



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

ISOS Group, Inc. [“ISOS” or “we”] were engaged by Phillips Edison & Company, Inc. (“Client” or “PECO”) to conduct moderate level type 2 assurance of environmental data reported in its 2023 Corporate Responsibility & Sustainability Report [“Reported Information”], covering the period beginning January 1, 2023 and ending December 31, 2023 (“CY23”).

We have performed our moderate assurance engagement in accordance with the AccountAbility 1000 Assurance Standard v3 (“AA1000AS”) and with the verification component of the Sustainability-Linked Loan Principles (SLLP) developed by the Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Trading Association (LST). Our review was limited to the Reported Information comprising of:

- Energy consumption
- GHG emissions
- Waste management

We have not performed any procedures with respect to other sustainability-related information and, therefore, no conclusion on information outside of this scope of work is expressed.

PECO’s responsibilities

The Company’s management are responsible for:

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

Criteria

The assurance process was intended to provide an independent opinion confirming that the Client has complied with procedures for data management at the company and minimized degrees of error by adequately:

1. Sourcing utility, waste hauler, vendor and internal data to populate relevant data management systems,
2. Enforcing management and quality controls across the reporting period,
3. Aggregating and converting metrics into the correct unit of measure, and
4. Calculating greenhouse gas emissions.

Boundary

Organizational Boundary	Phillips Edison & Company, Inc. is an owner and operator of omni-channel grocery-anchored neighborhood shopping centers. PECO's centers feature a mix of national and regional retailers; its top grocery anchors include Kroger, Publix, Albertsons, and Ahold Delhaize. As of 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.
Assurance Boundary	The boundary of assurance included three hundred and forty-seven (347) assets reporting on landlord-controlled spaces in PECO's 2023 Corporate Responsibility & Sustainability Report.
GHG Emissions Consolidation Approach	The GHG emissions boundary followed the operational control methodology specified in the GHG Protocol.

Limitations and Exclusions

Greenhouse gas quantification is unavoidably subject to inherent uncertainty because of both scientific and estimation uncertainty and for other non-financial performance information the precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In instances where annual performance is reported in the aggregate, opportunity for data analysis is limited and it is less likely to uncover data errors, gaps, or anomalies. Reviews pertaining to the completeness and capture of all utility meters at properties, particularly those attributed to tenant spaces, is limited to what is disclosed in data management systems. No visit to the Client's headquarters or facilities was conducted throughout this engagement. However, a sample set of properties were reviewed in more granularity and tested for data accuracy. It was determined that these limitations and exclusions do not materially impact the performance criteria or assurance engagement.

Methodology

The assurance procedures undertaken were to determine the strength of the systems in place. ISOS Group:

- Engaged a sample of individuals responsible for performance measurement,
- Evaluated current management systems for performance data collection, compilation, calculation, reporting, and validation,
- Determined consistency of assessing materiality, management approach, and application of quality control procedures,
- Reviewed sustainability disclosures, supporting data, and justification for rectifying discrepancies,
- Validated alignment to standard reporting protocols to ensure accurate claims to the quantitative methodology and approach and assurance claims,
- To verify quantitative claims, both at the aggregate level and on a sample basis, and test accuracy, consistency, completeness, and reliability, ISOS Group:
 1. Conducted a portfolio assessment analyzing performance results to uncover any errors, misstatements, gaps, or performance anomalies,
 2. Brought all findings to the Client's attention to address and confirmed resolution,
 3. Selected the following properties for testing and analysis, including cross-reference to source data to uncover variances and address any exclusions and other limitations:
 - a. Northlake Station, Cincinnati, OH, USA
 - b. Meadows on the Parkway, Boulder, CO, USA
 - c. Cascades Overlook, Sterling, VA, USA
 - d. Oak Mill Station II LLC, Niles, IL, USA
 - e. Naperville Crossings, Naperville, IL, USA

Findings

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

Parameter	2023 (Absolute)
Total Energy Consumption (MWh)	41,209
Total Scope 1 GHG Emissions (MT CO ₂ e)	2,148
Total Scope 2 Location-Based GHG Emissions (MT CO ₂ e)	11,651
Total Scope 2 Market-Based GHG Emissions (MT CO ₂ e)	12,217
Total Waste Production (MT)	66,384

Application of the AA1000AP

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles:

Inclusivity	PECO documents their key stakeholders – neighbors, communities, associates, stockholders & investment partners and vendors – within their 2023 Corporate Responsibility & Sustainability Report. They document an overview of their engagement strategies per stakeholder group.
Materiality	PECO engages with stakeholders to determine which topics are relevant and material to the business and documents their 13 material topics within their 2023 Corporate Responsibility & Sustainability Report. ISOS Group recommends that PECO conduct a formal materiality assessment with all of its key stakeholders, revisiting this assessment on an ongoing basis.
Responsiveness	PECO reports annually to the GRESB Real Estate Assessment and publishes their annual Corporate Responsibility & Sustainability Report on their public website. Their Corporate Responsibility & Sustainability Report is in reference to GRI and includes GRI, SASB and TCFD indices for review.
Impact	Within their 2023 Corporate Responsibility & Sustainability Report, PECO shares goals and measurements. ISOS Group recommends developing a GHG emissions reduction target, ideally aligned to global standards such as SBTi.

Restriction of use

This assurance report is made solely to the Client in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to the Client those matters we have been engaged to state in this moderate assurance report and for no other purpose. Our moderate assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Client for any purpose or in any context. Any party other than the Client who obtains access to our moderate assurance report or a copy thereof and chooses to rely on our moderate assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Client for our work, for this independent moderate assurance report, or for the conclusions we have reached.

Statement of Competency and Independence

ISOS Group is an independent professional services firm that specializes in sustainability reporting under the Global Resources Initiative (GRI), CDP, and GRESB and is a provider of external assurance services. ISOS Group is a Global Reporting Initiative Certified Training Partner for the United States and a CDP Silver Education and Training Partner in the United States. Our team of experts have the technical expertise and competency to conduct assurance to the AA1000 assurance standard, which meets the criteria for assurance of environmental data.

No member of the assurance team has a business relationship with the Client, its Directors, or Managers beyond that required of this assignment. We conducted this assurance independently and, to our knowledge, there has been no conflict of interest. ISOS Group has a strong code of ethics and maintains high ethical standards among its staff in their day-to-day business activities. The assurance team has extensive experience in conducting assurance engagements over environmental, social, ethical, and health and safety information systems and processes.

Further information, including a statement of competencies, can be found at www.isosgroup.com.

Signed on behalf of ISOS Group: San Diego, California – USA, January 6, 2025.



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AA1000
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