

Nareit

Real estate
working for you®

REIT Industry ESG Report 2022



Kimco Realty Corporation's Lincoln Square includes a 39,547-square-foot green rooftop that provides a unique community amenity for residents.

Leadership Statement

Greetings,

I am delighted to share with you Nareit’s fourth REIT Industry ESG Report.

The REIT and publicly traded real estate industry competes both for business and for capital in an incredibly dynamic environment. To do so successfully, REITs must invest for the long term and intelligently oversee their real estate holdings on a day-by-day basis.



It is increasingly clear to REIT boards, REIT management, REIT shareholders and REIT stakeholders alike that a real estate enterprise’s total success over time comes about by

advancing environmental stewardship, practicing social responsibility, and implementing good governance, among other important corporate pursuits.

Notably, Nareit member companies took significant and tangible steps forward to address and advance their ESG practices over the past year.

In this REIT Industry ESG Report, we present four key findings:

REITs are enhancing ESG data management and data disclosure, as well as reporting rigor, standardization, and quality, in sync with evolving shareholder and stakeholder expectations.

With myriad ESG frameworks and standards to consider and an enhanced focus on alignment

with financial reports and filings, REITs are delivering greater levels of ESG data and disclosure, addressing the need to quantify impact, and holding leadership accountable for measurable performance.

Tackling climate change and addressing climate risk in the real estate industry requires raising and deploying capital for improvements, dedicated leadership, and a long-term focus, all structural advantages of the REIT industry.

As a society we are in a critical race to address climate change and as individual businesses we must also directly address our own climate risks. To win on both counts, our society and our businesses must better manage greenhouse gas emissions. For real estate, this requires, in part, the application of meaningful capital expenditures to improve efficiency and make structures robust to physical risks. Companies that are nimble in applying and thoughtful in sustainably financing climate-related capex in their portfolios should do well for themselves and our society. Within the commercial real estate space, REITs are positioned for success as companies with long-term perspectives, access to public capital markets, and world class management teams and operating platforms.



Federal Realty Investment Trust, Pike & Rose Park, North Bethesda, MD

Photo courtesy of Federal Realty Investment Trust

REITs are putting people first to address prominent and pressing “S” issues tied to health and wellness, as well as to diversity, equity, and inclusion.

REITs are increasingly investing in long-term health and wellness solutions for their communities; as well as devoting the capital and other resources necessary to help build social cohesion and address a range of social inequities. Through dedicated councils, initiatives, and partnerships, Nareit is working with the REIT community to increase the REIT industry’s visibility and appeal to diverse talent and minority-owned businesses by focusing on people, partnerships, and philanthropy.

Leaders of the REIT industry are committed to and focused on innovative and impactful ESG practices.

This report showcases work individual REITs have underway to own and operate real estate sustainably, to plan and to practice for resilience, and to place a premium on the people who make success possible, be they employees, providers of capital, tenants and customers or members of the communities in which REITs operate.

The report includes industry trends, investor perspectives, and useful guidance with respect to

the REIT industry’s primary ESG practices. It also highlights 32 noteworthy case studies showcasing how REITs lead by example through innovative and impactful initiatives.

Nareit’s REIT Industry ESG Report 2022 conveys a simple fact: the advancement of sensible and sound ESG practices will help ensure that REITs and publicly traded real estate companies are part of the solution with respect to climate change, are effectively addressing climate risk, are better utilizing precious resources, and are enhancing the experiences and lives of the people they touch – as well as improving the bottom line for their shareholders.

I hope you enjoy reading this report, and I encourage you to share any ideas you may have on how Nareit can continue to best advance our industry’s collective ESG agenda.

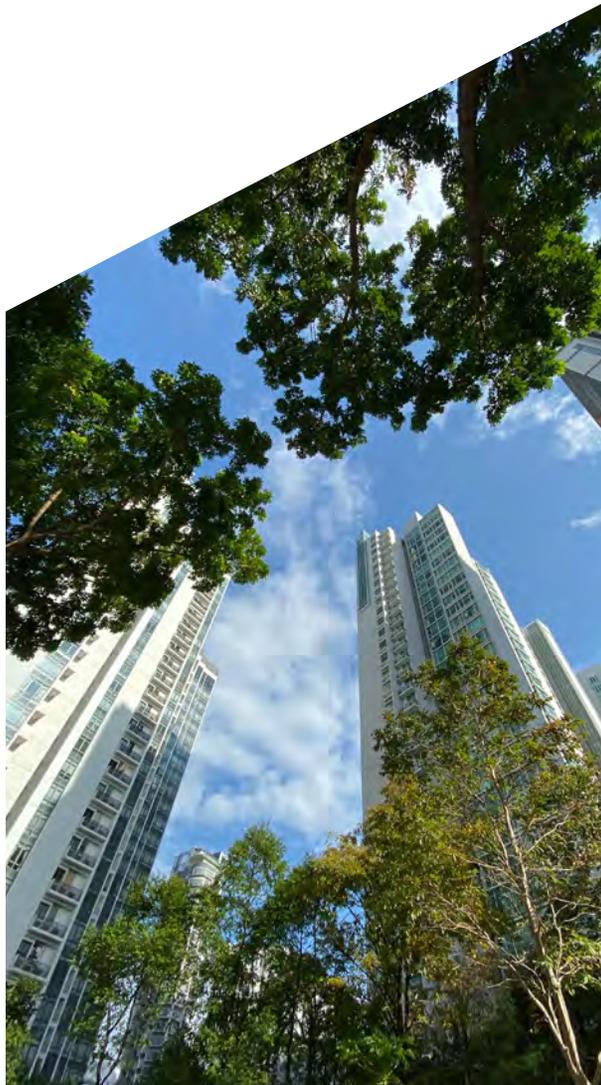
All the best.

Steven A. Wechsler
President & CEO



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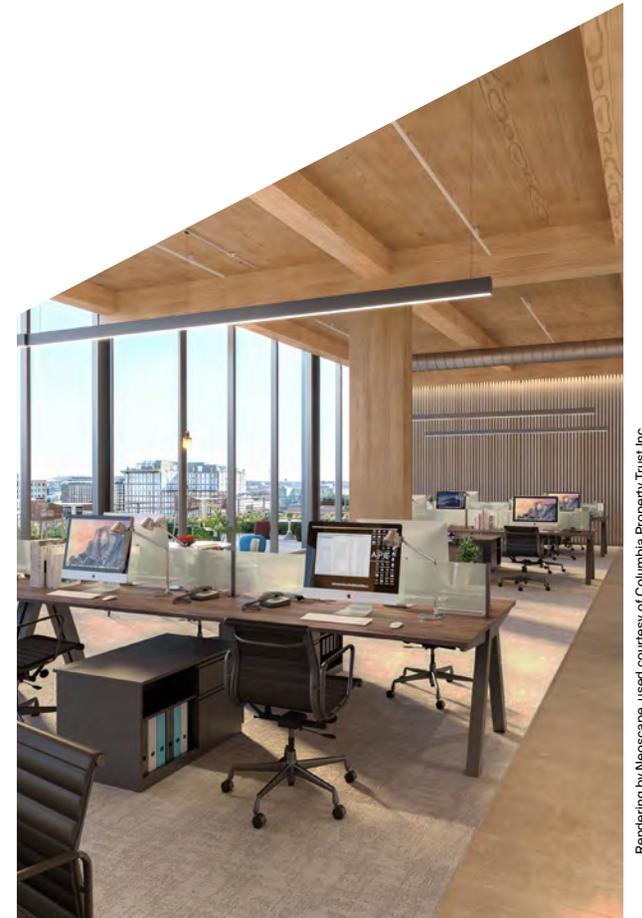
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The REIT Industry at a Glance



Exterior of Equinix SY5 International Business Exchange™ (IBX®) in Singapore

Photo courtesy of Equinix, Inc.

A REIT, or real estate investment trust, is a company that owns, operates, or finances income-producing real estate or real estate-related projects. REITs provide an investment opportunity for everyday Americans to own real estate and real-estate related projects. REITs are an effective way to raise the capital needed to help finance projects that revitalize neighborhoods, enable the digital economy, power community essential services, and build the infrastructure of tomorrow, while creating American jobs and economic activity along the way.¹

\$3.5 trillion

REITs of all types collectively own more than \$3.5 trillion in gross assets across the U.S., representing more than 500,000 properties, categorized across 13 property sectors.²

2.9% yield

The FTSE Nareit All REITs Index has a dividend yield of 3%, more than double that of the S&P 500 at 1.2% as of Q1 2022.⁴

145 million

Approximately 145 million Americans live in households invested in REITs through their 401(k), IRAs, pension plans, and other investment funds.³

15 of 25

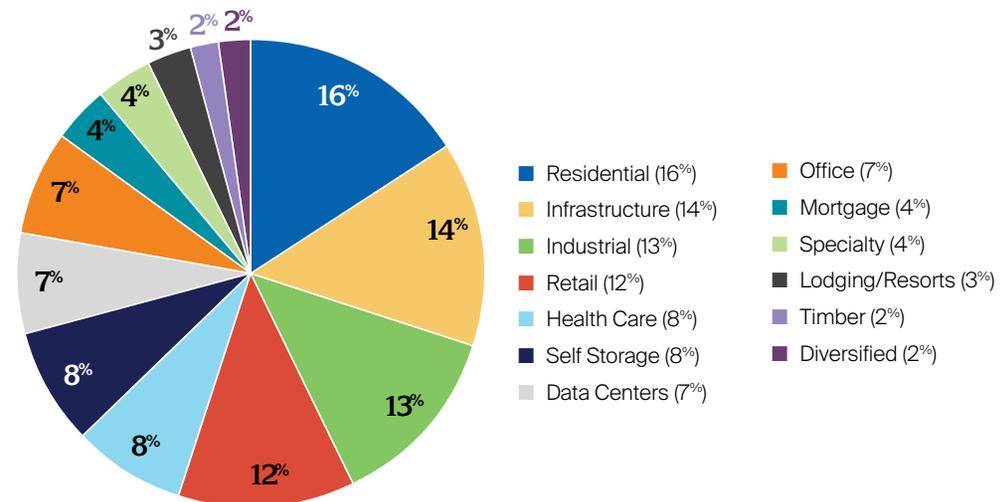
The FTSE Nareit All Equity REITs Index has outperformed the S&P 500 in 15 of the last 25 years.⁵

\$127 billion

REITs raised \$127 billion in public market offerings in 2021.⁵

Total REIT Equity Market Cap by Sector

As of March 31, 2022





Industry ESG Performance Highlights

Leading the Way



Photo courtesy of EY

90% of REITs surveyed have oversight of ESG at the board level.⁷

61% of REITs surveyed disclosed short-term (less than 5 years) ESG goals.¹⁰

51% of REITs surveyed linked executive compensation packages to ESG performance in 2021,¹¹ compared to 34% in 2020.¹²

82% of REITs surveyed integrated ESG risks and opportunities into their strategy and financial planning in 2021.⁸

80 of the largest 100 REITs by market cap produced stand-alone sustainability reports in 2021.⁹

Emerging Trends

GREEN INVESTMENTS

88% of institutional investors surveyed by EY report that, following the pandemic, they will likely pursue more sustainable and resilient investment opportunities.¹³

\$1.5 trillion of global sustainable bond issuance expected in 2022.¹⁴

Putting People First



Photo courtesy of Hudson Pacific Properties, Inc.

87% of REITs surveyed offer mental health support as part of their health insurance.¹⁵

81% of REITs surveyed offer programs that improve work-life balance (e.g., childcare, flexible work arrangements, and parental leave).¹⁶

70% of REITs surveyed have employees with diversity, equity, and inclusion (DEI) responsibilities (either full-time DEI professionals or other employees that have some DEI responsibilities).¹⁸

77% of REITs surveyed support non-profits financially.¹⁷

57% of REITs surveyed offer paid leave for employees to volunteer with community non-profits.¹⁹

NEW WAYS OF WORKING

55% of leading real estate experts agree that changes implemented in response to COVID-19 may remain in 2022.²⁰

2/3 of real estate professionals agree that no more than 75% of workers will be in office three or more days a week in 2022.²¹

Building Resilience



Photo courtesy of Stone RF

969,952 metric tons of greenhouse gas emissions reduced, reported by Nareit member GRESB participants in 2021, representing a 12% decrease from 2020 emission levels.²⁵

673,444 cubic meters of water reused, reported by Nareit member GRESB participants in 2021,²⁶ enough to fill nearly 270 Olympic-sized swimming pools.

83 of the largest 100 REITs by equity market cap own green-certified buildings in their portfolio.²²

654,775 metric tons of waste diverted, reported by Nareit member GRESB participants in 2021.²⁷

59% of REITs surveyed had a greenhouse gas emissions reduction goal in 2021,²³ up from 43% in 2020.²⁴

MOVING TO DECARBONIZE

43% is the expected reduction in carbon emissions intensity from the real estate sector by 2030.²⁸

27% of REITs that participated in Nareit's 2021 Member Survey have an operational carbon neutrality/net zero goal.²⁹



Leading the Way

Driving Impact with ESG Investments

Enhancing ESG Data and Disclosure

Reinforcing ESG Accountability at the Executive Level

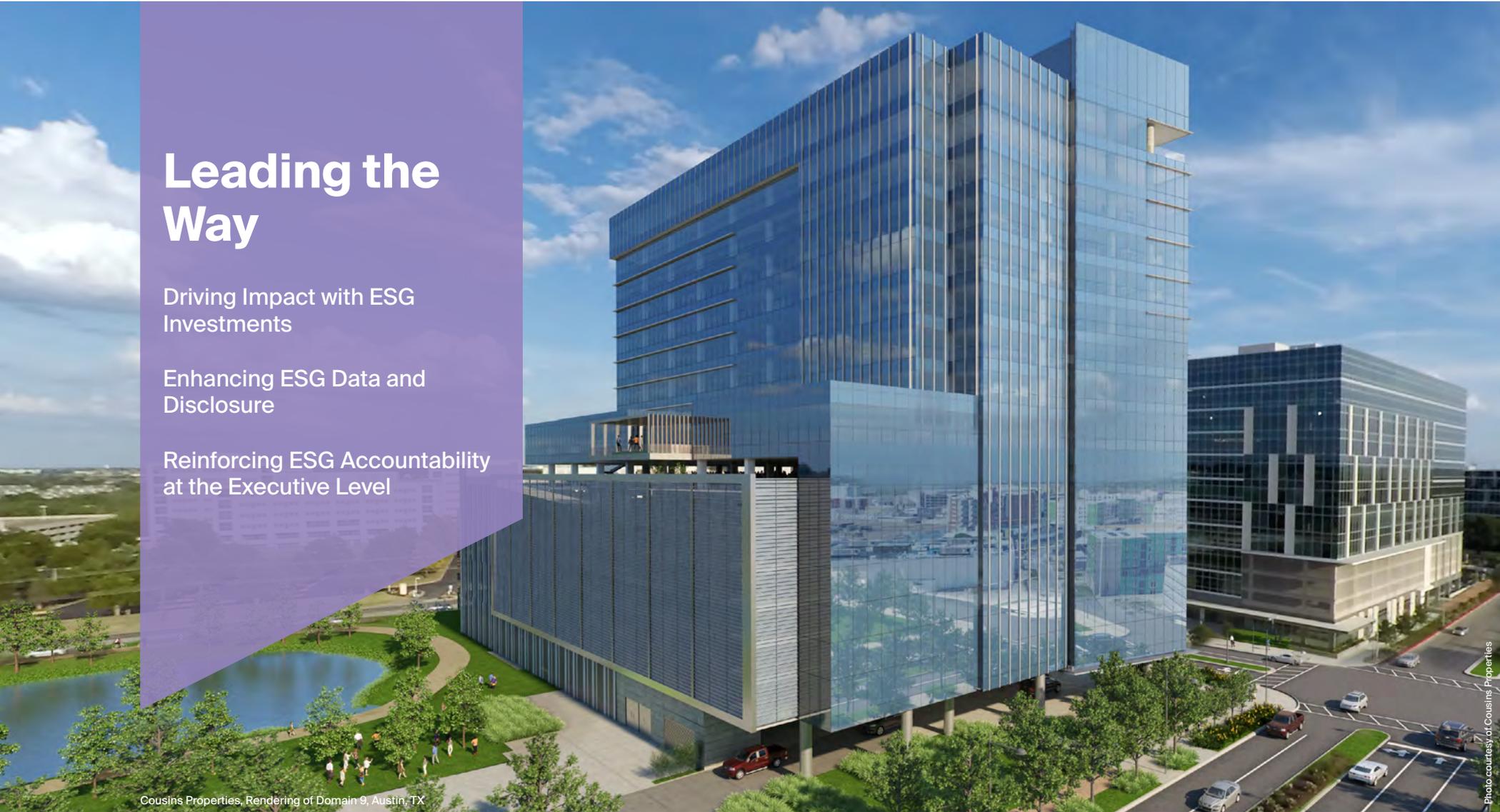
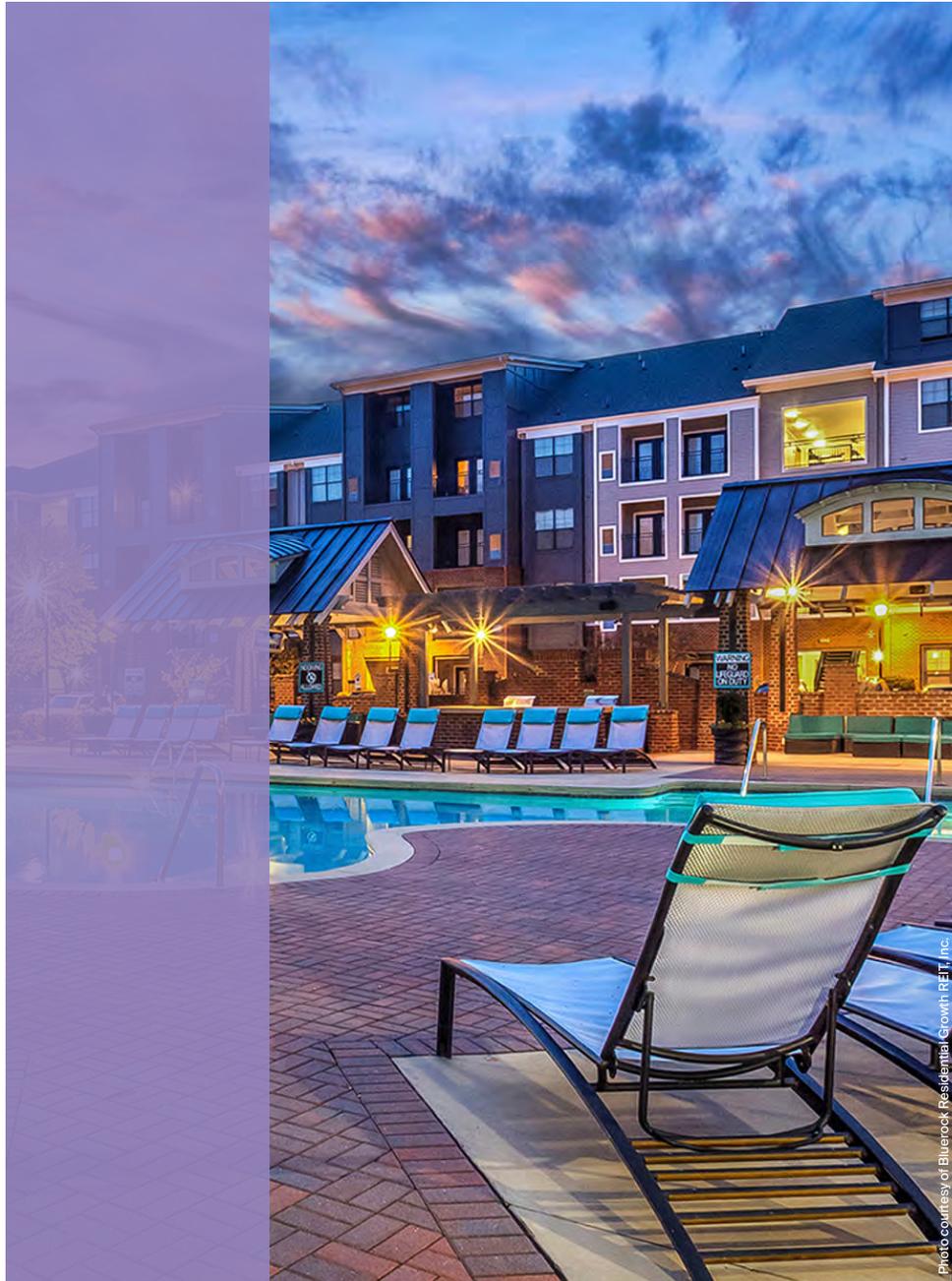


Photo courtesy of Cousins Properties

Cousins Properties, Rendering of Domain 9, Austin, TX

Aligning Governance, Strategy, and Management Practices to UN SDGs





Bluerock Residential Growth REIT, Inc., Wesley Village, Charlotte, NC

Leading the Way showcases how REITs are institutionalizing ESG within their corporate strategy, business management, and operations. Sustainability practices are increasingly integrated into REITs' corporate and investment strategies and elevated in governance frameworks.

