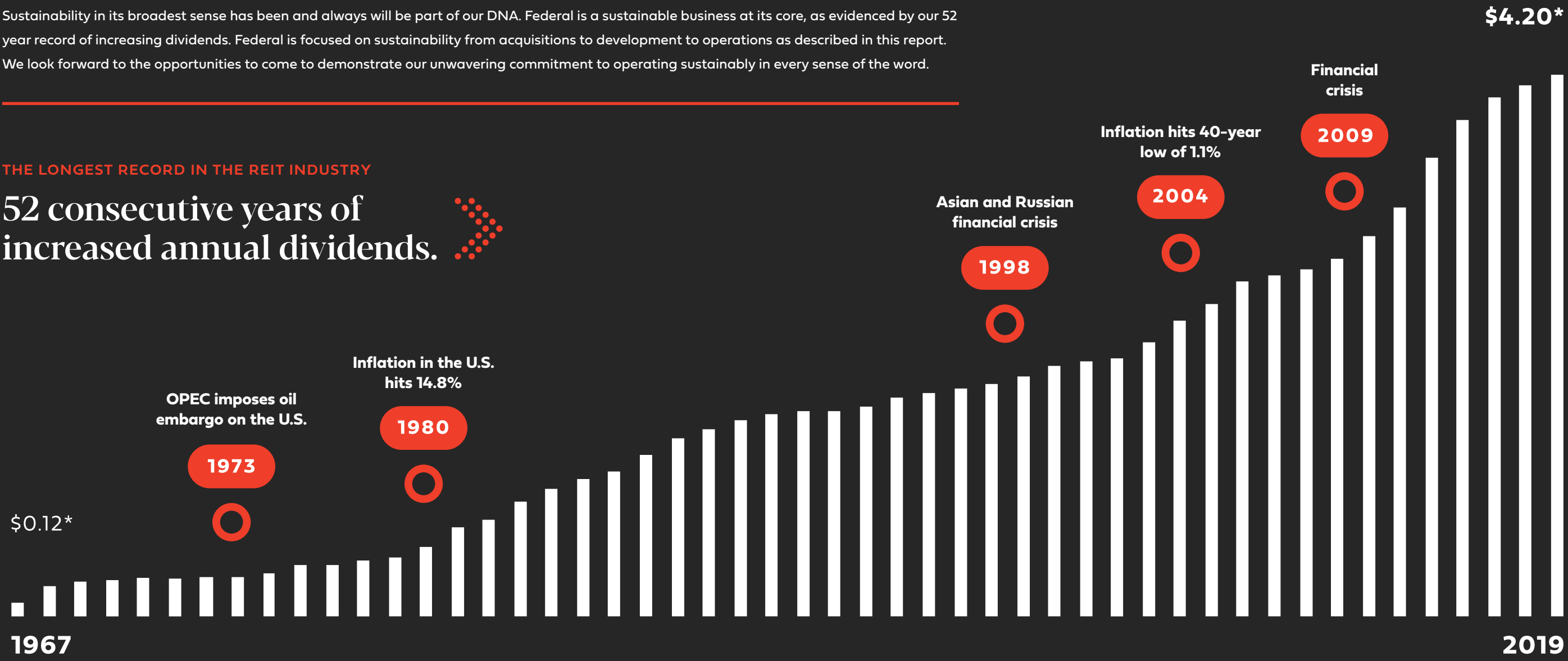
Average Senior Leadership Experience  
**25+ Years**

# Conclusion.

Sustainability in its broadest sense has been and always will be part of our DNA. Federal is a sustainable business at its core, as evidenced by our 52 year record of increasing dividends. Federal is focused on sustainability from acquisitions to development to operations as described in this report. We look forward to the opportunities to come to demonstrate our unwavering commitment to operating sustainably in every sense of the word.

THE LONGEST RECORD IN THE REIT INDUSTRY

52 consecutive years of increased annual dividends.



\*Annualized dividends per share



