

Our Path Forward

Nareit recognizes that it is imperative for REITs and the publicly traded real estate industry to work towards greater diversity, equity, and inclusion in our workplaces, businesses, and communities. To serve our membership, we are committed to being actively engaged and to helping to create lasting change.

Nareit's Dividends Through Diversity, Equity & Inclusion (DDEI) Initiative strives to help our members address DEI, provide resources and information so that our members are better able to help enhance the communities that they serve, document the progress and achievements of our members and the industry as a whole, and engage with leaders at all levels and across all sectors to form partnerships and to develop solutions to address the challenges and opportunities before us.

Our activities are specifically designed for Nareit to effectively represent the collective interests of REITs and publicly traded real estate companies as well as to help Nareit members supplement their individual company's DEI programming and strategies.

In 2023, Nareit's leadership, including our DDEI CEO Council, will continue to focus on DEI as a strategic priority. Our efforts are aimed in large part to build the visibility and appeal of the REIT industry for diverse talent and vendors through strategic partnerships, grant programs, and new initiatives. To get more detail on specific programs, data and research, education and training, and leadership opportunities, please view Nareit's [DEI strategic vision](#).

For a better understanding of progress to date, please take a look at the following pages which report on the state of DEI in the REIT and publicly traded real estate industry and which set forth Nareit's DDEI agenda.

We look forward to continued engagement with Nareit members to help make the REIT and publicly traded real estate industry as accessible and inclusive as it should be for all.



Steven Wechsler
President & CEO



Ayris Scales
SVP, Social Responsibility
& Global Initiatives



Coming Soon in 2023: Supplier Diversity Online Platform

In partnership with several other real estate organizations, Nareit will be rolling out an initiative to provide its members access to a platform from Supplier Gateway through which diverse suppliers can be sourced and procurement diversity enhanced.

Benchmarking the State of DEI in the REIT Industry

REIT leadership teams continue to demonstrate their commitment to advancing DEI by recruiting and hiring more individuals from underrepresented groups, increasing the diversity of their boards of directors, addressing pay equity, and setting DEI-related goals and policies. These leaders also acknowledge that there is still more work and progress to be made.

Increasingly, REITs continue to create roles for DEI professionals and foster ways in which employees passionate about the topic can help frame company strategy and programming. REITs provide employee training dedicated to DEI, collect and share data with their key stakeholders, identify what they can do as individuals and organizations to improve, and take action.

To complement the strategies that Nareit member companies are developing to remove barriers to inclusion and equity, Nareit benchmarks where the industry currently stands with its DEI and workforce development progress by tracking key performance indicators and collecting data from Nareit member REITs through the Nareit Workforce Development & DEI Survey conducted with Ferguson Partners. Highlights from 2022 are detailed on the following pages.

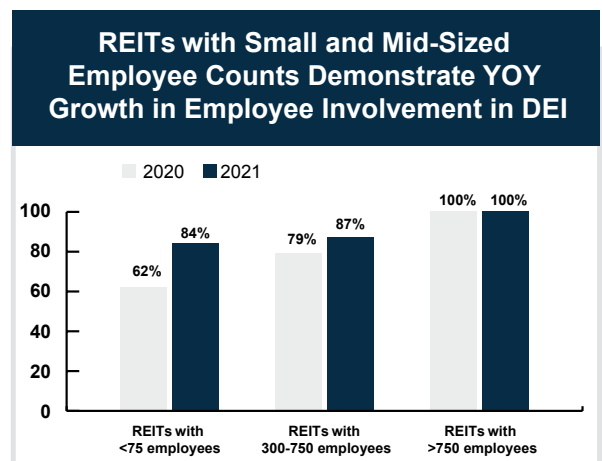
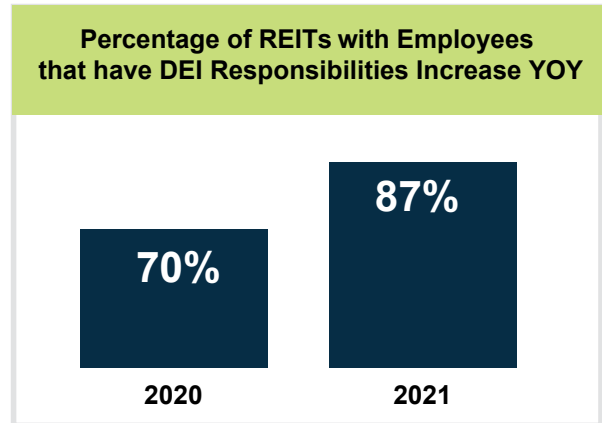
Nearly 9 out of 10 REITs have at least one employee who focuses on DEI practices and policies

In 2021, 87% of REITs surveyed have employees with DEI responsibilities – either employee(s) solely dedicated to DEI, employees with some DEI responsibilities, or both. This is up from 70% in the 2020 survey.