Through sustainable financing mechanisms and publicly disclosed ESG goals, REITs are demonstrating accountability for efforts to reduce environmental impacts, promote DEI, and support a healthy and engaged workforce. To ensure transparency on these efforts and meet a growing demand from investors and regulators for high-quality ESG data, REITs continue to proactively align their reporting to leading and emerging ESG frameworks and standards.

Public disclosure of ESG targets and performance is elevating ESG oversight to the highest levels of the organization as more REITs link executive compensation to ESG goals and boards are directly addressing issues of diversity, broader ESG-related risks to the business, and strategic ESG decision-making.

88%

In response to a study conducted by EY, 88% of over 300 senior decision makers at buy-side institutions reported that it is likely they will increasingly target green-focused investment opportunities following the COVID-19 pandemic, as they seek opportunities that are more resilient to global crises and able to deliver sustainable long-term value.³⁰

Driving Impact with ESG Investments

As real estate firms expand opportunities to invest capital in assets that are focused on delivering long-term outcomes, reducing the impacts of climate change, supporting human capital management, and improving oversight of business



HUDSON PACIFIC PROPERTIES, INC. (NYSE: HPP)

Addressing the Climate Crisis Through Investments in Climate Tech

“Hudson Pacific is committed to leadership in sustainability, and a key component of that is investing in innovative proptech solutions that can reduce our carbon footprint.”

Natalie Tear, Senior Vice President of Innovation, Sustainability & Social Impact, Hudson Pacific Properties, Inc.

Case Study



risks,³¹ REITs present strong potential to become increasingly central to sustainable investment strategies. More REITs are placing ESG at the forefront of their businesses, with 82% of REITs surveyed reporting that they integrate ESG risks and opportunities into their strategy and financial planning in 2021,³² up from 77% in 2020,³³ and are offering “green financing” options, such as green bonds and climate bonds,³⁴ to meet investor interest and provide enhanced accountability for sustainability spending and returns.

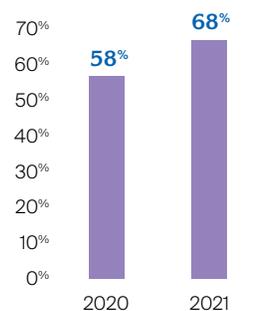
Evolving Investor Expectations

The growing interest in sustainability reflects an emerging generation of values-driven investors who are questioning the impact that business

is having on society. In a 2021 EY survey, 90% of investors reported that since the onset of the pandemic, they place greater emphasis on corporations’ ESG performance in their investment strategy and decision-making.³⁵ The greatest pressure comes from institutional investors who are incorporating ESG into their mandates³⁶ and recognizing climate risk considerations as part of their fiduciary responsibility to their shareholders.³⁷

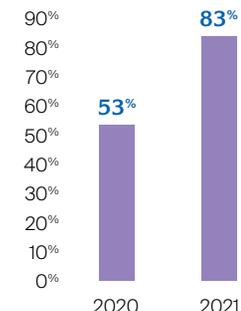
For investors, resilience measures at both the portfolio and property levels are critical to REIT competitiveness.⁴¹ REITs are prioritizing portfolio and property resilience by integrating climate risk considerations into future developments as well as retrofitting current assets.

YOY ESG Reporting Requests from Investors Increase³⁸



Percentage of REITs Surveyed

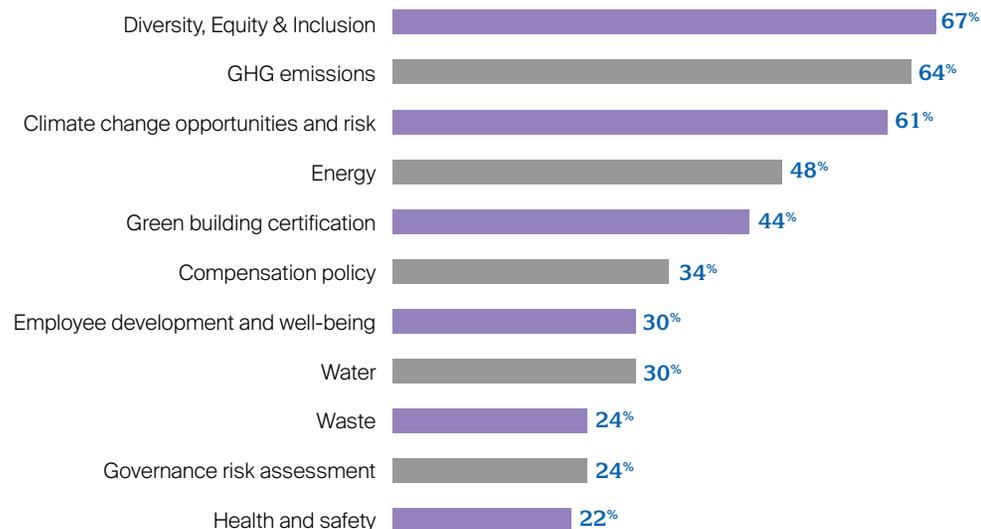
Climate-Related Risks Requests from Investors Increase³⁹



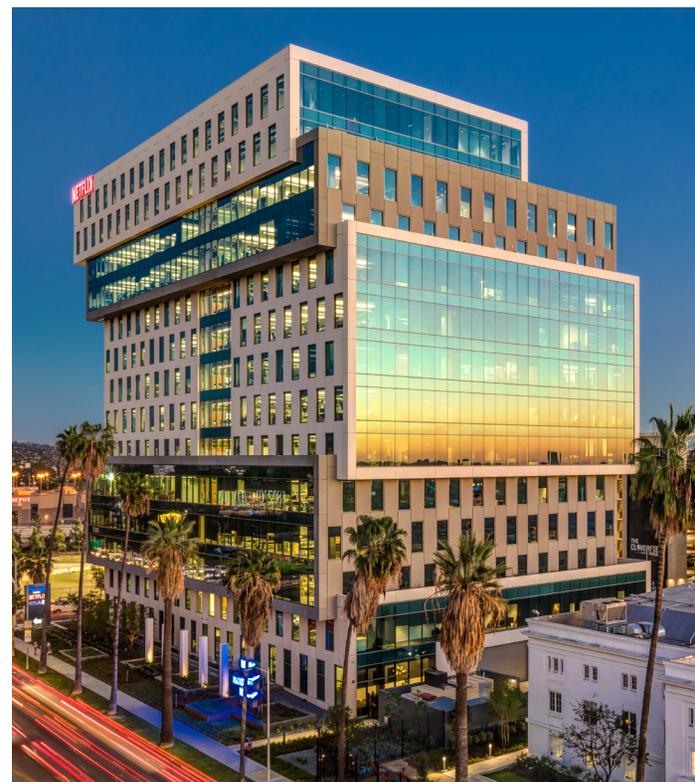
Percentage of REITs Surveyed

Investors Request ESG Information from REITs

Topics Raised in 2021 Include:⁴⁰



Source: Nareit Member Survey



Hudson Pacific Properties, Inc., 5800 Sunset Blvd, Hollywood, CA



INVESTOR INSIGHT

“In January 2020, BlackRock set a goal for ourselves to grow our sustainable assets under management to a trillion dollars by the end of the decade. We hit 40% of that 10-year goal in 18 months. That clearly shows how much investor interest there is and the powerful trend of capital formation behind sustainability—in our view, it is here to stay.”

Raj Rehan, Lead for Real Estate Securities for BlackRock Real Assets, U.S., at the 2021 Nareit REITworks Virtual Conference

Photo courtesy of © RMA Photography Inc.



Green Bonds

Green bonds are similar to standard bonds but are designed to fund specific projects that have positive environmental or climate benefits.⁴² Green bonds constitute a growing part of U.S. REITs' debt offerings, representing 12.3% or \$7.17B of the capital raised through the third quarter of 2021, compared to 11.1% or \$8.10B in 2020.^{43,44} These mechanisms are allowing REITs to fund projects that are not only mitigating their climate risk, but also raising asset value through building enhancements, like energy efficiency systems, EV charging stations, HVAC upgrades, or solar installations.

A core component of green bonds is the need for rigorous reporting of quantifiable impact to demonstrate to stakeholders that the funds are delivering on their intended environmental benefits; and with a strong foundation in disclosing ESG performance and progress toward goals, REITs are well suited to meet these requirements.



DIGITAL REALTY TRUST, INC. (NYSE: DLR)

Pursuing Green Bonds to Fund Business Growth with Sustainable Projects

“Sustainability has been an increasingly integral aspect of not only building and operating

the business but also financing the business. Therefore, it continues to be essential that the finance and sustainability teams continue to work closely together in a collaborative manner.”

Mike Brown, Senior Vice President, Treasury, Digital Realty Trust, Inc.



HEALTHPEAK PROPERTIES, INC. (NYSE: PEAK)

Enhancing Sustainability Through Green Bond Financing

“Our successful green bond issuances help support our ESG strategy to own resilient buildings, minimize our carbon footprint, reduce operating costs, and deliver value to our stakeholders.”

Tom Klaritch, Chief Operating Officer and Chair of the ESG Committee, Healthpeak Properties, Inc.



IMPLEMENTATION TIP

Issuing green bonds can provide real estate companies with a range of benefits, including the ability to showcase their corporate sustainability commitment and efforts, premium rental and purchase rates for assets with “green” attributes and certifications, and the opportunity to diversify their investor base.⁴⁵ Resources, such as [ICMA Green Bond Principles](#) and [APG Guidelines for Green, Social, and Sustainable Bonds](#), can provide issuers guidance and support to effectively implement, manage, and disclose the value of the sustainability projects that green bonds finance. For more information, refer to Nareit's [Practical Reference for ESG Implementation and Reporting](#).⁴⁶



Photo courtesy of iStockphoto

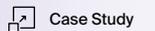


EQUINIX, INC. (NASDAQ: EQIX)

Utilizing a Transparent Financing Framework for Green Bonds

“Equinix's green bonds have aligned our sustainability strategy with our financing needs, accelerating our ability to advance our sustainability initiatives and to achieve our ambitious goals.”

Jennifer Ruch, Senior Director, Sustainability, Equinix, Inc.





Enhancing ESG Data and Disclosure

Over the past three years, the number of REITs that reported on ESG issues in stand-alone sustainability reports has consistently grown. In 2021, 80 of the largest 100 REITs by equity market cap issued stand-alone sustainability reports, up from 66 in 2020.⁴⁷

According to EY's 2021 survey, ESG performance disclosures are central to investment decisions, with 78% of investors reporting that they conduct a structured, methodical evaluation of nonfinancial disclosures.⁴⁸ The demand for enhanced disclosure is also triggering the need for more advanced data analytics to produce trusted ESG performance reporting.



52% of REITs surveyed implemented new ESG data collection monitoring technologies (e.g., data management systems, sensors) in the past year.⁴⁹



68% of REITs surveyed had an EMS in place in 2021, either formally or informally.⁵⁰



43% of REITs surveyed implemented new ESG reporting technologies in the past year (e.g., websites, dashboards, dynamic infographics).⁵¹

ESG Reporting

REITs Apply Relevant and Complementary Frameworks and Standards, Including:⁵²

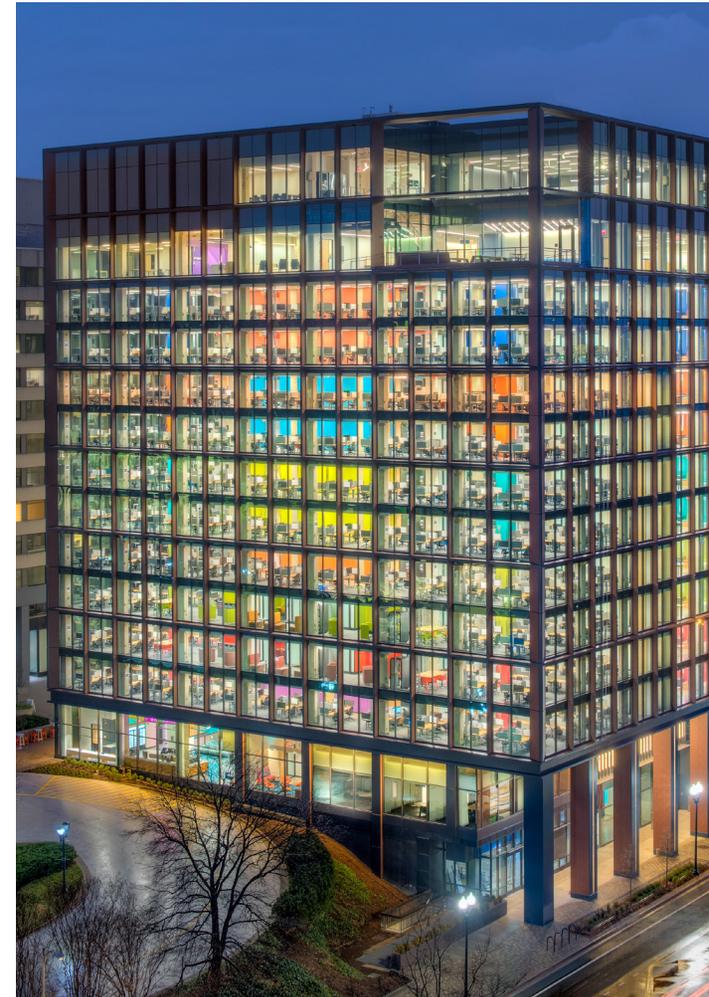
Frameworks	Percentage of REITs Surveyed that Align ⁵³
Global Real Estate Sustainability Benchmark (GRESB)	63%
Task Force on Climate-related Financial Disclosure (TCFD)	62%
United Nations Sustainable Development Goals (UN SDGs)	52%
CDP (formerly Carbon Disclosure Project)	32%
Standards	
Global Reporting Initiative (GRI)	63%
Sustainability Accounting Standards Board (SASB)	59%

Source: Nareit Member Survey



IMPLEMENTATION TIP

Nareit's [Guide to ESG Reporting Frameworks](#) and complementary [Practical Reference for ESG Implementation and Reporting](#) provide helpful information and actionable guidance for REITs and real estate companies that are progressing in or are advanced in their sustainability journey.



INVESTOR INSIGHT

“In addition to metrics and targets, we are interested in disclosure that shows how a company addresses and implements ESG materiality in its strategic planning.”

Chase Savage, Fixed Income Research Analyst, Municipal Finance, Fidelity Investments, Inc.

JBG SMITH, 1770 Crystal Drive, Arlington, VA



INVESTOR INSIGHT

“In our company score with about 40 to 50 metrics that we go through ... if a company has ESG targets at the board or executive level that are clearly linked to ELTIPs (executive leadership team incentive plans), they will get more points and thus warrant a higher valuation.”

Mihail Tonchev, Kempen Capital Management – Senior PM, at the 2021 Nareit REITworks Virtual Conference

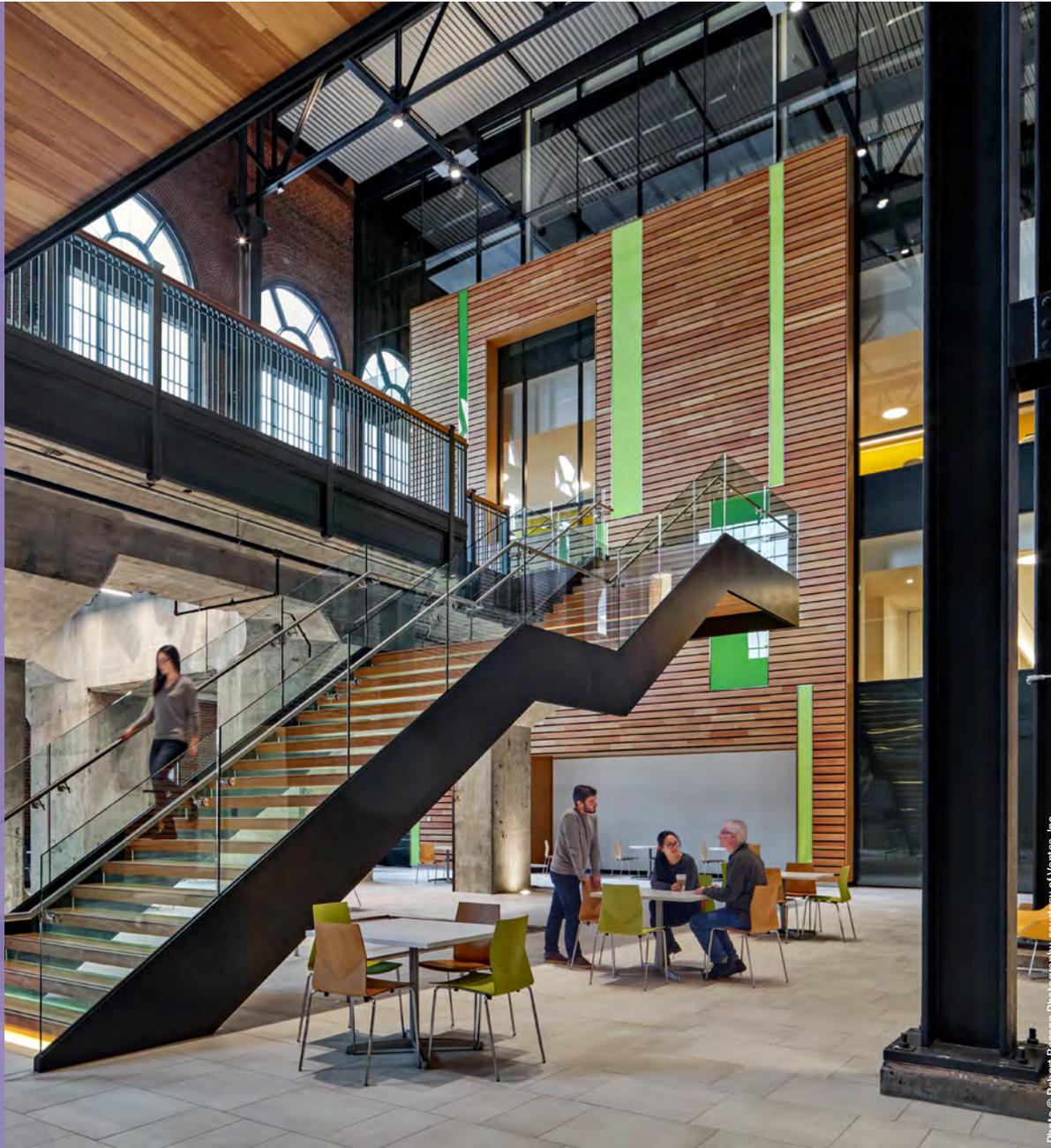


Photo © Robert Benson Photography, courtesy of Ventas, Inc.

Ventas, Inc., South Street Landing, Providence, RI

ESG Goals and Targets

In addition to comprehensive ESG reporting, REITs continue to set and publicly disclose ESG goals and targets that are relevant, meaningful, and feasible, demonstrating to their stakeholders that they are committed to having a real impact on ESG topics. Importantly, REITs are setting goals that align with and advance their overall corporate strategy.



61% of REITs surveyed have disclosed short-term (less than 5 years) ESG goals.⁵⁴



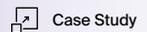
59% of REITs surveyed have disclosed long-term (5 years or more) ESG goals.⁵⁵



VENTAS, INC. (NYSE: VTR)
Reinvigorating DEI Commitments with a Structured Framework and Company-wide Engagement

“Our DEI goals represent specific areas where we believe Ventas can use its current strengths and business activities to make tangible and meaningful impact within Ventas, our communities, the commercial real estate industry, and the broader environment.”

Tim Sanders, Senior Investment Officer and Co-Chair Diversity, Equity & Inclusion Committee, Ventas, Inc.





