

Into the Future: Actions and Procedures to Address Climate Change Risk Management

INTRODUCTION

At Brixmor, we recognize our business operations can be both a contributor towards as well as at risk from the impacts posed by climate change. We are actively shoring up our portfolio by assessing our actions and preparing for risks that could impact operations, now and into the future. With the formalization of this Climate Change Policy, we are providing additional context around efforts to reduce our own carbon footprint, including a framework for additional transparency on risks and opportunities and a commitment to operate carbon neutral by 2045 *for areas under our operational control*. The increasing frequency of extreme weather events in recent years has had direct impacts on our portfolio (hurricanes, flooding, and wildfires) and we have observed how these events can negatively impact the communities we serve. Our goal is to understand and minimize risks we can help control and ensure we are prepared to respond to risks that are out of our control.

Our climate change strategy is built upon three pillars:

1. Assess and manage climate related risks and opportunities for our portfolio.
2. Directly reduce our environmental impact and operate net carbon neutral *for areas in our operational control* by 2045
3. Increase awareness on climate change issues within our organization, with our stakeholders, and with the real estate industry at large.

We are committed to making a significant contribution to minimize our environmental impacts and have identified actions and procedures to support this goal. To further our transparency surrounding climate change, this policy is consistent with applicable elements of the Task Force on Climate Related Financial Disclosures (“TCFD”) and additional/updated TCFD disclosures will be provided in future Corporate Responsibility Reports and/or our website.

Climate Change Governance

At Brixmor, the overall responsibility for overseeing our corporate responsibility strategy, including climate change risks and opportunities, lies with the Nominating and Governance Committee of our Board of Directors (“the N&G Committee”). Our EVP, Operations provides the N&G Committee as well as the overall Board of Directors with quarterly updates on our overall Corporate Responsibility initiatives. The EVP, Operations is a member of our overall ESG Steering Committee (Committee), which is led by the SVP of Operations & Sustainability. The Committee helps ensure ESG and climate change related concerns are integrated throughout the organization.

Many departments have a vital role in preparing for, managing, and reporting on climate change risks and performance and we have summarized the responsibilities for the primary departments below.

- **Operations.** Led by the EVP, Operations, Operations is responsible for identifying and monitoring relevant performance indicators for our existing portfolio. Additionally, Operations will periodically assess the potential impact of climate change related events that can impact the properties and operations, such as floods, heat stress, hurricanes, sea level rise, water stress and wildfires.
 - On an annual basis, facilitate measurement of the direct carbon impact and achieved greenhouse gas reductions of our portfolio and report this data to external stakeholders via the corporate responsibility report and/or website. Operations is responsible for developing action plans to minimize carbon impacts, which are influenced by capital projects like upgrading lighting, replacing HVAC units, procurement of green energy and onsite renewable energy development.
 - Periodically assess overall climate change risks, including physical, transitional, and regulatory risks, together with Risk Management and other departments as necessary.
 - Provide training on climate changes risks and opportunities, including, energy and water reduction opportunities, to relevant internal departments on a regular basis.

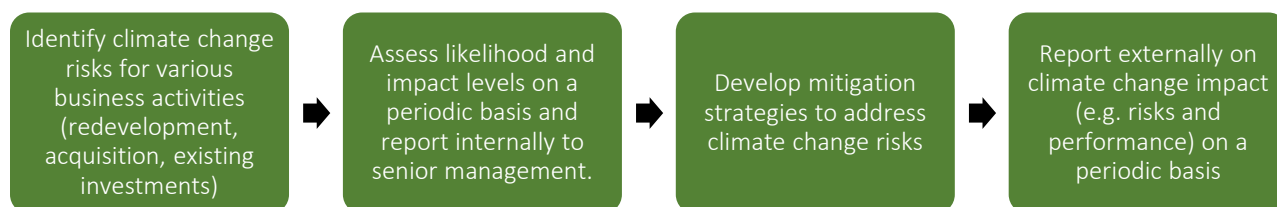
- Oversee the deployment of the Disaster Assistance Recovery Team (DART). The DART team is an all-volunteer group of Brixmor employees who travel to areas impacted by severe weather events and assist tenants and the local community with recovery efforts. The DART team trains throughout the year to ensure they are ready and able to assist whenever needed.
 - Prepare, periodically update, and direct training of Emergency Preparedness/Response, Business Continuity and Crisis Management plans.
- **Acquisition/Dispositions.** Led by our Chief Investment Officer, this department is responsible for assessing potential acquisitions of assets and ensuring climate change risks are integrated into the due diligence process. This assessment includes identifying potential risks and evaluating potential mitigation measures at the point of acquisition to minimize identified risks.
 - **Redevelopment.** Led by our EVP, Re/Development, this department is responsible for assessing a proposed development's relevance to the community, and via the design process, assessing climate risk and related mitigation measures and carbon footprint reduction projects as part of planned upgrades. Significant upgrades at our properties can help ensure we have a positive impact on the communities we serve and prepare our properties for the future. These include incorporating resilience measures into major redevelopments like, stormwater management upgrades, physical building modifications (hurricane related store fronts, HVAC tie downs), flooding mitigation measures, renewable energy development, etc.
 - **Risk Management.** Led by Brixmor's General Counsel, Risk Management is responsible for assessing the appropriate use of insurance tools to mitigate the financial impacts of identified climate risks and (together with Operations) identifying and assessing the climate change risks across the portfolio.