Further, 20% of participants have one or more employees solely dedicated to DEI, up from 7% last year. The percentage of participants who do not dedicate any resources to DEI (including DEI committees) has dropped for all participants and at each organization size.

Many larger REITs (companies with 300 or more employees) have both dedicated DEI professionals and DEI committees made up of employees who voluntarily participate in DEI-focused activities outside of their regular duties, demonstrating workforce engagement in DEI progress and accountability.

- In companies of 300-750 employees, 87% have employees engaged in DEI, up from 79% last year.
- In companies with more than 750 employees, 100% of them have employees engaged in DEI (consistent with 2020 results).
- Notably, at REITs with fewer than 75 employees, there are 84% that have employees with DEI responsibilities, a DEI committee, or both, up from 62% last year.



Total size of employee population correlates to policies on recruiting, retention, promotion, and pay equity for underrepresented groups

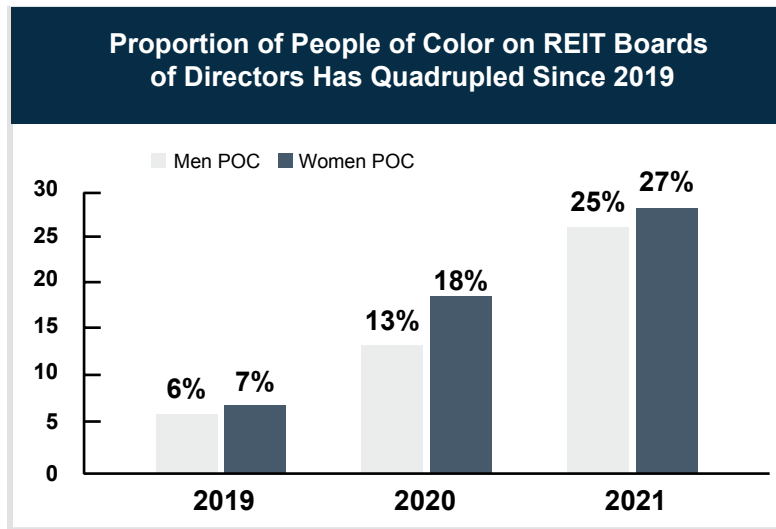
Overall, when looking at the likelihood of implementing initiatives related to recruitment, retention, and promotion of people from underrepresented groups as well as pay equity, larger companies – with 300 or more employees – are more likely to have initiatives implemented. This is likely due to having greater resources and thus more ability to drive some of these initiatives forward, and is consistent with the findings from this survey in 2020. However, companies with less than 300 employees have seen gains in implementing initiatives or policies related to retention and promotion year-over-year.

	My organization has implemented initiatives or policies related to...							
	...recruiting or hiring more individuals from underrepresented groups		...retaining its employees from underrepresented groups		...increasing promotion rates of underrepresented groups		...ensuring pay equity	
	2020	2021	2020	2021	2020	2021	2020	2021
Overall	82%	83%	68%	69%	57%	60%	81%	79%
Less than 300 Employees	76%	76%	56%	61%	42%	48%	76%	67%
300 or More Employees	96%	94%	89%	82%	80%	79%	89%	96%



Intentionality yields more diverse REIT boards

When Nareit's Dividends Through Diversity, Equity & Inclusion (DDEI) Initiative was established in 2017, the focus of the industry was to increase gender representation at REITs, particularly at the board level. After four years, the proportion of men to women among new REIT board members is balanced – demonstrating progress and the impact of this collective focus by the industry.



At the same time, there has also been a meaningful increase in the proportion of new board members who are people of color. Since Nareit and Ferguson Partners first began collecting this data, the proportion of people of color on boards of directors has quadrupled. In 2019, 6% of new board members were men of color and 7% were women of color. In 2021, 25% of board members were men of color and 27% were women of color.



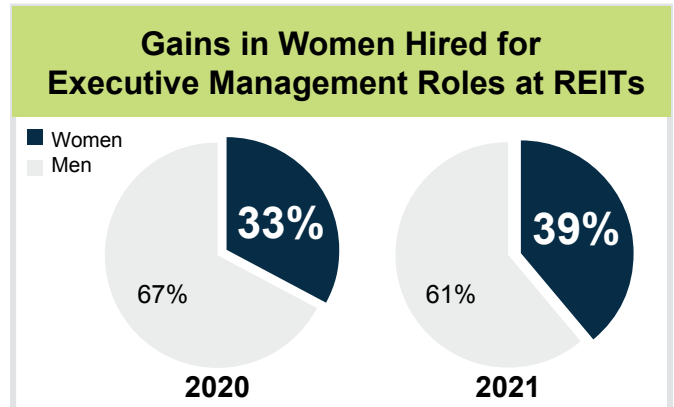
Women are increasingly being hired into executive management roles

REITs continue to focus on hiring and retaining women at the executive level, which has been a priority since the DDEI Initiative was established in 2017.