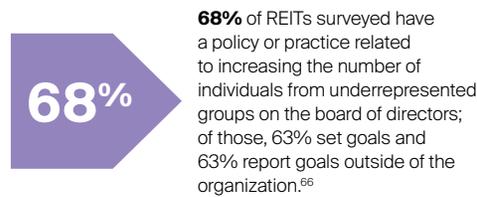
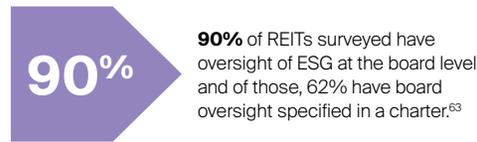
Reinforcing ESG Accountability at the Executive Level

Public ESG commitments are also helping REITs to reinforce accountability at higher levels of the organization, as a growing number of REITs are linking ESG performance to executive compensation. In 2021, 51% of Nareit corporate members surveyed reported linking executive compensation packages to ESG performance,⁵⁶ compared to 34% in 2020.⁵⁷

Board Oversight of ESG

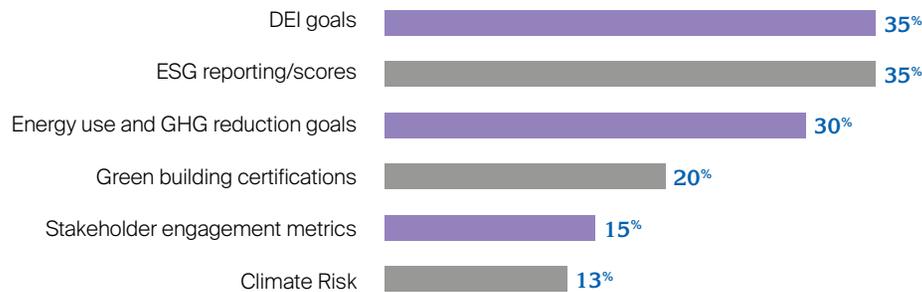
Strong governance, including formalized and comprehensive board oversight of ESG, is critical to ensure progress is made toward achieving corporate sustainability goals. As company trustees, the board of directors have a critical responsibility to govern material ESG issues.⁶⁰ Investors are evaluating board oversight of ESG to determine the credibility of companies' ESG efforts.⁶¹

REITs recognize the need for board involvement in ESG matters and are frequently raising ESG risks to their board, with 63% of Nareit members surveyed reporting ESG performance to their board quarterly or more frequently.⁶²



Linking ESG Performance to Executive Compensation

Percentage of REITs Surveyed that Link Executive Compensation to ESG Performance, Apply Metrics to the Following Performance Areas:⁵⁸



Percentage of REITs Surveyed that Link Executive Compensation to ESG Performance, Link Metrics from the Following Types of Goals:⁵⁹



Source: Nareit Member Survey

Diversity at the Board and Executive Level

As the awareness of the business and social value of DEI rises among the highest levels of management,⁶⁴ REITs are prioritizing diversity among board members and executives. REITs are turning to succession management plans for senior levels that include candidates from underrepresented groups and are being transparent in their decision-making regarding promotions. In 2020, 50% of new REIT directors were women, and 31% were people of color—up from 48% and 13% in 2019, respectively.⁶⁵ By implementing accountable and inclusive governance mechanisms, REITs are supporting UN SDG Goal 10, Reduced Inequalities and Goal 16, Peace, Justice, and Strong Institutions.



REXFORD INDUSTRIAL REALTY, INC. (NYSE: REXR) Strengthening Board Oversight of ESG Factors to Improve Corporate Decision Making

“We are driven by our commitment to reinvent the business of industrial real

estate in infill Southern California by optimizing our positive impacts to the environment, our communities, tenants, employees, and shareholders. At Rexford, this unified purpose guides the decision-making principles of every team member, including our board of directors, as we continue to create value and elevate our ESG impacts.”

Diana Ingram, Director and Chairperson of the Nominating and Corporate Governance Committee, Rexford Industrial Realty, Inc.

Case Study



Brookfield Properties, Fifth + Broadway, Nashville, TN

Photo by Zach Benson, courtesy of Brookfield Properties



Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion

Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion



Photo courtesy of Brixmor Property Group Inc.

Brixmor Property Group employees participating in the company's Day of Service

Aligning Social Impact to UN SDGs



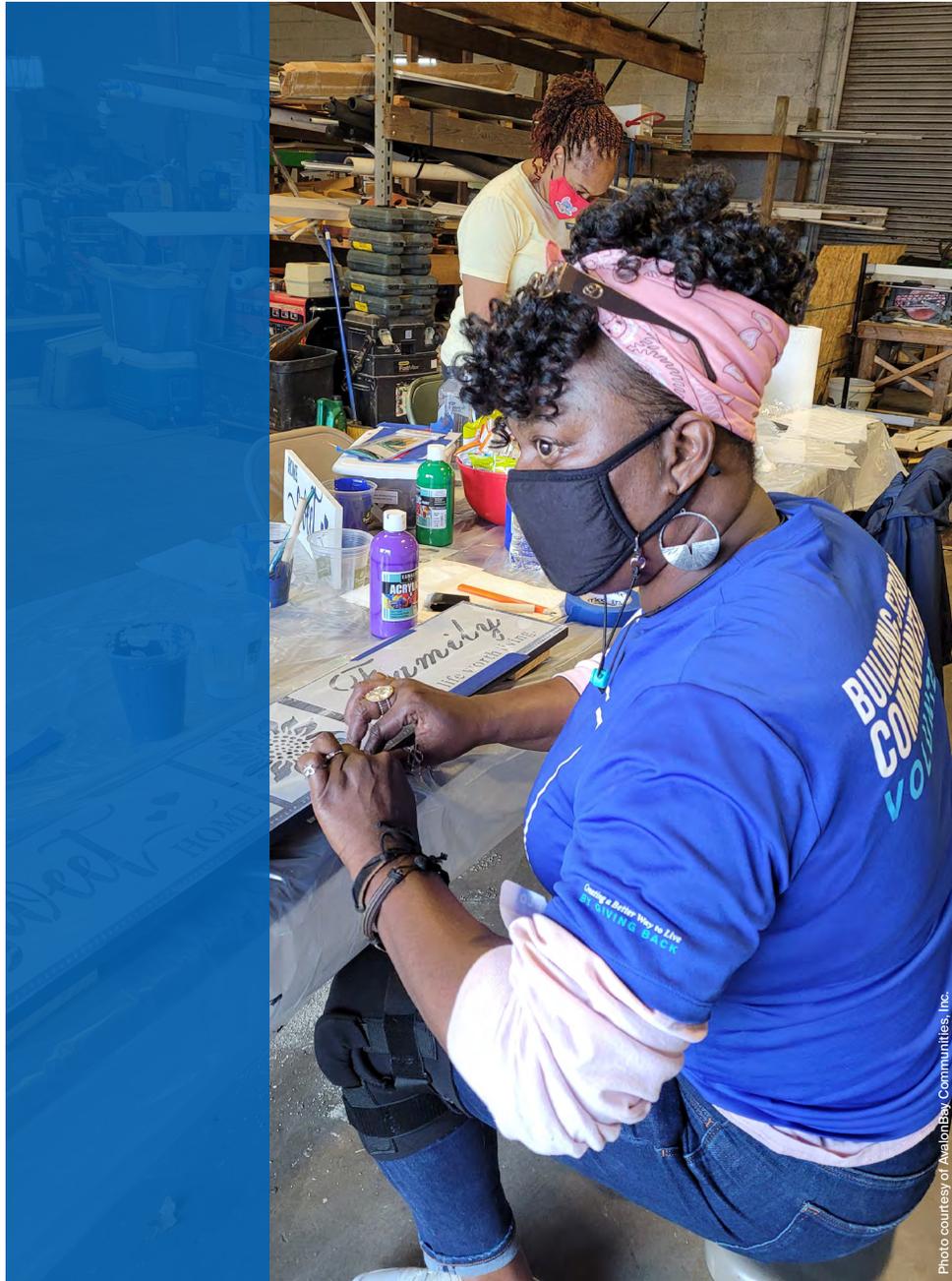


Photo courtesy of AvalonBay Communities, Inc.

AvalonBay Communities, Inc. associates volunteering

Putting People First is about doing the right thing for REIT stakeholders, including employees, tenants, and community members, while maintaining business continuity and profitability. REITs are prioritizing the health, safety, and wellbeing of their stakeholders and advancing strategies in support of diversity, equity, and inclusion.

In the third year of the COVID-19 pandemic, society continues to contend with the impacts of viral variants, economic challenges, and social injustices. In response, REITs are doing more to prioritize and elevate their efforts to ensure long-term health and wellness of their employees, to strengthen community engagements, and to advance DEI across their business and the REIT and publicly traded real estate industry.

By continuing to invest in healthy building upgrades, enhanced cleaning, and health and safety protocols, REITs ensured that they were continually adapting and that their offices and residential spaces were meeting the highest standards to keep people safe.

REITs extended their efforts with their communities, supporting causes related to COVID-relief and social justice movements. As companies continue to understand their role and purpose in addressing the nationwide movement to eliminate bias and create a more equitable and just society for people of all races, religions, genders, sexual orientations, and disabilities, REITs continue to advance their efforts to promote DEI, both within their organizations and beyond.

Ensuring Long-Term Health and Prioritizing Wellness

As developers, owners, and operators of the buildings that many use, work, and reside in, REITs recognize the significant influence that

the built environment has on human health, and continue their efforts to upgrade their facilities and meet healthy building certifications to ensure they are providing healthier spaces for people to occupy.

For years, REITs have been focused on developing wellness initiatives in alignment with Goals 3 and 8 of the UN SDGs— Good Health and Well-being and Decent Work and Economic Growth. However, with the pandemic as a backdrop, REITs have strengthened efforts to enhance programs, partnerships, and investments to more strategically address the unique challenges and stakeholder needs that have emerged.

Healthy Buildings

As the pandemic elevated the focus on human health, building certifications aimed at advancing health and wellbeing gained additional prominence for the REIT and publicly traded real estate industry.

Certifications, like WELL and Fitwel, continue to help REITs formalize and advance their efforts to improve the health, wellbeing, and productivity of building occupants by addressing healthy building factors, such as access to clean and fresh air; natural sunlight; active design or access to healthy foods and space for physical activity; and visual, thermal, acoustic, and ergonomic comfort.⁶⁸ Indoor air quality has been found to directly impact productivity and cognitive function, with workers in buildings with better indoor air quality scoring as



Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion

much as 61% higher on cognitive tests than their peers in a recent green buildings study.⁶⁹ Healthy buildings have also been found to improve the bottom line for property owners, earning between 4.4% and 7.7% more effective rent per square foot than nearby non-certified buildings.⁷⁰

Employee Wellness and Engagement

REITs are part of a larger corporate movement to expand resources that support the physical, emotional, and financial health of employees and their families. For example, 51% of REITs participating in the 2021 Nareit Member Survey indicated that they increased health and wellness

programming benefits for their employees.⁷⁴ In order to offer wellness resources that best suit their employees' needs, REITs are conducting surveys to collect employee feedback and identify areas of improvement with more than 70% of REITs surveyed reporting that they perform a workforce engagement survey.⁷⁵

12%

Certified Healthy Buildings or Health-Rated Buildings (e.g., Fitwel, WELL) made up 30% or more of the portfolio of 12% of REITs surveyed in 2021⁷¹, up from 3% of REITs in 2020.⁷²

81%

81% of REITs surveyed offer programs that improve work-life balance (e.g., childcare, flexible work arrangements, and parental leave).⁷⁶

78%

78% of REITs surveyed include a wellness program as part of their health insurance.⁷⁷



87%

87% of REITs surveyed offer mental health support as part of their health insurance.⁷⁸



IMPLEMENTATION TIP

In order to integrate wellness as a key aspect of workforce development practices, REITs may conduct employee engagement activities to identify and prioritize health promotion and employee wellness initiatives. These initiatives may include: personal wellbeing programs such as fitness reimbursements, onsite fitness programs, healthy lunch provisions, and bike sharing programs; and/or workplace health programs, such as indoor air quality systems, green walls and/or plants, and ergonomic furniture. For more information, refer to Nareit's [Practical Reference for ESG Implementation and Reporting](#).⁷³



HEALTHCARE REALTY TRUST (NYSE: HR) Broadening Engagement to Enrich Employee Health, Wellbeing, and Culture

“Healthcare Realty’s wellness challenges inspired me to focus on self-care and spend time hiking with my family. I enjoyed competing in challenges through the MoveSpring app, feeling a sense of accomplishment, elevating my heartbeat, and improving my mental and physical state.”

Ruth Valle, Administrative Assistant, Fountain Valley, CA, Healthcare Realty Trust

Case Study



Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion

Lasting Practices Adapted During COVID

In response to the fluctuating health and safety guidance and requirements throughout the pandemic, REITs adapted their approach to facility operations, workforce management, and community engagement—some of which will leave lasting changes to daily processes and procedures and elevate social impact for the long term.

Pandemic-inspired initiatives, such as additional staff training on health and safety practices, enhanced cleaning protocols, flexible work programs, and new and expanded health and wellness programs, were established to prevent and mitigate the health risks due to COVID-19 and have since been recognized by REITs as new opportunities to attract and retain top talent, increase human capital resiliency, and reinforce trust with tenants and community members.



JBG SMITH (NYSE: JBGS) Making Long-Term Commitments to Prioritize Health and Wellbeing for Employees, Tenants, and Residents

“Providing an engaging experience has always been

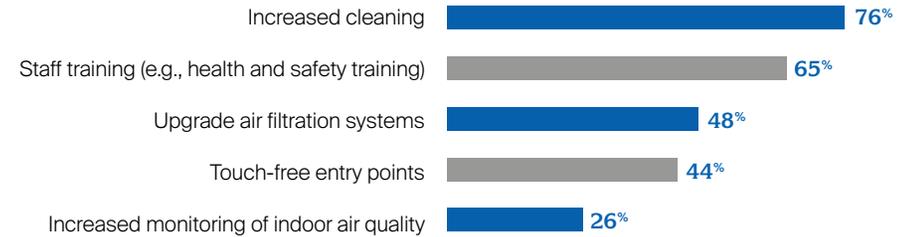
of the utmost importance for JBG SMITH. It's that experience that enables the collaboration and desire to deliver the highest levels of care to our residents and tenants. During the pandemic, and going forward, we are committed to serve all our constituents and continually enhance the experience they have with our great organization.”

Carey Goldberg, Chief Human Resources Officer, JBG SMITH



Lasting Operational Practices REITs Adapted During COVID

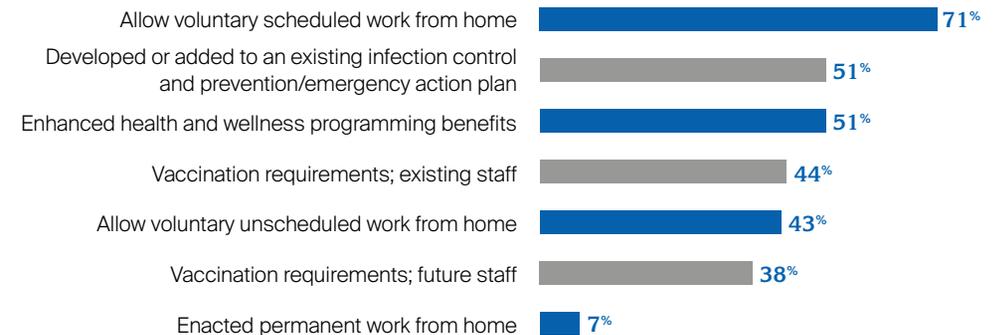
Percentage of REITs Surveyed that Plan to Keep in Place the Following Practices:79



Source: Nareit Member Survey

Lasting Workforce/Workplace Practices REITs Adapted During COVID

Percentage of REITs Surveyed that Plan to Keep in Place the Following Practices:80



Source: Nareit Member Survey

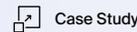


SUN COMMUNITIES, INC. (NYSE: SUI)

Supporting Team Members and Their Families by Providing Educational Programming and Tutoring Services

“The “Back 2 School with Sun” program has been a blessing for me as my child experiences another disrupted school year. The tutoring provides an extra resource to ensure my child learns and understands the academic concept of her grade level.”

Vanessa Ogu, Barista, Sun Communities, Inc.



CYRUSONE

Developing and Standardizing Industry-Leading Health and Safety Measures for Customers and Employees

“Our Environmental, Health, and Safety programs truly give our employees the background and knowledge of our equipment and facilities so we can proactively prevent harm and other injuries and remain confident in our safety expectations.”

Kyle Myers, Head of Global Environmental Health, Safety & Sustainability, CyrusOne





Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion

Strengthening Tenant and Community Engagement

As tenants faced continued employment and financial hardships in 2021, REITs sustained efforts to engage with tenants to better understand and respond to their needs.

57%

57% of REITs surveyed utilize a tenant engagement policy that includes tenant satisfaction surveys; 34% of respondents collect tenant through other methods, either in addition to or instead of surveys.⁸¹

In response to tenant feedback during the pandemic, REITs plan to continue practices, such as increased cleaning frequency, touch-free entry points, upgrades to air filtration systems, increased monitoring of indoor air quality, and onsite staff training.⁸²

As businesses that lead the planning, design, and management of infrastructure on which communities rely, REITs are focused on delivering lasting, meaningful, and positive impact to the communities where they operate through philanthropic and outreach efforts. Through collaborative partnerships and increased philanthropy, REITs are actively contributing to Goal 17 of the UN SDGs, Partnerships for the Goals. The various community engagement programs REITs establish are also supporting additional SDGs, including Goal 1, No Poverty; Goal 2, Zero Hunger; Goal 4, Quality Education; or Goal 8, Decent Work and Economic Growth.

Philanthropy

Corporate philanthropy has evolved over the past year with several noteworthy developments, including increased giving to COVID-19 relief and social justice efforts; shifting of in-person volunteering to virtual formats; and strategic alignment of corporations' campaigns and donations with their corporate purpose.⁸⁵



EQUITY LIFESTYLE PROPERTIES, INC. (NYSE: ELS)

Taking a Community-Centered Approach to COVID-19 Mitigation Efforts

“Working together as a team, the homeowners association booked

appointments and the Equity LifeStyle team arranged the logistics. We received over 5,000 emails requesting appointments, indicating the extreme need among the seniors to get vaccinated. The county had a lottery waiting list for vaccinations at the time and most Colony Cove residents were unable to get appointments, so they were ecstatic to have the opportunity to receive both doses of the vaccine right here in Colony Cove. We processed 3,500 vaccination appointments in two and a half days.”

Darlene Kornacker, Colony Cove Homeowners Association President

Case Study

REIT Community Engagement Practices⁸³

77%

77% of REITs surveyed support non-profits financially.

57%

57% of REITs surveyed develop public/private partnerships with community organizations.

57%

57% of REITs surveyed offer paid leave for employees to support community non-profits.



INVESTOR INSIGHT

“We look at things such as employee turnover and also how the companies are involved in their communities, because it gives us a sense of the culture of the company. Culture is really important in terms of attracting and retaining talent, which then bodes well for items such as operational performance of the company, outlook, and overall risk level.”

Diane Wade, CBRE Investment Management, Head of ESG—Listed Strategies, at the 2021 Nareit REITworks Virtual Conference



IMPLEMENTATION TIP

Invest in joint programs with priority stakeholders that align to strategic objectives. Joint programs may include: community outreach, environmental awareness programs, employee volunteering, and collaborations with local nonprofit organizations. To ensure programs are relevant and responding to stakeholder and company needs, conduct regular engagement sessions or implement mechanisms to receive regular feedback. For more information, refer to Nareit's [Practical Reference for ESG Implementation and Reporting](#).⁸⁴



Regency Centers Corporation employees volunteering to package food in Jacksonville, FL

Photo courtesy of Regency Centers Corporation



Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion

REITs implemented community-centered, COVID-19 relief initiatives, such as donating to pandemic-specific efforts, offering rent deferral programs, permitting company property for COVID-19 testing, and distributing personal protective equipment (PPE).⁸⁶

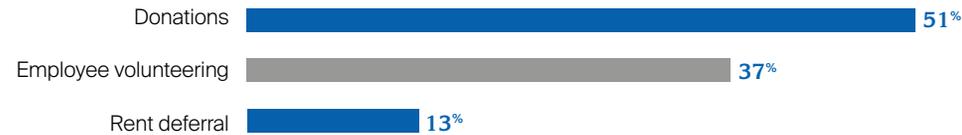
REITs took a strategic approach to expanding their social impact by building meaningful partnerships with local organizations that share common objectives, such as addressing

homelessness, supporting disaster relief efforts, or reducing social inequalities.

These efforts are growing in importance as REITs compete for talent that is increasingly looking to find work that has a positive societal impact. According to a McKinsey survey, 70% of respondents agreed that their sense of purpose is defined by their work.⁸⁸ REITs philanthropic initiatives help to provide an additional element of fulfillment for their employees, outside of their daily tasks, with a direct impact on the community.

Lasting Community Engagement Practices REITs Adapted During COVID

Percentage of REITs Suveyed that Plan to Keep in Place the Following Practices:⁸⁷



Source: Nareit Member Survey



Photo courtesy of Equity LifeStyle Properties, Inc.

Equity LifeStyle Properties, Inc., vaccination event at Colony Cove in Ellenton, FL

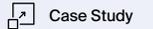


BRIXMOR PROPERTY GROUP INC. (NYSE: BRX)

Dedicating Time for Service and Cultivating Team Member and Community Relationships

“We’ve experienced stronger relationships with each other by working side-by-side on community projects. We’ve discovered shared interests and devotion to causes, such as knitting or animal welfare, and we’ve even met our teammates’ families when they join our volunteer projects. As residents of the communities around our centers, we see the impact of our professional and volunteer efforts.”

Carolyn Carter Singh, EVP & Chief Talent Officer, Brixmor Property Group Inc.