1. Climate change risks and opportunities

The past few years have seen increasing frequencies of natural disasters requiring investment in resiliency measures at our properties, business continuity planning, advanced preparations and, unfortunately, disaster response. We recently undertook a full company emergency prevention, preparedness, response and recovery review and developed a plan to ensure we are well protected against disruptions to our business. Commencing in 2021, we will conduct periodic climate change and natural hazard risk assessments for all of our assets and incorporate climate related risks as part of our standard due diligence process related to acquisitions and redevelopments. Additionally, we will evaluate aggregated risks and presenting reports to senior management on key conclusions and recommendations at the portfolio level

These assessments will be supported by third-party data as well as internal data related to climate/natural hazard risks at each individual location and will serve to inform decision making regarding mitigation and adaptation activities to minimize risks. This also includes ensuring appropriate insurance is in place to reduce potential financial impacts and help mitigate financial risk.

Our process to analyze and manage climate change risks and opportunities:



2. Reduce our environmental impact and operate net carbon neutral by 2045

We invest in optimizing the efficiency of our asset base while minimizing our own carbon footprint. Such investments include upgrading and installing energy-efficient equipment and lighting, installing submeters to better track energy use by tenants, supporting the development of onsite renewable energy projects, and engaging with tenants to help reduce their impacts. Our efforts will align Brixmor's operations with the Paris Agreement and represent our contribution to the goal of limiting global warming to 1.5 degrees Celsius this century.

We measure the annual greenhouse gas emissions for common areas, vacancy, and tenant utilities purchased by Brixmor, and we have set clear targets to minimize electricity use and greenhouse gas emissions:

- **Become Net Carbon Neutral by 2045:** Continue to measure annual greenhouse gas emissions for common areas, vacancies (Scope 1 and 2), and utilities used by tenants but purchased by Brixmor (Scope 3) in order to become carbon neutral for these by 2045. Engage with tenants to help measure and further reduce tenant emissions related to utilities purchased directly by tenants. We will achieve carbon neutrality through implementing energy efficiency measures, procuring electricity from renewable energy sources, educating and collaborating with tenants, and off-setting any remaining carbon emissions.
- **Invest in efficiency:** Continue to invest in and facilitate the development of on-site renewable energy, reaching a short-term target of 20 megawatts of capacity by 2025.
- **Provide sustainable transportation alternatives:** Install electric vehicle charging stations at 25% of the portfolio by 2025 to help reduce dependence on fossil fuels. Seek ways to further expand this initiative beyond the 25% goal.

Brixmor is committed to publicly reporting on our progress towards these targets on an annual basis.

3. Increase awareness on climate change

Brixmor understands that we cannot address climate change alone. We need our stakeholders to collaborate and join efforts to address this global risk. We frequently engage with stakeholders to provide transparency and are committed to:

- Educating and informing employees – update senior management frequently on climate change related performance and train employees on opportunities to continue to deploy efficiency/resilience measures across the portfolio.
- Engage with tenants and suppliers/vendors to collaborate on efforts to reduce our collective impacts.
- Provide sustainable transportation solutions for our communities through the installation of EV charging infrastructure, additional bicycle parking, and pedestrian/mass transit connectivity.
- Collaborate with industry organizations and peers promoting transparency on climate change issues and sharing best practices to advance the real estate industry overall. Activities include collaboration with industry organizations (e.g. NAREIT and ICSC), non-profits (e.g., Institute for Market Transformation and Urban Land Institute), governmental organizations (e.g., USDOE Better Building Challenge), and with investor oriented service providers (e.g., Global Real Estate Sustainability Benchmark, Institutional Shareholder Services).

Reducing our carbon footprint will take the efforts of everyone. If you have any questions or ideas on how to help, please contact Daren Moss, SVP Operations & Sustainability at daren.moss@brixmor.com.