The proportion of women hired into the executive management level (39%) is more than double the current rate of representation (18%) and is up from 33% last year.

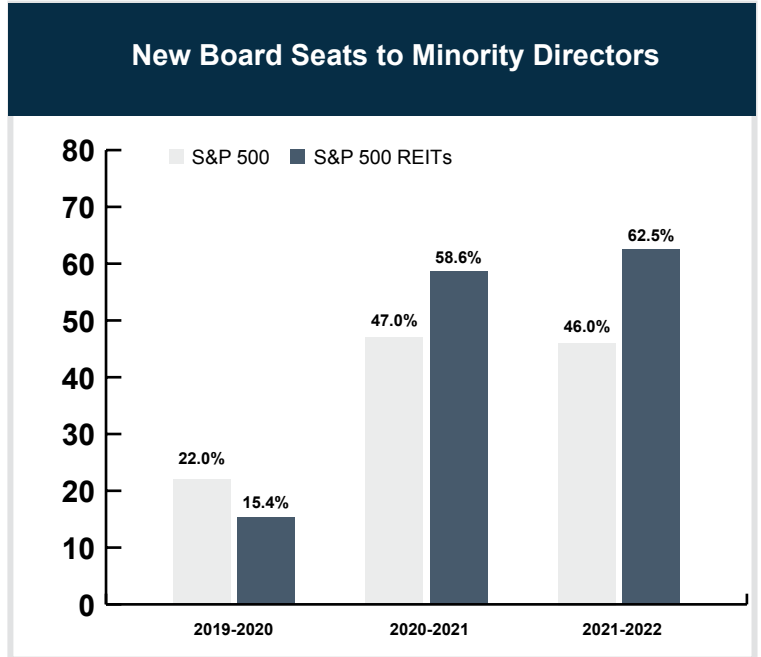
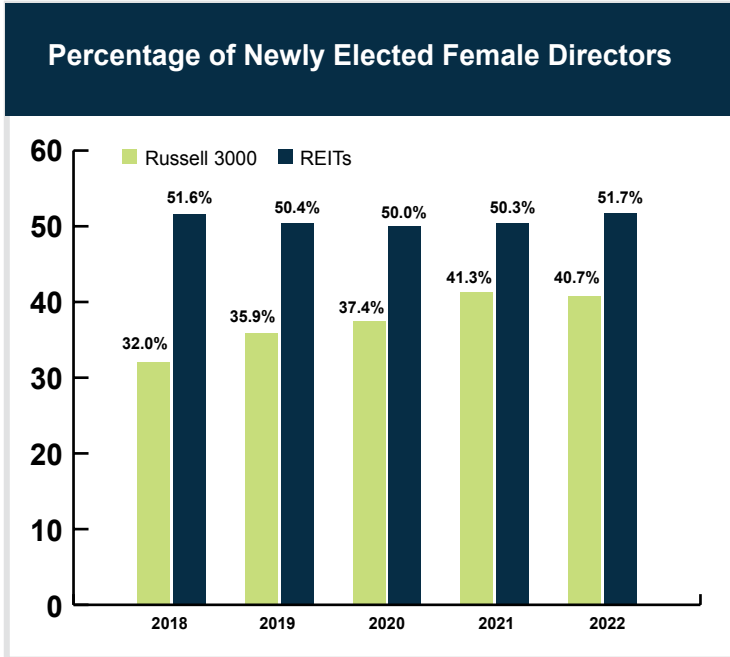
Women of color, in particular, were hired into executive management at a much higher rate in 2021 (11%) than in 2020 (2%).

**This year's survey, conducted by Nareit and Ferguson Partners, had 130 participating companies. The 111 participating companies that are U.S.-based, stock-exchange listed, equity-focused REITs, in aggregate, have an equity market capitalization of nearly \$1.3 trillion, which is approximately 76% of the U.S. listed equity REIT industry's equity market capitalization.*



An additional report, [2022 REIT Diversity Across Boards and Executives](#), published in September 2022 by Ferguson Partners finds in part that for the fifth straight year women have represented at least 50% of all new board directors at REITs, and the percentage of newly elected female directors at REITs has eclipsed the Russell 3000. Additionally, the report shows that REITs have a higher percentage of new minority board members when comparing S&P 500 REITs vs. the broader S&P 500.