KIMCO REALTY CORPORATION (NYSE: KIM)

Delivering Impact Through Local Community Engagements

“In our support, education, and advocacy work we hear from parents how desperately alone they and their LGBTQ+ children feel. Every institution that is hostile or silent, whether it be government, church, school, friends, business, etc., can make or break the dreams of LGBTQ+ youth and their parents that the future holds hope for them. Symbols matter. They give a sense that the loneliness and absence of belonging is lifted, even if only temporarily. I want to thank Factoria Marketplace [Kimco Realty] management for this valuable display. You communicate a message that everyone of authenticity and loving heart is championed.”

Ginger Chien - President, PFLAG Bellevue/ Eastside, WA



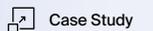
AVALONBAY COMMUNITIES, INC. (NYSE: AVB)

Building Strong Communities Through Impactful Philanthropic Partnerships

“Disaster Responder Program members like AvalonBay Communities, Inc. are truly extraordinary because they understand the importance of having vital resources in place before emergencies. We are extremely grateful for the company’s long-time support—both financial and through blood drives—which ensures we stand ready to help people in their darkest hours, whenever and wherever we’re needed most.”

Anne McKeough, Chief Development Officer, American Red Cross*

*The American Red Cross name is used with its permission, which in no way constitutes an endorsement, express or implied, of any product, service, company, opinion, or political position. The American Red Cross name is registered trademark owned by the American National Red Cross.





Advancing Diversity, Equity, and Inclusion

Over the past year, REITs advanced their DEI strategies and initiatives with top-down and bottom-up approaches aimed at embedding inclusivity across their business and the broader REIT and real estate industry. These actions contributed to UN SDGs 5, Gender Equality, and 10, Reduced Inequalities.

Top-Down Diversity and Inclusion

Prioritizing DEI at the highest levels of an organization sets the tone, allows a DEI-supportive culture to permeate down to all employees, and promotes better business results. Inclusive leaders impact those who work for them by cultivating positive experiences, strengthening team dynamics, and guiding teams more effectively toward achieving their goals.

REITs have worked to develop inclusive cultures through comprehensive DEI training for employees. According to Nareit's 2021 Workforce Development & DEI Survey, 58% of REITs surveyed provide DEI-related training and 14% of overall employee training hours are focused on conscious and unconscious bias management.⁹¹ REITs have also worked to foster greater accountability for DEI integration by formalizing DEI responsibilities, as 39% of REITs have at least one employee with DEI responsibilities and a DEI committee, and 40% of REITs have one or the other.⁹²

50%

One BetterUp Labs survey found that inclusive leaders have teams that perform 50% higher than peers and have a 54% lower turnover intention,⁸⁹ which refers to an employee's intention to leave their position or an organization's plan to remove an employee from their position.⁹⁰

63

63 CEOs from Nareit's member REITs have signed the CEO Action for Diversity & Inclusion™ Pledge.

70%

70% of REITs surveyed have employees with DEI responsibilities (either full-time DEI professionals or other employees that have some DEI responsibilities).⁹³

45%

45% of REITs surveyed have a DEI committee composed of employees who participate voluntarily outside of their regular duties.⁹⁴



HERSHA HOSPITALITY TRUST (NYSE: HT)

Expanding Efforts to Influence a Culture of Diversity, Equity, and Inclusion

“Our focus on DEI initiatives led to increased employee training, support for our diverse community of employees, and our signing of the CEO Action for Diversity & Inclusion™ Pledge. Through these actions, we hope to inspire others to share and learn from each other.”

Jay H. Shah, Chief Executive Officer, Hersha Hospitality Trust

Case Study

EQUITY RESIDENTIAL (NYSE: EQR)

Driving Cultural Competency and Awareness through Employee Engagement and a Top-Down Inclusivity Strategy

“The work that has been done over the last two years has been inspiring and motivating. I appreciate the focus on Diversity and Inclusion (D&I) and our values overall. I look forward to seeing how our company continues to grow in these areas for our employees.”

Equity Residential Employee, Employee Experience Survey

Case Study



Members of Duke Realty's DEI Council



Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion

DEI in Recruitment and Hiring

In addition to developing current employees, the REIT industry is working to build a pipeline of diverse talent, recognizing the opportunity for long-term business value as REITs compete for the best and brightest talent of all backgrounds.

In order to progress in this area, REITs are establishing protocols to ensure inclusive hiring, with 74% of REITs responding to Nareit's 2021 Workforce Development & DEI survey stating that they have policies or practices in place for recruiting and hiring more individuals from underrepresented groups.⁹⁷ However, REITs recognize that there is still more work to be done, as those who participated in the survey identified recruiting and hiring more individuals from underrepresented groups as the area where the most progress has been made and the area where the most improvement is still required.⁹⁸

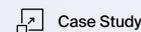


DUKE REALTY CORPORATION (NYSE: DRE)

Formalizing Long-Term DEI Efforts to Ensure Equitable Practices for Current and Future Associates

“As a woman of color, looking for a company where I could start my career, I had an opportunity to intern at Duke Realty. Not only did I gain valuable experience and develop trusting relationships in the real estate industry, I found a culture of inclusion where I felt that I belonged and could build a career. This is a company that makes DEI a priority and shows it in how business is conducted and in the value it places on its diverse associates.”

Natalie Tyler-Martin, Vice President of Leasing and Development, Duke Realty Corporation



76%

76% of job seekers reporting to Glassdoor report that a diverse workforce is a critical consideration when assessing companies and job offers.⁹⁵

36%

A diverse workforce has been recognized to improve business performance, with racially and ethnically diverse companies showing a 36% higher likelihood to outperform their less-diverse competitors.⁹⁶



REGENCY CENTERS CORPORATION (NASDAQ: REG)

Advancing DEI with a Structured, Employee-Driven Approach

“After taking a leadership role in a newly formed employee resource group

(ERG), my conversations with coworkers have expanded across all disciplines in the company. ERGs are a terrific resource that allow me—and its members—to engage in meaningful interactions with people whose functional paths may not typically cross at work.”

Barry Argalas, SVP, National Transactions & Investment Strategy (and Executive Sponsor of EDGE, Ethnic Diversity Group for Everyone), Regency Centers Corporation



Photo courtesy of Southworks Creative

REIT Actions to Advance DEI in Recruiting and Hiring Practices⁹⁹

61%

61% of REITs surveyed review postings, application processes, and assessments to eliminate adverse impact or bias in order to recruit more individuals from underrepresented groups.

53%

53% of REITs surveyed present their companies as a representative workplace to potential employees.

48%

48% of REITs surveyed ensure there are individuals from underrepresented groups in the candidate pool before making a hiring decision (e.g., implementing the Rooney Rule).

*According to Nareit's 2021 Workforce Development & DEI Survey



PIEDMONT OFFICE REALTY TRUST, INC. (NYSE: PDM)

Fostering a Diverse and Inclusive Future Through Employee Engagement, Community Investment, and Executive Accountability

“Through programs such as Piedmont's scholarship, I can strive to be the person for others that I wish I had myself.”

Caleb Davis, Piedmont Scholarship Award Recipient – Howard University





Putting People First

Ensuring Long-Term Health and Prioritizing Wellness

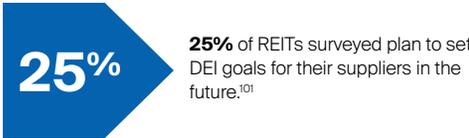
Strengthening Tenant and Community Engagement

Advancing Diversity, Equity, and Inclusion

Supply Chain Diversity

Beyond their immediate operations, and in alignment with the broader corporate landscape, REITs are also addressing diversity in their supply chains.

REITs are recognizing the value of a diverse supply chain, and they plan to continue establishing and monitoring supplier diversity metrics, as well as engaging diverse suppliers in a meaningful way that drives tangible and lasting returns.



First Industrial Realty Trust, Inc., First Sycamore 215 Logistics Center, Riverside, CA



HOST HOTELS & RESORTS, INC. (NASDAQ: HST)

Engaging Suppliers to Support Diversity of Procurement Decisions

“For over a decade, Host has worked with its suppliers on sustainability for our hotel renovations and redevelopment projects with a focus on renewable and locally sourced products and materials that promote healthy lifestyles. Increasing engagement with diverse suppliers is especially important to build a more equitable and resilient supply chain in a resource-constrained environment.”

Helen Jorgensen, Vice President, Design & Procurement, Host Hotels & Resorts, Inc.

Case Study

Photo courtesy of First Industrial Realty Trust, Inc.



Building Resilience

Addressing Climate Change Risks and Opportunities

Charting a Path for Decarbonization and Net Zero

Protecting Biodiversity and Natural Resources

Building Resilience

Addressing Climate Change Risks and Opportunities

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Aligning Environmental Stewardship to the UN SDGs



Photo courtesy of Kahel Place



Photo courtesy of Paramount Group, Inc.

Paramount Group, Inc., 60 Wall Street Rendering, New York, NY

Building Resilience details approaches to proactively manage the environmental footprint of the REIT industry and address the long-term risks and opportunities associated with climate change.

REITs are deploying new approaches and technological innovations to reduce environmental impact and drive efficiencies across their portfolios.

In 2021, the U.S. experienced 20 climate-related disasters.¹⁰³ REITs are taking proactive measures to mitigate environmental impact and build resilience for the long term by:

- Conducting climate change risk assessments and setting greenhouse gas (GHG) reduction targets to decarbonize their portfolio;
- Investing in green certified and resilient buildings that perform better and enhance property values;
- Conserving or restoring green spaces that also attract employees, tenants, and community members while protecting biodiversity; and,
- Implementing new and innovative climate adaptation strategies to reduce water and energy consumption, and be prepared against climate events.

Through these measures and others, REITs are identifying opportunities to not only reduce their climate risk, but also enhance the value of their portfolios to investors, employees, tenants, and community members.

Addressing Climate Change Risks and Opportunities

Investors are increasingly taking climate risk into account when evaluating their portfolios' exposure to climate change.¹⁰⁴ REITs are increasingly conducting climate risk assessments to better understand and more effectively manage issues that impact strategic, operational, and economic performance.

Recognition of climate risk likelihood, degree, and variability can inform better investment decisions—helping to make properties and portfolios more current, competitive, and resilient against climate-related hazards.

By taking measures to assess climate risk and enhance resilience, REITs are contributing to UN SDG 13, Climate Action.

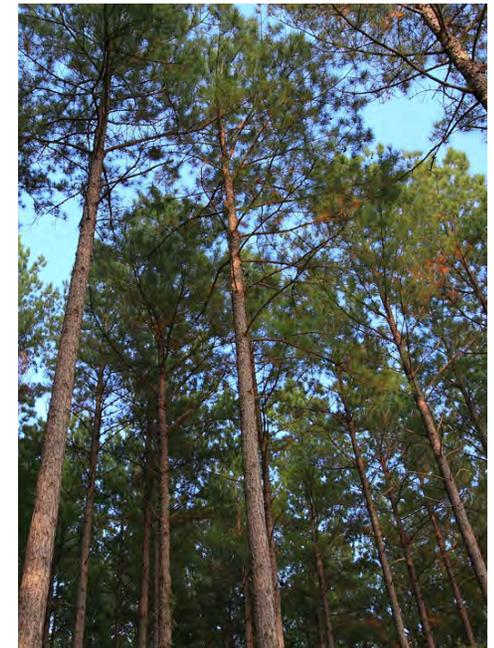


Photo courtesy of Weyerhaeuser Company



Aligning to the Task Force on Climate-Related Financial Disclosures (TCFD)

REITs are enhancing corporate reporting with the inclusion of climate change risk assessment disclosures and strengthening their credibility by aligning with the recommendations of the TCFD.

TCFD alignment is growing in popularity across many industries, with the number of companies and investors recommending the use of TCFD's framework increasing by 410% from 2018 to 2021, reaching 2,616 supporters with a combined market cap of \$25 trillion.¹¹⁰

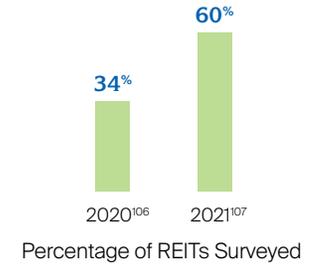
Disclosures aligned to TCFD recommendations—increasingly requested by external parties¹¹²—support investment, credit, and insurance approval decisions¹¹³ and strengthen investor and lender confidence that an organization's climate-related risks are appropriately assessed and addressed, therefore improving a company's access to capital. Furthermore, they strengthen internal awareness of climate risks and opportunities, which enables better risk management and long-term strategic planning.¹¹⁴

REITs have increased usage of the framework—in 2021, 62% of Nareit members surveyed aligned their strategy and goals to TCFD,¹¹⁵ up from 35% in 2020.¹¹⁶

77%
77% of investors surveyed by EY reported that they will spend a substantial amount of time evaluating the physical climate risk implications of a portfolio in their selection decisions over the next two years, up from 73% in 2020.¹⁰⁵

51%
51% of REITs surveyed reported they already conduct or plan to conduct a 1.5- or 2-degree climate-related scenario analysis.¹⁰⁸

Increase in Climate Change Risk Assessments



PARAMOUNT GROUP, INC. (NYSE: PGRE) Conducting Portfolio-Wide Climate-Related Risk Assessments to Drive Long-Term Resiliency

“We recognize climate change as a long-term

risk to our business that demands effective management. Developing proactive strategies to mitigate the potential impacts of climate change on Paramount's assets has become increasingly important to our stakeholders and is essential to the future sustainability of our operations.”

Evin Epstein, SVP, Energy and Sustainability, Paramount Group, Inc.

Case Study



IMPLEMENTATION TIP

Conducting a climate risk assessment can help to identify and prioritize exposure to climate-related risks and opportunities. Resources like the [U.S. Climate Resilience Toolkit](#) and recommendations from the Task Force on Climate-Related Financial Disclosures can provide practical guidance on getting started with conducting a climate risk assessment. For more information, refer to Nareit's [Practical Reference for ESG Implementation and Reporting](#).¹⁰⁹



Photo courtesy of Equinix, Inc.



INVESTOR INSIGHT

“Not only is [climate risk] evident in everyday life, but it is also quite measurable. In the real estate industry, you could estimate a year in which your asset could become stranded or effected beyond repair or even beyond insurability...”

Mihail Tonchev, Kempen Capital Management, – Senior PM, at the 2021 Nareit REITworks Virtual Conference



Charting a Path for Decarbonization and Net Zero

In 2015, the Paris Agreement set the stage for countries to work toward the collective goal of limiting global warming to 2 degrees Celsius or less by reducing greenhouse gas emissions as quickly as possible.¹¹⁷

Today, “non-state actors,” such as businesses and nonprofits, are supporting the goals set out in the Paris Agreement by implementing strategies toward decarbonization and “net zero” emissions targets by 2050.¹¹⁸ The term “net zero” refers to the state in which an entity emits minimal greenhouse gases into the atmosphere and balances any unavoidable emissions by removing an equal amount of greenhouse gases from the atmosphere.¹¹⁹

REITs are responding to this urgency to decarbonize their portfolios by setting ambitious targets to reduce their greenhouse gas emissions, implementing energy efficiency measures, sourcing clean energy, and pursuing green building innovations.

Setting Science-Based Emissions Reduction Targets

Setting science-based targets provides a clear pathway for companies to reduce their emissions in a way that is considered meaningful, helping to avoid the worst impacts of climate change for long-term resiliency.¹²¹ An emissions reduction target is considered to be “science-based” if it aligns to the goals of the Paris Agreement and what the latest science deems necessary to limit global warming to well-below 2 degrees Celsius and seek actions to limit warming to 1.5 degrees Celsius.¹²²

Nareit member companies that have approved targets or committed to set Science Based Targets according to the Science Based Targets Initiative (SBTi):¹²⁰

- American Tower Corporation (NYSE: AMT)
- AvalonBay Communities, Inc. (NYSE: AVB)
- Boston Properties, Inc. (NYSE: BXP)
- Brixmor Property Group Inc. (NYSE: BRX)
- Digital Realty (NYSE: DLR)
- Diversified Healthcare Trust (NASDAQ: DHC)
- Empire State Realty Trust, Inc. (NYSE: ESRT)
- Equinix, Inc. (NASDAQ: EQIX)
- Equity Residential (NYSE: EQR)
- Healthpeak Properties, Inc. (NYSE: PEAK)
- Hersha Hospitality Trust (NYSE: HT)
- Host Hotels & Resorts, Inc. (NASDAQ: HST)
- Hudson Pacific Properties, Inc. (NYSE: HPP)
- Industrial Logistics Properties Trust (Nasdaq: ILPT)
- Kilroy Realty Corporation (NYSE: KRC)

- Kimco Realty Corporation (NYSE: KIM)
- Link Logistics Real Estate
- Macerich (NYSE: MAC)
- Office Properties Income Trust (NASDAQ: OPI)
- Physicians Realty Trust (NYSE: DOC)
- Prologis (NYSE: PLD)
- Regency Centers Corporation (NASDAQ: REG)
- Service Properties Trust (NASDAQ: SVC)
- Seven Hills Realty Trust (NASDAQ: SEVN)
- Simon Property Group, Inc. (NYSE: SPG)
- SL Green Realty Corp. (NYSE: SLG)
- UDR, Inc. (NYSE: UDR)
- Ventas, Inc. (NYSE: VTR)
- Veris Residential, Inc. (NYSE: VRE)
- Vornado Realty Trust (NYSE: VNO)
- Weyerhaeuser (NYSE: WY)

62%

62% of REITs surveyed aligned reporting to TCFD in 2021.¹¹¹



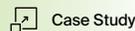
MACERICH (NYSE: MAC)

Prioritizing Business Continuity Plans with Data-Driven Goals and Comprehensive Scenario Analysis

“Macerich’s commitment to extensive environmental

data collection, as well as transparency in reporting and disclosure over many years, has positioned us as an industry leader in ESG. More importantly, this commitment positions us to make sound longer-term business, financial and environmental decisions to protect the resiliency of our portfolio in the face of continuing climate change.”

Jeff Bedell, Vice President, Sustainability, Macerich



Host Hotels & Resorts, Inc., Andaz Maui at Wailea Resort, Wailea, HI

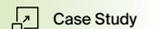


EMPIRE STATE REALTY TRUST, INC. (NYSE: ESRT)

Facilitating a Path to Decarbonization with a Technical Playbook for the Commercial Real Estate Industry

“We maintain our industry leadership position with proven paybacks on actions taken toward a more sustainable future. The free, online playbook demonstrates the case of how to achieve 75 to 90% emissions reductions with a payback of four to eight years through a combination of building system upgrades with a renewably sourced grid.”

Anthony E. Malkin, Chairman, President, and CEO, Empire State Realty Trust, Inc.





Building Resilience

Addressing Climate Change Risks and Opportunities

Charting a Path for Decarbonization and Net Zero

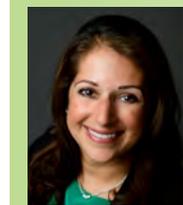
Protecting Biodiversity and Natural Resources

According to the United Nations Environment Programme Finance Initiative, the building sector must avoid 77% of total CO2 emissions by 2050 to meet the commitments of Paris Agreement. In alignment with this goal, REITs are working to decarbonize their portfolios by monitoring their emissions and setting reductions targets grounded in climate science.

Energy Efficiency and Clean Energy

A REIT's ability to reduce greenhouse gas emissions and achieve related targets relies on two critical energy management strategies: energy efficiency measures to lessen emissions from energy consumption and clean energy sourcing to reduce emissions from the type of energy that is consumed.

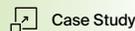
REITs are committing to improve energy efficiency with 58% of REITs surveyed having an energy efficiency goal in place in 2021. REITs that do not have direct control over their energy usage, such as REITs with triple net lease structures, are working to engage and educate tenants on how they can reduce usage while also saving on utility expenses.



AMERICAN TOWER CORPORATION (NYSE: AMT) Achieving Science-Based Greenhouse Gas Reduction Targets Across Six Continents

By investing close to \$300 million in just four years in onsite renewable generation and energy storage, not only are we doing our part in tackling climate change, but we are also securing our place as a partner of choice for our tenants as they strive to meet their own GHG reduction targets.

Mneasha Ohri Nahata, Senior Vice President, Legal & Chief Sustainability Officer, American Tower Corporation



64% by equity market cap of the largest 100 REITs had carbon targets in 2021, compared to 46% in 2020, and doubling since 2018.



70% of REITs surveyed report on Scope 1, 70% report on Scope 2, and 40% report on Scope 3 emissions.



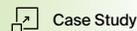
REITs reporting to GRESB reduced their greenhouse gas emissions by 12% in 2021.



BROOKFIELD PROPERTIES Accelerating Decarbonization Strategies by Reducing Embodied Carbon

Our development team is committed to exploring every opportunity to actualize Brookfield's sustainability goals through the full lifecycle of development. In the case of Beaudry, we challenged the status quo and achieved a 24% reduction in the project's total embodied carbon footprint without compromising investment returns.

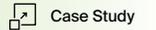
Patrick Rhodes, Vice President, Development, Brookfield Properties



PROLOGIS, INC. (NYSE: PLD) Establishing Portfolio-Wide Innovations to Achieve Decarbonization

By advancing sustainable building standards and implementing energy solutions to support our customers' needs, we are helping to address the urgent climate-related challenges we face today, while also driving greater value for our stakeholders.

Suzanne Fallender, VP of Global ESG, Prologis, Inc.



INVESTOR INSIGHT

We are encouraging listed companies to make a commitment toward decarbonization, with interim targets and ultimately a net-zero goal. We would like company targets to be well-thought-out and validated.

Diane Wade, CBRE Investment Management, Head of ESG-Listed Strategies, at the 2021 Nareit REITworks Virtual Conference



Building Resilience

Addressing Climate Change Risks and Opportunities

Charting a Path for Decarbonization and Net Zero

Protecting Biodiversity and Natural Resources

In addition to improving energy efficiency, REITs are decarbonizing their footprint by sourcing more clean energy and reducing their reliance on fossil fuels. REITs are expanding renewable energy use by generating their own renewable energy on site through projects, such as rooftop solar. Alternatively, REITs are procuring renewable energy off site by purchasing renewable energy credits (RECs) or buying renewable energy from their utility providers. In 2021, REITs reporting to GRESB consumed 3,888,067 MWh of renewable energy—a 50% increase from 2020 to 2021.¹²⁹

Through energy efficiency projects and increased purchasing and generation of renewable energy, REITs are contributing to UN SDG 7, Affordable and Clean Energy.

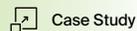


W.P. CAREY INC. (NYSE: WPC)

Engaging with Tenants to Reduce Environmental Impacts and Add Long-Term Value to a Global Portfolio

“Since W. P. Carey first acquired our facility in 2015, the company has served as a true partner and consistently worked with us to achieve both our business and sustainability goals. With W. P. Carey’s help, we now have one of the largest solar rooftops in the Netherlands, generating 12,000 MWh annually and helping us achieve the highest standard of sustainable logistics operations.”

Alwin Jonk, Nippon Express, Tenant of W. P. Carey



22%

22% of REITs surveyed had an onsite renewable energy goal in 2021,¹³⁰ up from 14% in 2020.¹³¹

18%

18% of REITs surveyed had an offsite renewable goal in 2021,¹³² up from 12% in 2020.¹³³

40%

40% of the largest 100 REITs by equity market cap use onsite renewable energy sources.¹³⁴

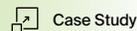


PHYSICIANS REALTY TRUST (NYSE: DOC)

Leveraging Innovative Software and Low-Cost Efficiencies to Enhance Environmental Performance

“As part of our plan to decrease carbon emissions and meet aggressive energy reduction goals, Physicians Realty Trust drives environmental change through strategic upgrades of core building components, such as lighting and building automation. Simultaneously, our management teams encourage behavioral changes through highly successful educational efforts to promote a sustainability-focused mentality among our health care partners. We call these opportunities ‘low- and no-cost efficiencies.’”

Ryan Yetzer, Senior Manager, Construction and Sustainability, Physicians Realty Trust



IRON MOUNTAIN INC. (NYSE: IRM)

Propelling Innovation in Clean Power Generation Efforts

“Our clean energy commitments are just one opportunity for us to play a positive role model in our communities. It is an important piece in our larger ESG efforts.”

Chris Pennington, Director of Energy & Sustainability, Iron Mountain Inc.

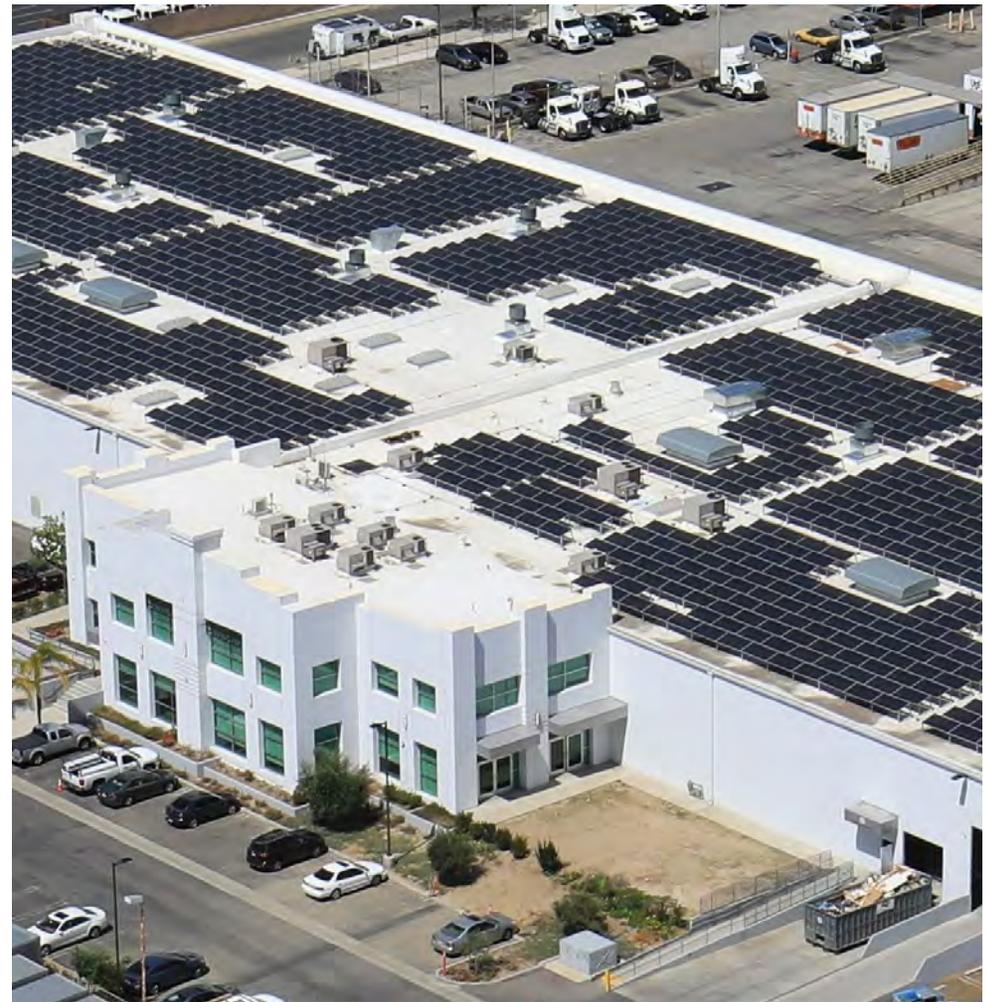
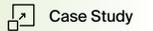


Photo courtesy of Rexford Industrial Realty, Inc.

REITs are improving energy efficiency in their buildings with lighting retrofits, design improvements, and building automation efforts.



Green Buildings

Building on the trend from 2020, REITs continue to develop and certify green buildings as a way to reduce their environmental impact with 83 of the largest 100 REITs by equity market cap owning green certified buildings in their portfolios.¹³⁵

The average green building is worth as much as 9% more than its traditional counterpart,¹³⁷ driving financial returns in addition to environmental benefits.

REIT investor interest in green building certifications has grown, with 44% of Nareit members surveyed receiving information requests on the topic,¹³⁸ compared to 36% in 2020.¹³⁹

A majority of the largest 100 REITs by equity market cap certify their buildings according to LEED at 52%, followed by Energy Star (30%), BREEAM (14%), and Fitwel (7%).¹⁴⁰

2,700

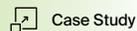
Nearly 2,700 REIT-owned buildings have a green certification.¹³⁶

THE HOWARD HUGHES CORPORATION (NYSE: HHC)

Protecting Biodiversity Through Conservation Programs and Resident Engagement

“Collaborating with The Howard Hughes Corporation to fund and create teaching gardens in local schools is exactly the kind of partnership we seek to help educate students and is proof positive of work that is supported by forward-thinking companies like The Howard Hughes Corporation.”

Ciara Byrne, Founder and Co-CEO, Green Our Planet



Kimco Realty Corporation, Rooftop at Lincoln Square, Philadelphia, PA

Photo courtesy of Kimco Realty Corporation

By certifying buildings in their portfolio to be efficient, carbon- and cost-saving, REITs are helping to contribute to UN SDGs 9, Industry, Innovation, and Infrastructure and 11 Sustainable Cities and Communities.

Protecting Biodiversity and Natural Resources

As developers and custodians of the built environment, REITs have long understood that protecting biodiversity and conserving natural

resources is critical to the operational health and resilience of their assets and portfolios. Today, U.S. REITs have a physical footprint of more than 500,000 properties under ownership, as well as 15.1 million acres of timberland.¹⁴¹

Through positive engagement with residents and community members, REITs are helping to conserve the natural landscapes surrounding their properties. For instance, in coastal regions, some REITs are working with environmental specialists

to clean up contaminated areas or incorporating water-conscious installations, such as rain gardens or green roofs. Other REITs employ policies to not develop on greenfields or dedicate specific spaces for conservation. Conserving land in this way can reduce environmental degradation, as well as promote the physical and mental health of communities and increase nearby property values.¹⁴² By protecting, restoring, and promoting sustainable use of water and land, REITs are aligning their efforts to UN SDGs 14, Life Below Water and 15, Life on Land.



Building Resilience

Addressing Climate Change Risks and Opportunities

Charting a Path for Decarbonization and Net Zero

Protecting Biodiversity and Natural Resources

Water Use

While water-related costs are a small portion of operating expenses today, the adoption of water efficiency measures could become critical differentiators for investors assessing a REIT's exposure to long-term risk related to the anticipated cost implications of water scarcity.¹⁴³

REITs are adopting solutions to reduce future water risk, including implementing leak detection systems, retrofitting building fixtures to increase efficiency, and employing water-conscious landscaping, such as planting drought-tolerant plants. These efforts are contributing to UN SDG 6, Clean Water and Sanitation.

673,444

In 2021, REITs reporting to GRESB reused 673,444 cubic meters of water,¹⁴⁵ enough to fill nearly 270 Olympic-sized swimming pools.

46%

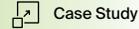
46% of REITs surveyed have a water consumption reduction goal in 2021.¹⁴⁴

FEDERAL REALTY INVESTMENT TRUST (NYSE: FRT)

Revitalizing Existing Properties to Support Local Ecosystems and Conservation Efforts

“The stormwater improvements at the shopping center are excellent examples of relatively simple things commercial property owners can do to reverse the degradation of our waterways and contribute positively to their long-term health.”

Gregory Flynn, Former Chairman of Commissioners, Brick Utilities



33%

In 2021, REITs reporting to GRESB decreased their total waste production by 33%.¹⁴⁷

43%

43% of REITs surveyed have a waste reduction and management goal in 2021,¹⁴⁸ compared to 29% in 2020.¹⁴⁹

reduce Scope 3 greenhouse gas emissions from waste disposal.¹⁴⁶ REITs continue to take actions to reduce their waste production by engaging tenants on proper disposal and recycling or working with suppliers focused on limiting waste generation. Through these efforts, REITs are contributing to UN SDG 12, Responsible Consumption and Production.

654,775

In 2021, REITs reporting to GRESB diverted 654,775 metric tons of waste.¹⁵⁰

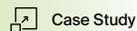


AMERICAN CAMPUS COMMUNITIES, INC. (NYSE: ACC)

Applying Data to Derive Innovative Water Conservation Solutions

“After seeing the immediate savings on our water bill, the capital cost feels miniscule, especially when we think about the millions of gallons of water we are saving every year.”

Liana Provost, General Manager at University Pointe College Station, serving students attending Portland State University



Healthpeak Properties, Inc., Cambridge Discovery Park building (LEED Gold Certified), Cambridge, MA

Photo courtesy of Healthpeak Properties, Inc.



Real Estate Working for You



Photo by Magda Blenat. Photography, courtesy of Vornado Realty Trust



Photo by James H. Loving, courtesy of iStockphoto

Nareit offers a comprehensive ESG program providing thought leadership, guidance, education, resources, and a platform to share best practices for ESG implementation for the REIT and publicly traded real estate industry. Representing real estate in 13 sectors—including data centers, diversified, health care, industrial, infrastructure, lodging/resorts, mortgage financing, offices, residential, retail, self-storage, specialty, and timberland—below are some of the resources and activities Nareit undertakes or provides on the industry’s behalf.

NAREIT ESG COUNCIL LEADERS



Ayris Scales
Senior Vice President,
Social Responsibility &
Global Initiatives

Staff Liaison, Social Responsibility Council and Dividends Through Diversity, Equity & Inclusion CEO Council



Fulya Kocak
Senior Vice President,
ESG Issues

Staff Liaison, Real Estate Sustainability Council



Victoria P. Rostow
Senior Vice President,
Regulatory Affairs &
Deputy General Counsel

Staff Liaison, Corporate Governance Council

ESG Leadership Councils

Nareit is dedicated to helping REITs meet their ESG goals and aspirations, providing dedicated ESG-related councils, committees, and other forums for REITs to learn from one another and advance the adoption of sustainable business practices across the industry.



Dr. James Pogue, CEO of JP Enterprises, presents on DEI at Nareit’s REITwise 2022



Dividends Through Diversity, Equity & Inclusion CEO Council

Nareit's Dividends Through Diversity, Equity & Inclusion (DDEI) CEO Council leads the REIT industry's efforts in advancing actionable and sustainable plans that support the recruitment, inclusion, development, and advancement of women, Black, and Hispanic professionals, other people of color, ethnically diverse individuals, and members of other under-represented groups in REITs and the publicly traded real estate industry. The DDEI CEO Council is made up of nearly three dozen REIT CEOs, who collectively represent every sector of the REIT industry.

DIVIDENDS THROUGH DIVERSITY, EQUITY & INCLUSION CEO COUNCIL CHAIRS



Thomas Baltimore

Chairman of the Board, President and Chief Executive Officer, Park Hotels & Resorts, Inc.



Debra Cafaro

Chairman of the Board and Chief Executive Officer, Ventas, Inc.



A. William Stein

Chief Executive Officer, Digital Realty Trust, Inc.

Real Estate Sustainability Council

Nareit's Real Estate Sustainability Council (RESC) consists of 86 Nareit corporate member sustainability thought leaders from 61 REITs—representing all REIT sectors—with a mission to help shape and lead the REIT industry on ESG and climate issues.

REAL ESTATE SUSTAINABILITY COUNCIL CHAIRS

COUNCIL CHAIR



Kelly Meissner

Vice President, Corporate ESG and Sustainability, Ventas, Inc.

COUNCIL VICE CHAIR



Michael Chang

Vice President of Energy and Sustainability, Host Hotels & Resorts, Inc.

Corporate Governance Council

Nareit's Corporate Governance Council (GCG), consisting of 50 members from 47 REITs, builds and expands upon Nareit's existing corporate governance programs to support Nareit's corporate members, including strategic engagement with the SEC, Congress, and other market participants on a range of corporate governance issues of importance to REITs, including financial disclosure and proxy reform, among other things.

CORPORATE GOVERNANCE COUNCIL CHAIRS

COUNCIL CHAIR



Kay Tidwell

Executive Vice President, General Counsel, and Chief Risk Officer, Hudson Pacific Properties, Inc.

COUNCIL VICE CHAIR



Scott Fenster

Executive Vice President, General Counsel and Corporate Secretary, Equity Residential

COUNCIL VICE CHAIR



Samantha Sacks Gallagher

Executive Vice President and General Counsel, VICI Properties, Inc.

Social Responsibility Council

Nareit's Social Responsibility Council (SRC), established in November 2020, is a cross-disciplinary group with 71 members from 54 REITs. The SRC advises Nareit on how to enhance industry awareness and encourage corporate reporting and activities related to social responsibility.

SOCIAL RESPONSIBILITY COUNCIL CO-CHAIRS



Colleen McKeown

Chief Human Resources Officer, Prologis, Inc.



Carolyn Carter Singh

Executive Vice President and Chief Talent Officer, Brixmor Property Group Inc.



ESG Awards

For more than 15 years, Nareit has recognized ESG leaders in the REIT and publicly traded real estate space for their efforts and progress.

Diversity, Equity & Inclusion Recognition Awards

Nareit's Diversity, Equity & Inclusion Recognition Awards honor Nareit member companies and an individual member who have demonstrated a strong commitment and made outstanding contributions to the advancement of diversity, equity and inclusion within their companies as well as in the REIT and publicly traded real estate industry.

Investor CARE Awards

Nareit's Investor CARE (Communications & Reporting Excellence) Awards honor Nareit corporate members that interact most effectively with their investors online, in writing, and orally, as well as member companies that provide investors with the most comprehensive, clearly articulated, and useful information in the most efficient manner.

Leader in the Light Awards

Nareit's annual Leader in the Light Awards—initially launched in 2005—honor Nareit member companies and ESG leaders who have produced superior, measurable results from the implementation of sustainable business practices.

ESG Educational and Networking Events

Nareit is convening more conversations on critical sustainability topics to promote knowledge sharing across the industry and to bring together key stakeholders across the REIT and publicly traded real estate community for discussions on the ESG topics most impacting real estate.

REITworks Conference

Nareit's REITworks is a conference where REIT industry professionals have the opportunity to learn the latest developments in environmental stewardship, social responsibility, and good governance impacting the real estate sector. Attendees hear thought leaders discuss key topics related to accounting, financial reporting, sustainability, capital markets, disclosure, investor relations, DEI, human resources, and more—allowing REIT professionals and other stakeholders to discuss the latest developments in E, S, and G topics and engage in integrated networking.

REIT ESG JumpStart Workshop

Nareit's JumpStart Program is a real estate ESG education initiative with a goal to provide guidance to Nareit members and real estate organizations that are either just starting in their sustainability journey or looking for further growth in their existing programs. Nareit holds the ESG JumpStart Workshop to train Nareit corporate members and real estate professionals providing the core skills needed to launch—or improve—an ESG program of any size. For the first time in 2022, the program was open to both members and non-members with 190 registrants, and 87 corporate members represented.

ESG Exchange

Nareit's multimedia content series, ESG Exchange, virtually convenes ESG-focused investors and leaders from the REIT industry to discuss environmental stewardship, social responsibility, and good governance topics impacting real estate. ESG Exchange sessions in 2021 hosted ESG raters who cover the real estate sector, from FTSE Russell, ISS Corporate Solutions (ICS), MSCI, and Sustainalytics, to share insights on how REITs are assessed on ESG. Recordings are available exclusively to Nareit corporate members.

ESG Tools, Resources, and Research

Nareit continues to support and promote the REIT industry's adoption of ESG principles by providing resources, including this [REIT Industry ESG Report](#), for industry stakeholders and disseminating information about ESG oversight, management, tracking, and reporting. More information on Nareit's ESG tools, resources, and research is available on [REIT.com](#).

REIT ESG Dashboard

With the goal of communicating the U.S. REIT industry's ESG impact and progress, Nareit

maintains the [ESG Dashboard on REIT.com](#). The ESG Dashboard, developed in partnership with GeoPhy and updated annually, identifies and tracks company reporting of ESG key performance indicators (KPIs) for the U.S. REIT industry.

Nareit Guide to ESG Reporting Frameworks

The Nareit Guide to ESG Reporting Frameworks helps Nareit members better understand and navigate the array of environmental, social, and governance reporting frameworks. The inaugural guide, developed with assistance from AccountAbility, was released in 2019 and is available on [REIT.com](#).

Nareit's Practical Reference for ESG Implementation and Reporting

Nareit's Practical Reference for ESG Implementation and Reporting, published in 2021, provides practical and strategic guidance for ESG performance management within the top 15 ESG KPIs identified in the Nareit Guide to ESG Reporting Frameworks. The reference, developed with assistance from AccountAbility and REIT industry subject matter experts, is available on [REIT.com](#).

Nareit Compensation Survey

FPL Associates L.P. surveys the REIT industry annually to identify the latest market shifts and developments regarding compensation levels, department sizes, and organizational structures. From the latest trends in incentive programs to the industry norms for board practices—the [Nareit Compensation & Benefits Survey](#) provides data to respondents for benchmarking consideration around compensation and benefits.

Nareit Workforce Development & DEI Survey

Sponsored by Nareit and conducted by FPL Associates L.P., this annual survey provides insight into what REITs are doing with respect to human capital and DEI policies and practices regarding recruitment, retention, promotion, training, and overall workforce support. A summary of findings is available on [REIT.com](#).



Photo courtesy of E*



Conclusion

Nareit's fourth REIT Industry ESG Report illustrates the progress REITs and the publicly traded real estate industry more broadly have made in adopting, implementing, and advancing ESG practices to achieve positive environmental, social, and governance impact for all their stakeholders.

As ESG matters become further integrated into corporate strategy, driven by enhanced investor, regulatory, and reputational pressures, REITs are demonstrating how holistic ESG practices can drive long-term value.