Access the full report [here](#).



Source: Ferguson Partners 2022 REIT Diversity Report; Nareit.



The DDEI Path to Progress

In 2017, Nareit launched its DDEI Initiative with an original focus on addressing gender diversity across the industry. In 2020, Nareit created the DDEI CEO Council that brought together the collective talent and expertise of 31 CEOs, representing every REIT sector and a majority of REITs represented in the S&P 500, to recommend actions for industry-wide progress and help inform Nareit’s DEI strategic plan.

Today, Nareit’s DEI strategy focuses on people, partnerships and philanthropy. While the strategy has evolved over the years, at its core what is consistent is the intent to increase the REIT and publicly traded real estate industry’s visibility to underrepresented populations, and to close racial and gender gaps to create a more diverse, culturally inclusive industry.

Nareit knows that while it plays a critical role in supporting its members, it also has to lead the industry. Nareit continues to seek out and develop relevant resources to assist with generating more opportunities for talent development, community connections, and diverse suppliers. Highlights of Nareit’s 2022 DEI initiatives include:

PROJECT DESTINED

Year 2 of Nareit’s Diverse Representation Internship Program

Following a successful first year where more than two dozen students held internships at REITs, Nareit is partnering with Project Destined to introduce another cohort of diverse students to paid internships in the REIT industry in 2023. This partnership helps REITs and publicly traded real estate companies invest in a future generation of real estate leaders while supporting more inclusion in the industry. Complete this [form](#) to indicate interest in the program.

Management Leaders of Tomorrow

The DDEI CEO Council People Committee recommended that members of the Council meet with the Management Leaders of Tomorrow (MLT) to learn more about its [Black Equity at Work Certification program](#). The certification program quantitatively defines achievable black equity and helps companies develop a customized path to achieve it. In February 2022, Nareit hosted an [informational session](#) with 74 participants from 36 companies, and since then, many REITs have either partnered, committed to partnering, or expressed interest in working with MLT on the Black Equity at Work Certification program.



Nareit Staff Participate in Diversity Training

In October 2022, Nareit convened its staff for a diversity training presented by Dr. James Pogue of JP Enterprises, which included a discussion about the major categories of diversity that impact our lives, how engaging in open and honest communication cultivates an environment of innovation and creativity, and acknowledging that while these conversations may be uncomfortable, we are responsible for engaging with respect and kindness.



DEI Working Group Formed

Nareit’s DEI Working Group was formed to provide a collaborative space where DEI practitioners from Nareit corporate member companies can exchange ideas and solutions specific to the real estate profession. The DEI Working Group, chaired by Tanya Foster from Equity Residential, meets in-person and virtually to discuss a variety of topics including, but not limited to executive engagement, the role of the DEI professional, talent acquisition, competency building, DEI training, employee engagement groups, metrics, and reporting, and more.



2022 DEI Recognition Awards

These annual awards honor Nareit members that have demonstrated their commitment to the advancement of diversity, equity, and inclusion within their companies as well as with the real estate industry at large. The 2022 Individual DEI Award winner is Laurie Baker, chief operating officer, Camden Property Trust (pictured). The 2022 Corporate DEI Award winners include Camden Property Trust (Gold), Spirit Realty Capital (Silver), and Ventas, Inc. (Bronze).



Nareit DEI in the REIT Industry

DDEI Giving Campaign Launch – The Nareit Foundation’s Dividends Through Diversity, Equity & Inclusion (DDEI) Giving Campaign, launched in May 2022, demonstrates the collective commitment to advancing DEI on behalf of the REIT and publicly traded real estate industry while complementing and compounding the impact of individual companies’ efforts in similar areas.

Fundraising in 2022 has been robust with nearly 40 companies donating to date. In mid-January 2023, an application for prospective grantees will open. Funding priorities in 2023 include:

- Workforce: Career Readiness, Development, and Advancement** - Programs and initiatives that support professional pathways, talent pipeline development, or address racial and gender gaps for diverse, underserved and/or underrepresented talent, with a focus on the real estate industry. Examples include: internships, professional development programs, job fairs, career exposure.
- Small Business: Supplier Diversity** - Programs and initiatives that support increasing the capacity and technical knowledge of Minority/Women-owned Business Enterprises (MWBs) sustainability, profitability, scalability, and overall competitiveness to provide services to REITs and real estate firms. Examples include: mentoring, procurement matchmaking, business accelerators, training, and programs that increase MWBs competitiveness.
- Community: Education** - Programs and initiatives that increase diverse communities’ knowledge of, connection to, or engagement with REITs, the real estate industry, and/or opportunities to build equity. Examples include: marketing campaigns, advocacy efforts, educational series, conferences, or research.



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