REITs are prioritizing ESG issues in their short- and long-term operations by making decisions about the most relevant issues facing the industry; ensuring effective, top-level ESG oversight; integrating ESG into their culture, strategy, and operations; and managing leverage to reduce overall risk and build resilience. Through this work, REITs are leading the way as they protect the wellbeing of people and the planet.

REITs are prepared to meet evolving stakeholder needs—within their companies and in their communities—by promoting equity and wellness in ways that are meaningful and relevant. As climate change becomes increasingly material, REITs will also continue to enhance environmental resilience strategies by managing climate risks and opportunities, working to decarbonize, and supporting conservation efforts.

Nareit will continue to foster the collaborative advancement of leading sustainability practices for the REIT and publicly traded real estate industry as ESG increasingly functions as a critical and defining aspect of the business landscape.



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Photos courtesy of JBG SMITH

JBG SMITH, 4747 Bethesda Avenue, Bethesda, MD

Pursuing Green Bonds to Fund Business Growth with Sustainable Projects

DIGITAL REALTY TRUST, INC. (NYSE: DLR)

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Digital Realty Trust, Inc., a leading issuer of green bonds in the data center industry, actively evaluates the viability of green bonds to cost-effectively fund the growth of its business through sustainable projects.

In 2015, Digital Realty, was the first company to issue a green bond in the data center sector. Since then, the company has issued a cumulative

\$6.0 billion in green bonds, \$4.3 billion of which were issued in 2020 and early 2021. As a result, the company is able to support a wide range of

sustainability projects, such as the development of green buildings, renewable energy implementation, and energy efficiency projects.

In addition to funding environmentally-sound initiatives, green bonds have acted as a catalyst for enhanced tracking and monitoring of energy usage due in part to a requirement in the company's green bond framework to generate a minimum of 15% energy savings per project.

Through the issued bonds and subsequent green building and energy developments, Digital Realty has:

- avoided 1.7 million MTCO₂e of greenhouse gas emissions, equivalent to the annual emissions from approximately 370,000 passenger vehicles;¹
- produced 1.3 million MWh of renewable energy, enough to power over 110,000 homes for one year;²
- saved 22,000 kGal of water, enough to fill over 33 Olympic-sized swimming pools; and
- supported the creation of 10,000 jobs.

The green bond process has also helped to drive cross-functional collaboration and increased engagement of Digital Realty team members across its finance, design and construction, energy operations, and sustainability departments.

In the future, Digital Realty foresees a shift toward sustainability-linked bonds, moving away from the dollar-for-dollar format of green bonds, and allowing for fundraising aligned to the performance of a variety of environmental, social, and governance targets.

“Sustainability has been an increasingly integral aspect of not only building and operating the business but also financing the business. Therefore, it continues to be essential that the finance and sustainability teams continue to work closely together in a collaborative manner.”

Mike Brown, Senior Vice President, Treasury, Digital Realty Trust, Inc.



Photo courtesy of Digital Realty Trust, Inc.

Digital Realty data center, Singapore

¹ Greenhouse Gas Equivalencies Calculator, 2021, EPA, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

² Greenhouse Gas Equivalencies Calculator, 2021, EPA, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

DIGITAL REALTY supports the world's leading enterprises and service providers by delivering the full spectrum of data center, colocation, and interconnection solutions. The company's global data center footprint gives customers access to the connected communities that matter to them with more than 290 facilities in 49 metros across 24 countries on six continents.

Utilizing a Transparent Financing Framework for Green Bonds

EQUINIX, INC. (NASDAQ: EQIX)

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While advancing its ESG commitments with green finance, Equinix, Inc. focused on transparency for its Green Finance Framework and allocation reporting.

Equinix's comprehensive green financing strategy is integral to advancing its sustainability initiatives. Equinix developed its Green Finance Framework based on International Capital Market Association's (ICMA) Green Bond Principles and Green Loan Principles. These principles are a set of guidelines that promote transparency and integrity and advance the standardization of green debt disclosures. Since September 2020, Equinix has issued \$4.9 billion in green bonds.

As outlined in Equinix's Green Finance Framework, the net proceeds of its green bonds will be allocated to finance or refinance eligible green projects in categories including green buildings, renewable energy, energy efficiency, sustainable water and wastewater management, waste management, and clean transportation. Within its Green Finance Framework, Equinix clearly details the eligibility criteria for each project category and how the projects contribute to the UN Sustainable Development Goals. Equinix's framework will increase its focus on protecting the environment and addressing global climate change through greenhouse gas emissions reductions, increasing resource efficiency, and driving corporate transparency and accountability.

EQUINIX, Inc. is the world's digital infrastructure company, enabling digital leaders to harness a trusted platform to bring together and interconnect the foundational infrastructure that powers their success. Equinix enables today's businesses to access all the right places, partners, and possibilities they need to accelerate advantage.

In 2021, Equinix issued its inaugural Allocation and Impact Report where it allocated \$2.9 billion of net proceeds from its green bonds and provided details on the use of proceeds for each bond, including the net proceeds that were allocated to the project categories of green buildings, renewable energy, and energy efficiency. Equinix also disclosed the carbon and energy impacts associated with the allocated funds. The eligible projects included in

Equinix's allocation resulted in an annual energy savings of nearly 1.5 million MWh and an annual carbon impact of nearly 600,000 MTCO₂e.

Equinix further highlights key projects included in the allocation to provide tangible examples of the use of proceeds to investors and other stakeholders. One highlighted project was the development of SV11 Phase 1, a state-of-the-art International Business Exchange (IBX) data center in San Jose, California. The data center was built to an ultra-low design average annual Power Usage Effectiveness (PUE) of 1.17, a measure of data center energy efficiency, and to LEED Gold standards. The IBX resulted in the avoidance of

1,756 MTCO₂e, equivalent to the greenhouse gas emissions from approximately 380 passenger vehicles driven for one year,¹ on an annual basis when compared to industry average PUEs.

The transparency of Equinix's Green Finance Framework and its robust Allocation and Impact Report has garnered positive feedback from the company's shareholders and stakeholders. Equinix plans to continue to explore green financing opportunities to drive impact. Equinix remains committed to transparency, and accountability will remain central to its green financing strategy.

¹ Greenhouse Gas Equivalencies Calculator, 2021, EPA, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



“Equinix’s green bonds have aligned our sustainability strategy with our financing needs, accelerating our ability to advance our sustainability initiatives and to achieve our ambitious goals.”

Jennifer Ruch, Senior Director, Sustainability, Equinix, Inc.

Equinix's SV5 IBX data center, Silicon Valley, CA

Photo courtesy of Equinix, Inc.

Enhancing Sustainability Through Green Bond Financing

HEALTHPEAK PROPERTIES, INC. (NYSE: PEAK)

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Healthpeak Properties, Inc. is committed to advancing the scope of its environmental initiatives by pursuing green financing transactions.

In July 2021, Healthpeak issued its inaugural green bond offering of \$450 million 1.35% senior unsecured notes due in 2027. In connection with this issuance, Healthpeak developed a Green Financing Framework that provides the structure to evaluate eligible projects, determine allocations of green bond proceeds, and report the use of proceeds. Allocation of funds for eligible projects are determined following an evaluation from members of Healthpeak's Green Finance Committee, a cross-functional team comprised of finance, legal, ESG, and capital asset management leaders. Consistent with its commitment to provide transparent disclosure, Healthpeak will publish reports annually to reflect how green bond proceeds are allocated.

The green bond proceeds will help to finance and/or refinance new or existing eligible green projects, including allocating funding to green-certified buildings and projects relating to energy efficiency, renewable energy, waste management, sustainable water and wastewater management, and clean transportation. For instance, net proceeds from Healthpeak's inaugural green bond helped to

HEALTHPEAK PROPERTIES, INC. is a fully integrated REIT and S&P 500 company that owns and develops high-quality real estate in the three private-pay health care asset classes of life science, medical office, and continuing care retirement communities.

finance the acquisition of Cambridge Discovery Park, a life science research and office development in Cambridge, Massachusetts. The building, which Healthpeak acquired in December 2020, is LEED Gold Certified and qualifies as an eligible green project under Healthpeak's Green Financing Framework.

Following the success of its inaugural green bond, Healthpeak issued its second green bond in November 2021, offering \$500

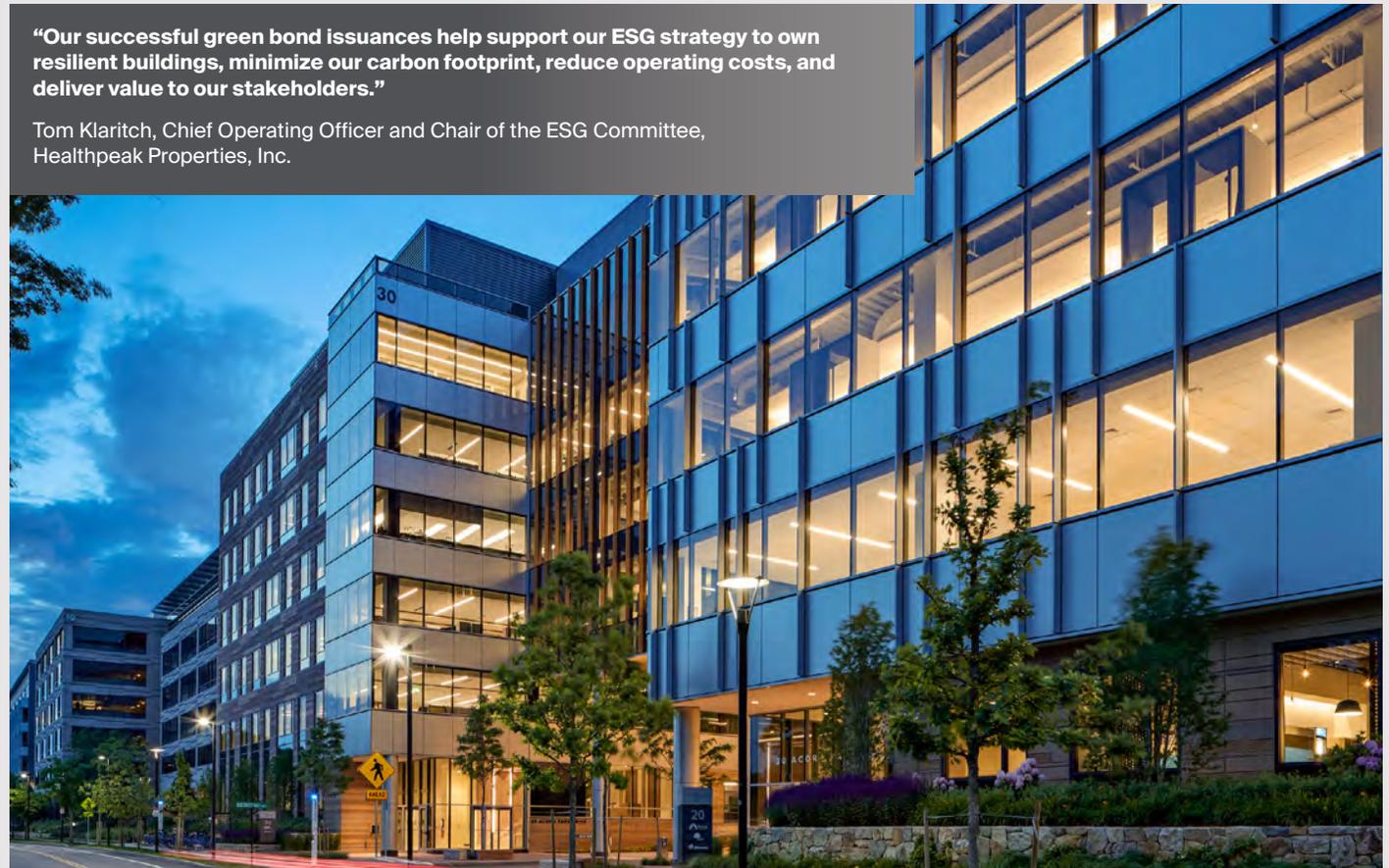
million 2.125% senior unsecured notes due in 2028. The company plans to allocate the net proceeds to several potential eligible green projects, including LEED Gold Certified buildings it recently acquired or developed.

The successful offerings of both series of green bonds is a significant accomplishment for Healthpeak in furthering its ESG strategy to continue to mitigate its environmental impact,

reduce operating costs, and deliver value for its stakeholders. With the proceeds from the green bonds, Healthpeak will be able to advance building performance and sustainability, including through projects that help reduce greenhouse gas (GHG) emissions and energy usage.

“Our successful green bond issuances help support our ESG strategy to own resilient buildings, minimize our carbon footprint, reduce operating costs, and deliver value to our stakeholders.”

Tom Klaritch, Chief Operating Officer and Chair of the ESG Committee, Healthpeak Properties, Inc.



Cambridge Discovery Park building (LEED Gold Certified), Cambridge, MA

Photo courtesy of Healthpeak Properties, Inc.

Addressing the Climate Crisis Through Investments in Climate Tech

HUDSON PACIFIC PROPERTIES, INC. (NYSE: HPP)

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Hudson Pacific Properties, Inc. is actively investing in climate tech innovation to drive future returns as part of its proprietary ESG platform, Better Blueprint™. This platform and the company's investments bring to life Hudson Pacific's vision of vibrant, thriving urban spaces and places built for the long term.

Every year, Hudson Pacific sets three to five innovation priorities and acts to drive change in those areas. Partnering with Fifth Wall, a fast-growing real estate tech venture firm, and investing in its Climate Technology Fund, is part of this process. The fund, launched in December 2020, aims to “decarbonize the built world” by investing in technologies that could have a direct impact on reducing the carbon footprint of the real estate sector.

Hudson Pacific has made strategic contributions to this fund, with an eye toward finding new ways to minimize its carbon emissions. As the company aims to reduce its reliance on renewable energy certificates (RECs) and offsets in its carbon neutrality strategy, Hudson Pacific is expanding use of innovative technologies that support energy efficiency, on-site renewables, and/or energy storage. Fifth Wall has created the only fund that is focused solely on climate tech for the built environment and Hudson Pacific is excited about the opportunities and technologies it may have a hand in shaping through this partnership.

HUDSON PACIFIC PROPERTIES acquires, redevelops, and develops creative office and studio properties in global epicenters of innovation, media, and technology. HPP is the leading publicly traded owner of office space in Silicon Valley, one of the largest independent owners/operators of studios in Los Angeles, and its portfolio totals over 20 million square feet, including land for development, in core markets.

Hudson Pacific was also an early investor in Crown Electrokinetics, a smart glass technology company that produces solar-powered Smart Window inserts. These inserts can be retrofitted to existing window frames and allow tenants to transition windows from clear to dark in seconds. The result reduces energy consumption and carbon emissions from heating and cooling systems.

Hudson Pacific believes in the long-term benefits of climate innovation and is hopeful that the fulfillment of their responsibility to pilot solutions to climate change will lead other companies in the commercial real estate space to do the same.

“Hudson Pacific is committed to leadership in sustainability, and a key component of that is investing in innovative prop tech solutions that can reduce our carbon footprint.”

Natalie Tear, Senior Vice President of Innovation, Sustainability & Social Impact, Hudson Pacific Properties, Inc.



EPIC building, Hollywood, CA



One Westside exterior, Los Angeles, CA

Photos courtesy of Hudson Pacific Properties, Inc.

Strengthening Board Oversight of ESG Factors to Improve Corporate Decision Making

REXFORD INDUSTRIAL REALTY, INC. (NYSE: REXR)

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Rexford Industrial Realty, Inc. integrates environmental, social, and governance considerations into every company decision, supported by robust board oversight of ESG, consistent stakeholder engagement, and proactive sustainability disclosure.

Board Oversight of ESG

In 2020, Rexford established an ESG committee with direct involvement from Howard Schwimmer and Michael S. Frankel, co-CEOs; Laura Clark, CFO; and the board of directors. The committee defines and leads the company's ESG strategy and execution and engages the board on ESG matters during quarterly meetings.

Rexford's board consists of members with diverse backgrounds and perspectives. To make this possible, the company and its nominating and corporate governance committee established a board skills matrix that helps identify the ideal diversity of experiences for new director candidates, which includes skillsets, ethnicity, and gender, among other considerations. This tool enables effective governance by ensuring there is a broad range of expertise and perspectives represented on a wide range of topics.

REXFORD INDUSTRIAL REALTY, INC. is a leading industrial real estate investment firm focused on creating value and positive community impacts by investing in, operating, and redeveloping industrial properties throughout infill Southern California.

Stakeholder Engagement

To ensure that company leadership decisions are in line with stakeholder expectations, Rexford consistently engages key stakeholders, including employees, tenants, and investors. In 2020, the company undertook a materiality assessment that targeted specific stakeholders and helped guide its strategy by identifying critical focus areas.

For its over 1,500 tenants, the company published a Tenant Sustainability Guide to provide suggestions on how they can reduce their energy, water, and waste footprints. Rexford collaborates with its tenants to obtain and report energy and water consumption data to improve efficiency of its over 38 million square feet of buildings. The company also conducts an annual tenant satisfaction

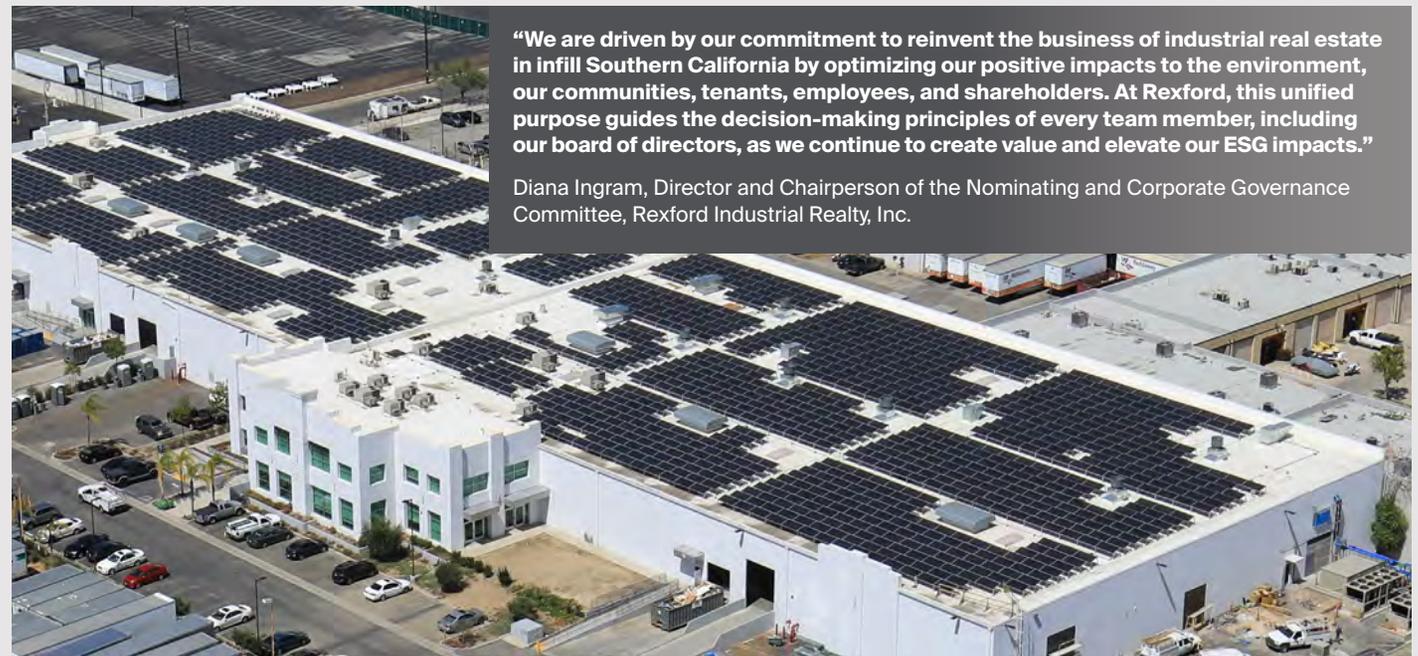
survey and has an online portal to collect tenant feedback. Additionally, the company consistently communicates with investors on ESG efforts, and provides ongoing ESG updates.

Sustainability Disclosure

To effectively inform its stakeholders of this work, Rexford expanded its ESG reporting and disclosures. Beginning in 2019, the company engaged a third-party consulting firm to conduct a cost-benefit analysis of its business strategy, which is unique in its approach of recycling buildings through Rexford's repositioning and redevelopment of properties within infill, urban locations. In 2021, Rexford published its 2020 annual ESG report aligned with the Global Reporting Initiative (GRI) and Sustainable

Accounting Standards Board (SASB) frameworks and included extensive ESG goals and targets. Most recently, the company completed a climate change risk assessment, issued its first green bond for \$400 million, and committed to set science-based targets. Beginning with its 2021 annual ESG report, Rexford expanded its reporting to align with the United Nations Sustainable Development Goals (UN SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD) frameworks. The company will also report to CDP, in addition to GRESB.

By the end of 2022, Rexford plans to broaden board oversight of climate-related risk and expand its enterprise risk management (ERM) platform and business continuity plan to standardize its approach.



“We are driven by our commitment to reinvent the business of industrial real estate in infill Southern California by optimizing our positive impacts to the environment, our communities, tenants, employees, and shareholders. At Rexford, this unified purpose guides the decision-making principles of every team member, including our board of directors, as we continue to create value and elevate our ESG impacts.”

Diana Ingram, Director and Chairperson of the Nominating and Corporate Governance Committee, Rexford Industrial Realty, Inc.

Rexford Industrial's solar installation at 12154 Montague Street, Pacoima, CA

Photo courtesy of Rexford Industrial Realty, Inc.

Progressing DEI Objectives with Comprehensive Goals and Company-Wide Engagement

VENTAS, INC. (NYSE: VTR)

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In 2021, led by Chairman and CEO Debra A. Cafaro, Ventas organized a formal diversity, equity, and inclusion (DEI) committee—made up of nearly 40 employees—to meet the objectives of its DEI framework through the development of strategic DEI goals. The goals cover topics such as amplifying DEI employee training, increasing the number of women in senior leadership, expanding partnerships with historically Black colleges and universities (HBCUs), increasing spend with diverse suppliers, and ensuring a diverse pipeline of future employees.

Ventas is working to advance these goals in alignment with its structured DEI framework, organized by four pillars: people; culture; investment and financial; and beyond Ventas.

People

Ventas strives to cultivate an employee base that is reflective of society as a whole by recruiting and retaining diverse employees. Through meaningful partnerships with organizations such as the Real Estate Executive Council and HBCUs, Ventas has already gained traction expanding its diverse talent pool of candidates for positions across all levels of the company, including a 2021 intern class that was 100% diverse by race or gender.

Culture

Ventas is focused on engaging its employees on DEI through educational events, diverse speakers, and pulse surveys to collect employee feedback on specific initiatives. Ventas also leverages its intranet to spotlight employees during cultural heritage months, providing colleagues an opportunity to learn more about each other and further engrain an environment of respect and inclusivity.

Investment and Financial

Ventas is tracking and increasing partnerships and spend with minority and women-owned business enterprises (MWBs) across its multi-billion-dollar annual expenditures, including capital expenditures, construction and development, professional and legal services, banking and investment activities, operating expenditures, and the company's 401(k) plan.

Beyond Ventas

Through philanthropic and community investment efforts aligned with business activities, Ventas is broadening the impact of its DEI efforts. For example, during its 2021 Annual Holiday Giving Drive, Ventas collected more than 400 coats, backpacks, and other school supplies for students at the

VENTAS, INC., an S&P 500 company, is a leading REIT. Its diversified portfolio in the U.S., Canada, and the U.K. consists of senior living communities, medical office buildings, life science, research and innovation centers, health systems and post-acute care facilities.

Samuel Powel Elementary School and the Science Leadership Academy Middle School in West Philadelphia. The charity drive built upon Ventas's \$9 million donation toward the design and construction of the STEM schools that serve predominately economically disadvantaged students, which reside on the University City campus where Ventas owns four life science, research and innovation

properties and has two additional projects under development.

Through this comprehensive framework and actionable goals to realize those commitments, the company will continue to advance its efforts to uplift diverse talent and build inclusive communities to achieve the ultimate goal of tangible, long-term change.



“Our DEI goals represent specific areas where we believe Ventas can use its current strengths and business activities to make tangible and meaningful impact within Ventas, our communities, the commercial real estate industry, and the broader environment.”

Tim Sanders, Senior Investment Officer and Co-Chair Diversity, Equity & Inclusion Committee, Ventas, Inc.



Beyond Ventas DEI Subcommittee members sort donations collected during its Holiday Giving Drive for economically disadvantaged elementary and middle school students in the West Philadelphia community.

Photos courtesy of Ventas, Inc.

Building Strong Communities Through Impactful Philanthropic Partnerships

AVALONBAY COMMUNITIES, INC. (NYSE: AVB)

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AvalonBay Communities, Inc. strives to cultivate diverse and sustainable communities by engaging employees, the company's 140,000+ residents, and local communities through meaningful, long-term partnerships.

AvalonBay's community investment program, Building Strong Communities, focuses on creating relationships with local non-profits to provide monetary donations, volunteer hours, and expertise aligned with specific community needs. Since 2015, the program has increased annual community investment from \$1.1 million to \$2.3 million and has contributed to meaningful outcomes for the company's non-profit partners. Initiatives include:

Disaster Relief and Community Preparedness:

Since 2015, AvalonBay has provided over \$2 million in donations to the American Red Cross. The ongoing partnership has included over 350 blood drives, resulting in nearly 7,500 pints of blood donated, which could potentially save over 22,000 lives. During the pandemic, AvalonBay continued its support with virtual campaigns that facilitated blood donations and raised \$70,000 for those impacted by Western Wildfires.

Affordable Housing and Support for At-Risk Populations:

Across the country,

AVALONBAY COMMUNITIES, INC. is a REIT with a long-term track record of developing, redeveloping, acquiring, and managing distinctive apartment homes in some of the best U.S. markets, and delivering outsized, risk-adjusted returns to shareholders. With equal parts experience and vision, AvalonBay has established a leadership position rooted in building value for the long term.

AvalonBay partners with over 50 local non-profit partners. A few examples include:

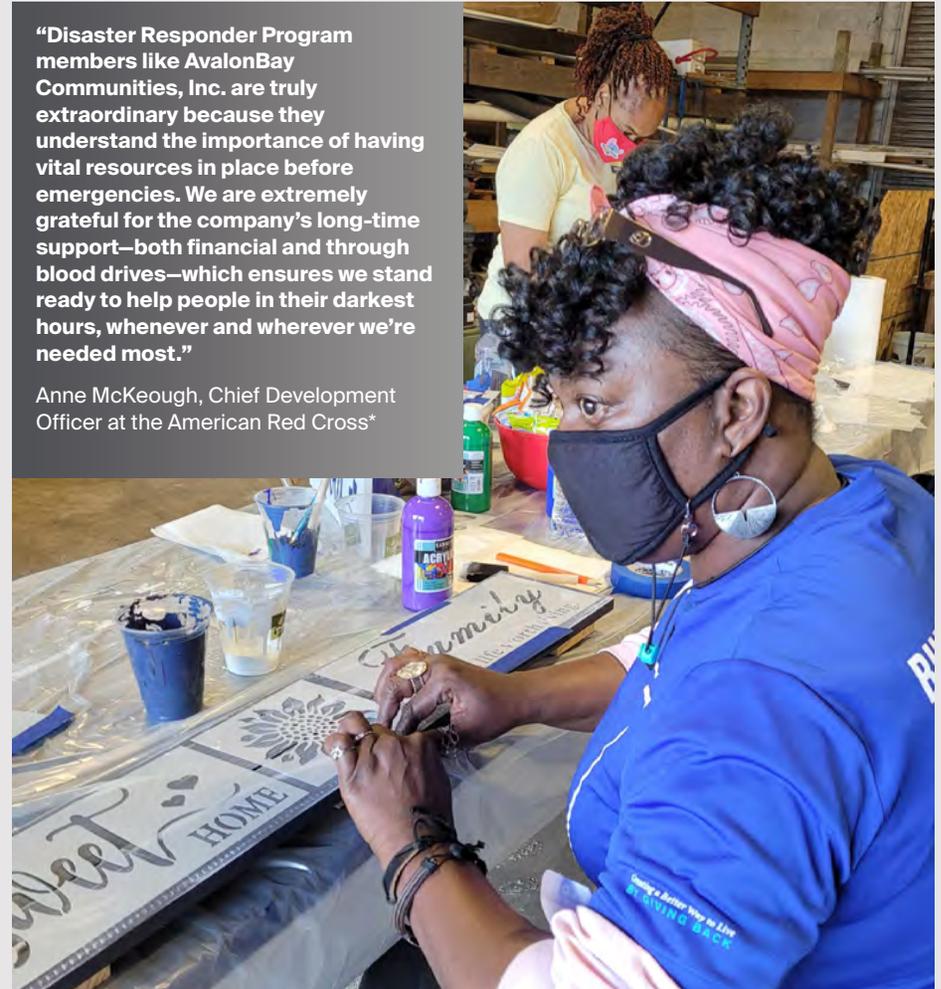
- **Washington, D.C.:** AvalonBay partnered with A Wider Circle to provide project management and construction expertise to build the **Ward 8 Neighborhood Hub and Family Success Center**.
- **Northern California:** AvalonBay serves on the board of the Housing Industry Foundation and partnered with the foundation to collect 8,169 pounds of food for local food banks.
- **New Jersey:** The company donated to New Jersey Community Development Corporation to purchase laptops for children who were forced into remote schooling at the start of the pandemic.

AvalonBay also began a multi-year partnership in 2020 with the National Urban League, managed by the company's Black Associate Coalition. The partnership serves as a model to explore how internal associate resource groups can engage in philanthropic partnerships that also contribute to diversity, equity, and inclusion.

The impact made by AvalonBay's philanthropic partnerships over the years was celebrated with the company's 10th annual Spirit of Caring Season (previously Spirit of Caring Month) in 2021. During Spirit of Caring Season, AvalonBay dedicated time to establish new engagement methods with its non-profit partners that best fit their needs during the pandemic. Since 2015, AvalonBay logged over 57,000 volunteer hours,

"Disaster Responder Program members like AvalonBay Communities, Inc. are truly extraordinary because they understand the importance of having vital resources in place before emergencies. We are extremely grateful for the company's long-time support—both financial and through blood drives—which ensures we stand ready to help people in their darkest hours, whenever and wherever we're needed most."

Anne McKeough, Chief Development Officer at the American Red Cross*



AvalonBay associates volunteering.

Photo courtesy of AvalonBay Communities, Inc.

equivalent to six-and-a-half years of service, and donated more than \$12.4 million.

AvalonBay's philanthropic efforts are supporting the important missions of its non-profit partners, which help ensure the vibrant and diverse

neighborhoods, communities, and regions where they live and work, remain healthy and resilient.

*The American Red Cross name is used with its permission, which in no way constitutes an endorsement, express or implied, of any product, service, company, opinion, or political position. The American Red Cross name is registered trademark owned by the American National Red Cross.

Dedicating Time for Service and Cultivating Team Member and Community Relationships

BRIXMOR PROPERTY GROUP INC. (NYSE: BRX)

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To support and build trust with the communities it serves, Brixmor Property Group encourages and celebrates employee volunteerism by dedicating a company-wide Day of Service and awarding its people for extraordinary contributions.

In response to the pandemic, Brixmor initiated its first company-wide Day of Service in 2020. On the day of the now annual event, Brixmor closes its offices, encouraging employees to donate their time to a community cause that is important to them. Examples of these employee efforts from 2020 and 2021 service activities include: toiletry collection for a domestic abuse relief center for women and children; food drives, which resulted in over 25,000 donated meals that benefited more than 25 different organizations; and beautification projects at local fire stations, parks, and beaches. In addition to the Day of Service, employees are encouraged to use two additional days for volunteering at local organizations of their choice, anytime throughout the year. Together, these opportunities contribute to Brixmor's goal of increasing its employees' community volunteer participation to 100% by 2025.

To further promote volunteerism, Brixmor recognizes employees who demonstrate outstanding, community-oriented contributions at Brixmor properties. Awards are presented quarterly to employees who go the extra mile to support tenants and residents, solve a business need or challenge in a unique way, or provide exemplary assistance with expertise and compassion. For example, one of Brixmor's construction project managers was recognized in 2021 for identifying and acting on an opportunity to repurpose items left behind by a previous tenant. Partnering with a local chapter

of Habitat for Humanity, this project manager collected 6,000 pounds of furniture, fixtures, and consumer goods that were later donated, upcycled, or sold to help fund Habitat for Humanity's mission to build or improve homes for families in need.

By enabling and promoting such efforts through dedicated volunteer days, awards, and recognition, Brixmor strives to cultivate a culture where its team feels empowered to take initiative and make positive impacts.

Brixmor recognizes the value that caring for its communities provides—allowing employees the space to support causes they are passionate about, while also building a sense of trust with the communities they serve. Brixmor intends to continue this work, as well as evolve its community engagement strategy, by heightening its focus on the areas that matter most to its employees and its communities.

BRIXMOR owns and operates a high-quality, national portfolio of nearly 400 open-air shopping centers that reflect its vision “to be the center of the communities it serves” and are home to a diverse mix of thriving national, regional, and local retailers.

“We’ve experienced stronger relationships with each other by working side-by-side on community projects. We’ve discovered shared interests and devotion to causes, such as knitting or animal welfare, and we’ve even met our teammates’ families when they join our volunteer projects. As residents of the communities around our centers, we see the impact of our professional and volunteer efforts.”

Carolyn Carter Singh, EVP & Chief Talent Officer, Brixmor Property Group Inc.



Brixmor employees participating in community service events for the Company's annual Day of Service.

Photos courtesy of Brixmor Property Group Inc.

Developing and Standardizing Industry-Leading Health and Safety Measures for Customers and Employees

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CYRUSONE

To remain current with leading industry practices, CyrusOne strives to create standardized training and risk management processes for alignment across its global operations.

CyrusOne focuses on six core areas: leadership and worker participation; planning; support; operation; performance evaluation; and improvement.

In 2021, the company published and distributed its Customer Safety Handbook, which clearly defines the expectations and requirements for operating within a CyrusOne facility. It establishes acceptable practices in many areas, such as working near and around electrical wires and proper use of large equipment. The handbook has assisted in building trust and facilitating communication with its customers.

In addition to the handbook, CyrusOne provides its employees with the necessary tools and trainings to reduce potential risks and hazards. This year, the company hired an additional member to its Environmental, Health, and Safety (EHS) team, allowing the company to increase the volume of trainings and programs for employees. For example, the team implemented a safe driving training program for the company's sales department, a golf cart operating safety program, and footwear safety program.

Within the past year, CyrusOne also developed a Near Miss Reporting Process and Job Hazard Analysis Program, both of which aim to identify hazards and prevent injuries before happening. As part of the program, employees have access to an website to report situations or possible risk areas. This has been especially important throughout the pandemic as corporate team members are on-site less often, limiting the amount of in-person safety checks.

For CyrusOne's construction team, the company introduced a Global Construction Safety Program, aligned to leading industry standards. CyrusOne collaborates with third-party auditors to inspect active construction sites for compliance against health and safety requirements. In 2021, CyrusOne held a networking summit for general contractors and their safety teams to share best practices and support each other's efforts to learn and grow their own processes. CyrusOne

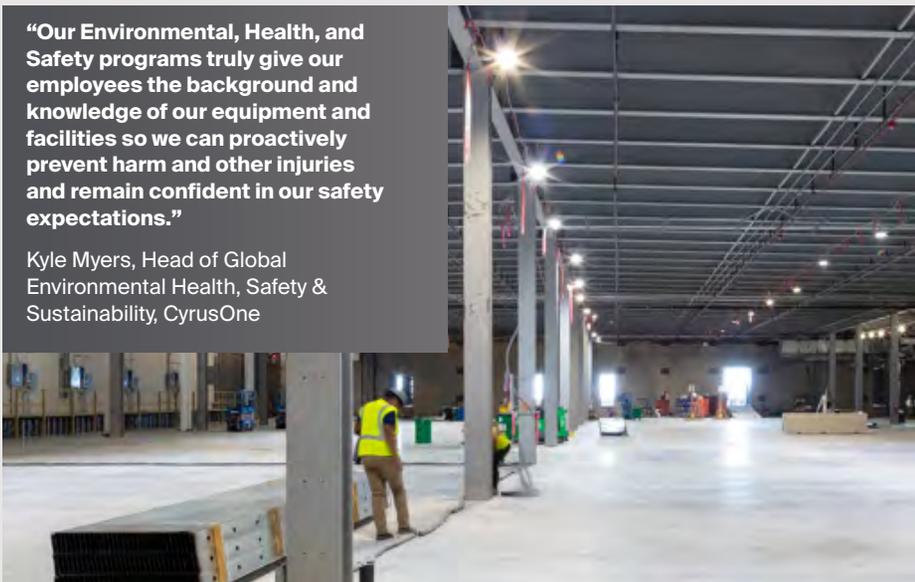
will continue leveraging similar methods to build relationships and encourage collaborative growth in the health and safety environment.

CyrusOne's dedication to health and safety has contributed to outstanding safety performance, with a total recordable incident rate (TRIR) that was one third that of its industry peers in 2019 and a days away, restricted, or transferred (DART) rate that was 40% better than the industry average. These initiatives also contribute to high productivity and employee morale, low injury rates, low worker's compensation costs, and low average cost of injury for team members.

CYRUSONE is at the forefront of the data center industry with a portfolio that includes over 50 data centers worldwide and over 5 million square feet of total net rentable square footage (NRSF).

"Our Environmental, Health, and Safety programs truly give our employees the background and knowledge of our equipment and facilities so we can proactively prevent harm and other injuries and remain confident in our safety expectations."

Kyle Myers, Head of Global Environmental Health, Safety & Sustainability, CyrusOne



Construction at a CyrusOne data center



CyrusOne's Dallas-Allen Data Center in Allen, TX

Photos courtesy of CyrusOne

Formalizing Long-Term DEI Efforts to Ensure Equitable Practices for Current and Future Associates

DUKE REALTY CORPORATION (NYSE: DRE)

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As the first REIT to sign the CEO Action for Diversity & Inclusion™ Pledge, and an early adopter of a diversity, equity, and inclusion (DEI) council established over 20 years ago, Duke Realty Corporation has long understood the value of promoting the education, awareness, and advocacy of DEI. Over the past several years, Duke Realty has refreshed its efforts to provide every one of its associates with the opportunity to achieve their full potential by promoting diversity in leadership, ensuring equitable treatment of all staff, and building a pipeline of diverse talent through inclusive hiring practices.

Diversity in Leadership

Duke Realty is committed to maintaining the gender, racial, and ethnic diversity of its directors with 55% of its board currently consisting of women or diverse, independent members. Internally, its talent pipeline and mentorship programs have allowed the company to identify experienced, high-performing associates for leadership development. In 2021, 52% of Duke Realty's top- and mid-level new hires were women or people of color.

Equitable Treatment

Pay equity has long been important to Duke Realty, and the company's human resources team embeds checkpoints throughout the year to keep pay equity top-of-mind. In fact, Duke Realty reviews pay equity several times during the year—when hiring a new employee, at mid-year, at talent review sessions, and at year-end. Recently, the company advanced its pay equity strategy by hiring a third-party provider to analyze both gender and minority pay, ensuring that the results were verified by an external, unbiased consultant. Furthermore, to collect feedback on the company's DEI

efforts and identify areas for improvement, Duke Realty conducts associate pulse surveys. In 2021, the company implemented its first survey specifically for minority associates.

Inclusive Hiring

To promote diversity in the industry and foster a more robust, diverse pipeline of talent, Duke Realty participates in educational programs and offers scholarships for diverse young people. For six years, the company has volunteered for the STEM YES! Summer Program, which provides high school students with science-, technology-, engineering-, and mathematics-related activities and projects. Duke Realty also partners with Roosevelt University's Marshall Bennett Institute of Real Estate in Chicago, through which the company offers mentoring and internship opportunities as well as the DREAM (Duke Realty Fund for Education and Advancement of Minorities) Scholarship. To ensure inclusivity in hiring, the company mandates that hiring managers bring in a diverse slate of candidates and use an interview panel consisting of diverse associates for mid- to senior-level candidates.

Duke Realty continues to elevate its talented diverse associates and allows them to share their knowledge and experience through mentorship, industry speaking engagements, trade organization leadership roles, and recognition of their value to the company and the industry.

DUKE REALTY CORPORATION, a component of the S&P 500, is a leading owner, developer, and manager of industrial properties, including state-of-the-art bulk warehouses and regional distribution centers.

“As a woman of color, looking for a company where I could start my career, I had an opportunity to intern at Duke Realty. Not only did I gain valuable experience and develop trusting relationships in the real estate industry, I found a culture of inclusion where I felt that I belonged and could build a career. This is a company that makes DEI a priority and shows it in how business is conducted and in the value it places on its diverse associates.”

Natalie Tyler-Martin, Vice President of Leasing and Development, Duke Realty Corporation



Members of Duke Realty's DEI Council

Photo courtesy of Duke Realty Corporation

Taking a Community-Centered Approach to COVID-19 Mitigation Efforts

EQUITY LIFESTYLE PROPERTIES, INC. (NYSE: ELS)

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To support the health, safety, and wellbeing of its customers and employees, and to combat COVID-19, Equity LifeStyle Properties, Inc. began a vaccination program in partnership with homeowners associations, local health departments, and pharmacies, and took additional steps on its properties to help stop the spread.

Vaccine Clinics

In response to the COVID-19 pandemic, Equity LifeStyle hosted vaccination events at 55 properties, helping nearly 9,000 residents receive their vaccinations close to home as of January 2022. The company created awareness of the events via emails and partnered with homeowners' associations at its properties. Equity LifeStyle took a local approach to the vaccination clinics, tailoring them to each community's needs. These clinics enabled access to the vaccines and helped build a sense of community in a time when it was needed most, allowing residents to better protect themselves against COVID-19, together.

Digitization

In addition to the vaccination program, Equity LifeStyle adjusted daily operations to limit in-person contact while enabling customers to access services virtually. For example, the company instituted virtual home tours at its manufactured home communities and instituted an online check-in procedure for its

RV resorts and campgrounds. These new digital options quickly grew in popularity, with more than 1,000 virtual tours created and nearly 350,000 online check-ins completed through 2021. Equity LifeStyle will continue these initiatives as the company strives to help keep residents and employees safe

while also improving the efficiency of daily processes.

Equity LifeStyle strongly believes in the importance of keeping its communities safe and has learned to quickly adapt to the changing conditions of the pandemic. Through these strategic partnerships and community engagement, the company helped thousands of residents get vaccinated against COVID-19 and is continuing this initiative to provide booster shots. This, along with the digitization of tours and online check-ins, helps build a sense of trust within the company's communities, illustrating Equity LifeStyle's perseverance when it comes to prioritizing its people.

“Working together as a team, the homeowners association booked appointments and the Equity LifeStyle team arranged the logistics. We received over 5,000 emails requesting appointments, indicating the extreme need among the seniors to get vaccinated. The county had a lottery waiting list for vaccinations at the time and most Colony Cove residents were unable to get appointments, so they were ecstatic to have the opportunity to receive both doses of the vaccine right here in Colony Cove. We processed 3,500 vaccination appointments in two and a half days.”

Darlene Kornacker, Colony Cove Homeowners Association President



Vaccination event at Colony Cove, in Ellenton, FL



Resident at Colony Cove's vaccination event

Photos courtesy of Equity LifeStyle Properties, Inc.

EQUITY LIFESTYLE PROPERTIES, INC. is a leading owner and operator of manufactured home communities, RV resorts and campgrounds, and marinas in North America.

Driving Cultural Competency and Awareness through Employee Engagement and a Top-Down Inclusivity Strategy

EQUITY RESIDENTIAL (NYSE: EQR)

Equity Residential is committed to fostering a culture of inclusivity, founded on an all-encompassing, top-down diversity, equity and inclusion (DEI) strategy designed to embed inclusion throughout the organization.

To expand upon its 2020 strategy to build cultural awareness and competency across the organization, Equity Residential developed several new initiatives to increase individual and company-wide cultural awareness by supporting equitable education, with the understanding that individual knowledge and awareness vary. Some of the company's specific practices include the following:

- **Comprehensive educational resources** including a performance bias toolkit and a DEI resources site with suggested readings and videos that address unconscious bias and a myriad of inclusion topics to support employee understanding of DEI issues.

- **Leadership micro lessons** on varying DEI topics (e.g., inclusive leadership, cultural identity, intersectionality) to guide managers on a path of awareness and action. Since July 2020, the company has provided 213 micro-learning lessons to 510 managers.
- **Listening sessions** to create spaces where all employees can safely share stories and experiences to help build employee relationships and trust. Equity Residential conducted 14 listening sessions with executive leadership and more than 300 employees since June 2020.

- **Inclusive hiring and retention practices** to bring awareness to unconscious bias in recruiting and hiring systems and processes. Equity Residential works with managers to ensure unbiased evaluations of its diverse slate of candidates by providing both quantitative and qualitative assessments tools. These tools are leveraged throughout the employee life cycle, such as talent reviews, and help cultivate an inclusive environment to support talent retention.
- **Quarterly executive engagements** to discuss DEI-related articles, books, and videos to align talent and business strategy to inclusion. C-suite engagement reinforces the importance of DEI in all areas of the business. Three executive-level conversations have occurred with more in development.

- **Company-wide DEI book club** in which employees can participate in reading a DEI-related book and discuss as a group once every quarter.

As a result of these efforts, Equity Residential's most recent employee survey yielded the highest DEI engagement score to date, increasing from 79 to 83 points.

In the coming year, Equity Residential will prioritize inclusive leadership development strategies by providing tools, training sessions, and resources to company leaders to ensure successful management in a hybrid world.

EQUITY RESIDENTIAL is focused on the acquisition, development, and management of residential properties located in and around dynamic cities that attract affluent, long-term renters. The company is a member of the S&P 500 and is committed to creating communities where people thrive.

“The work that has been done over the last two years has been inspiring and motivating. I appreciate the focus on Diversity & Inclusion (D&I) and our values overall. I look forward to seeing how our company continues to grow in these areas for our employees.”

Equity Residential Employee, Employee Experience Survey



Equity leaders showing their pride wearing Equity Inclusion t-shirts.



Equity employees participating in International Women's Day.



Equity employees leading with action by participating in inclusive leadership training at leadership summit.

Broadening Engagement to Enrich Employee Health, Wellbeing, and Culture

HEALTHCARE REALTY TRUST (NYSE: HR)

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As a trusted owner and operator of medical office properties, Healthcare Realty recognizes the importance of a company culture that emphasizes good health, the pursuit of wellness, and provides a supportive community for its employees.

Over the course of the pandemic, Healthcare Realty embarked on a comprehensive process to assess and enhance overall employee satisfaction, with a focus on culture and values, health and wellbeing, and workplace environment. As part of the process, members of the executive management team, including CEO Todd Meredith, conducted several small group conversations and distributed a series of surveys to meaningfully engage with employees, seeking their authentic input and feedback. This was a significant accomplishment for the company with over 300 employees operating across 24 states. As a result of these efforts, the organization implemented several new programs and initiatives, including:

- **A new purpose, vision, and values statement** based on the values that employees identified as most important. Camaraderie, respect, entrepreneurship, and excellence were selected as the company's core values—and are used to define how its teams work, but also its aspirations to continually improve performance, and to recruit new employees who exemplify those attributes, too.
- **Forming a wellness committee** that developed the Healthcare Realty CARES Wellness program. A volunteer group of employees is committed to providing health and wellness opportunities for every employee. The group hosted monthly wellness challenges ranging from increasing steps to establishing a book club, helping with

mindfulness and meditation practices and financial fitness. Participating employees track their progress with the MoveSpring app, which increases communication and camaraderie. As part of the wellness initiatives, Healthcare Realty donated over \$10,000 to charities aligned with some of the challenges including Girls on the Run and Special Olympics. Healthcare Realty has received enormous employee support and appreciation for the new program, noting a greater motivation to focus on and improve their health.

- **Completing major renovations at the company's corporate headquarters in Nashville** created a healthier, aesthetically pleasing workplace. Amenities include increased natural light, a new fitness room, showers and changing rooms, water bottle filling stations, standing desks, stairwell enhancements to encourage use, a new kitchen, and outdoor dining space.

Healthcare Realty plans to expand its initiatives in 2022, recognizing that supporting wellness initiatives and emphasizing personal health is important for attracting and retaining new and existing employees.

HEALTHCARE REALTY is a REIT that integrates owning, managing, financing, and developing income-producing real estate properties associated primarily with the delivery of outpatient health care services throughout the U.S.

“Healthcare Realty’s wellness challenges inspired me to focus on self-care and spend time hiking with my family. I enjoyed competing in challenges through the MoveSpring app, feeling a sense of accomplishment, elevating my heartbeat, and improving my mental and physical state.”

Ruth Valle, Administrative Assistant, Fountain Valley, CA, Healthcare Realty Trust



Top: Employees gather to celebrate completing Healthcare Realty's July wellness challenge, logging more than 7,300 miles, awarding a \$5,000 donation to the Special Olympics. Bottom: Healthcare Realty employees utilize the new corporate office fitness center.

Photos courtesy of Healthcare Realty Trust

Expanding Efforts to Influence a Culture of Diversity, Equity, and Inclusion

HERSHA HOSPITALITY TRUST (NYSE: HT)

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With executive leadership and support, Hersha Hospitality Trust is focused on implementing robust diversity, equity, and inclusion (DEI) programs through collaborative strategies promoted within its organization and to the broader community.

In 2010, Hersha launched its proprietary sustainability platform, EarthView, focused on delivering financial value and promoting the long-term health and wellbeing of its employees, guests, communities, and the planet. Implementing EarthView helped to formalize and integrate Hersha's DEI strategy across the organization with a focus on three key areas:

Establishing Culture: Last year, Hersha created a DEI council with representatives from various corporate offices, as well as associates from Hersha's hotels. The council works to share perspectives and feedback, develop trainings, and expand learnings. For instance, the company partnered with an educational nonprofit to host a town hall-style interactive webinar aimed at building Hersha's cultural intelligence to deliver better business results. To ensure Hersha is collecting honest and anonymous feedback on its efforts, the company conducts Hersha Hears engagement surveys.

HERSHA HOSPITALITY TRUST is a self-advised REIT in the hospitality sector, that owns and operates high-quality hotels in urban gateway markets and regional resort destinations.

Attaining and Growing Talent: The company's lead for talent acquisitions is a certified DEI recruiter who brings practices and tools to the company's recruiting and hiring processes that help support equity and inclusion. Hersha's sourcing and screening processes for recruitment engage diverse candidates and interviewers to ensure diversity on both sides of the conversation.

One of Hersha's most impactful DEI strategies has been expanding its unconscious bias trainings for associates. These trainings, led by

DEI experts, assist in establishing an inclusive corporate culture. A top-down approach to DEI is important as Hersha illustrated by CEO Jay Shah's signing of the pledge for CEO Action for Diversity and Inclusion, highlighting to stakeholders that DEI is a core part of Hersha's culture.

Influencing the Marketplace: Hersha looks to use the lessons learned within its organization to improve DEI practices in the marketplace and with management partners. For example, members of the sales and

purchasing teams engage potential customers and suppliers on Hersha's company-wide DEI policies. Hersha recently began to monitor its spend with female and minority-owned suppliers to define a baseline and establish clear targets for improvement in diversity within its supply chain moving forward.

Hersha's expansive DEI programs have helped the company add value to its organization by engaging employees, growing diverse talent, and earning stakeholder trust in the marketplace.

"Our focus on DEI initiatives led to increased employee training, support for our diverse community of employees, and our signing of the CEO Action for Diversity and Inclusion Pledge. Through these actions, we hope to inspire others to share and learn from each other."

Jay H. Shah, Chief Executive Officer, Hersha Hospitality Trust



"Diversity Wall" at Hersha's Cadillac Hotel & Beach Club in Miami Beach, FL

Photo courtesy of Hersha Hospitality Trust

Engaging Suppliers to Support Diversity of Procurement Decisions

HOST HOTELS & RESORTS, INC. (NASDAQ: HST)

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As part of a broader effort to formalize its diversity, equity, inclusion, and belonging (DEIB) program, Host Hotels & Resorts, Inc. looked to better understand the diversity of its supply chain—recognizing the opportunity it had to promote innovation and resilience through its procurement decisions.

In 2019, Host launched its inaugural Supplier Excellence Survey to deepen engagement with its furniture, fixture, and equipment suppliers in ESG. The original survey, which included one question on ESG topics regarding diversity, aimed to identify how the company's suppliers were managing ESG issues, especially regarding major renovations.

As Host's DEIB program expanded, the company enhanced the original vendor survey. The survey now includes targeted questions on diversity for its strategic suppliers and professional consultants who support engineering services, design and construction, and project management.

The additional questions were included to obtain baseline information regarding Host's suppliers and service providers. In addition, the questions were included to develop a procurement program to support businesses with diverse, minority-ownership, including women, veterans, people with disabilities, the LGBTQ+ community, and other underrepresented groups.

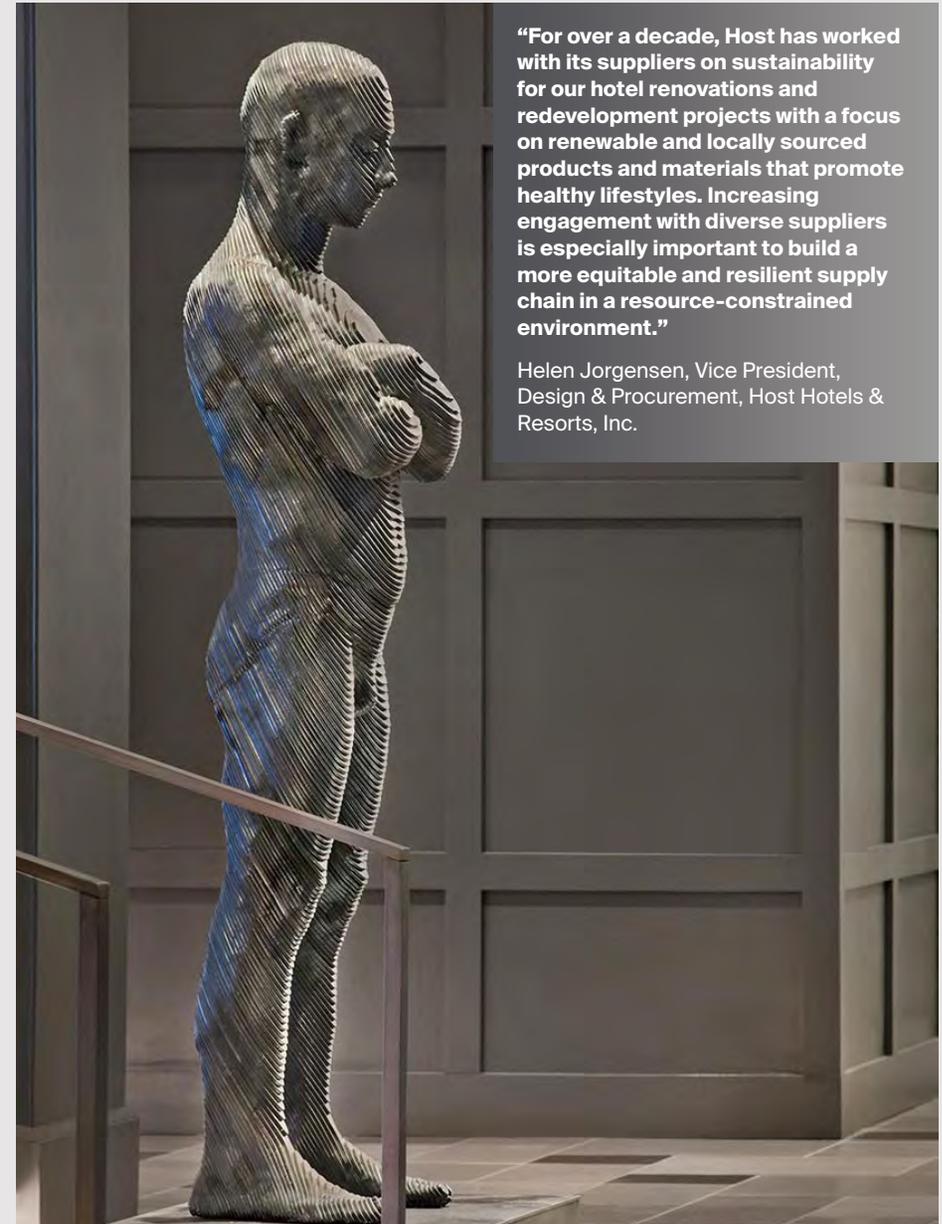
Host expanded the survey to nearly 230 direct suppliers and consultants, representing roughly 70% of the company's annual capital expenditure spend. To provide improved monitoring of its diversity spending, Host uses its in-house, proprietary asset management information platform to track spend with diverse suppliers

and consultants identified in the survey. The platform aggregates the data, helping to streamline capital expenditure workflows, financial controls, and ESG reporting.

These efforts will enable Host to make more informed decisions regarding the partners it chooses to work with, ensuring diversity of thought and enabling equal exposure and opportunity for all potential suppliers and consultants. For example, at recent projects in Hawaii, Houston, and Philadelphia, Host sought to bring the work of local artists from underrepresented groups into its spaces to help increase their exposure while connecting Host's properties to its communities. Host recognizes the value this creates by enhancing the design of its properties, while also highlighting the work of artists that may have not been previously considered.

As Host continues to measure and monitor its impact in the supply chain, it plans to utilize the data to establish key performance indicators and set goals to grow the program and publicly report on the progress and value created in partnering with diverse suppliers.

HOST HOTELS & RESORTS, INC., an S&P 500 company, is the largest lodging REIT and one of the largest owners of luxury and upper-upscale hotels.



“For over a decade, Host has worked with its suppliers on sustainability for our hotel renovations and redevelopment projects with a focus on renewable and locally sourced products and materials that promote healthy lifestyles. Increasing engagement with diverse suppliers is especially important to build a more equitable and resilient supply chain in a resource-constrained environment.”

Helen Jorgensen, Vice President, Design & Procurement, Host Hotels & Resorts, Inc.

Hombre de Hierro at The Logan, Philadelphia, PA

Photo courtesy of Host Hotels & Resorts, Inc.

Making Long-Term Commitments to Prioritize Health and Wellbeing for Employees, Tenants, and Residents

JBG SMITH (NYSE: JBGS)

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For JBG SMITH, the COVID-19 pandemic reinforced the company's responsibility to foster a culture of continued care by prioritizing the long-term health and wellbeing of its employees, tenants, and residents.

As the pandemic created a heightened awareness on mental and physical health, JBG SMITH supported its employees with increased wellbeing offerings to help manage the stress of home and work responsibilities. The company was flexible with its workforce, acknowledging

that family care and isolation were challenges for many. While the company increased the frequency of communications to create deeper connections among the team, it was also very sensitive to the "Zoom fatigue" that so many of its employees were facing.

To address this issue, JBG SMITH shortened standard meeting times, offered free mental health care to all employees and their family members, and provided free access to the Calm app. While the company already has a generous time-off program, JBG SMITH also held a company-wide mental health day to give everyone a break.

Upon return to the office, JBG SMITH began using a three/two hybrid schedule—three days in the office, and two "work from anywhere" days, giving employees continued flexibility.

For its building tenants, JBG SMITH is committed to owning and operating green and healthy buildings as it recognizes that healthy buildings and clean air are critical to improving human health. In 2021, JBG SMITH achieved carbon neutrality across its operating portfolio—an accomplishment that impacts the planet and the health of the company's tenants.

JBG SMITH's Healthy Planet, Healthy People program provides its tenants with information about the health connections between buildings, people, and the planet. This information covers topics including the associated health benefits of air filtration, indoor air quality testing and monitoring, and the use of building materials with low volatile organic compounds.

Furthermore, in 2021, JBG SMITH achieved an entity-level Fitwell VRM certification, certified each of its assets, and became a Fitwel Champion, demonstrating that the company integrates leading health strategies into design and operations across its building portfolio.

Moving forward, JBG SMITH plans to continue assessing how it can best develop and operate its buildings to ensure optimal health conditions for its employees, tenants, and residents.

"Providing an engaging experience has always been of the utmost importance to JBG SMITH. It's that experience that enables the collaboration and desire to deliver the highest levels of care to our residents and tenants. During the pandemic, and going forward, we are committed to serving all our constituents and continually enhancing the experience they have with our great organization."

Carey Goldberg, Chief Human Resources Officer, JBG SMITH



1900 N Street, Washington, D.C.



4747 Bethesda Avenue, Bethesda, MD

JBG SMITH owns, operates, invests in, and develops a dynamic portfolio of mixed-use properties in the high growth and high barrier-to-entry submarkets in and around Washington, D.C. Through an intense focus on placemaking, JBG SMITH cultivates vibrant, amenity-rich, walkable neighborhoods throughout the Washington, D.C. metropolitan area.

Delivering Impact Through Local Community Engagements

KIMCO REALTY CORPORATION (NYSE: KIM)

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Kimco Realty Corporation's longstanding commitment to ESG has enabled the organization to deliver positive impact to the communities where they operate.

With over a decade of advancing ESG initiatives, Kimco Realty has met and exceeded its original targets. To continue this momentum, Kimco instated 16 comprehensive and ambitious ESG goals in early 2021, one of which aims to give \$1 million annually in cash and in-kind contributions to support small businesses and charities within the communities in which Kimco operates. In 2021, Kimco's efforts included two community-centered engagement strategies—both of which were enormous successes, delivering financial and societal benefits to the community.

The first engagement, focused on promoting diversity, equity, and inclusion, was held in June 2021 in celebration of Pride Month. Throughout the month, Kimco prioritized inclusive LGBTQ+ messaging across its properties and on its social media platforms. Kimco hung banners, signs, digital screens, rainbow balloon backdrops, and flags, and also created murals, spotlighted tenant rainbow merchandise, and held special events. These community events were held in conjunction with support for the

KIMCO REALTY CORPORATION, an S&P 500 organization, is North America's largest publicly traded owner and operator of open-air, grocery-anchored shopping centers and mixed-used assets. Kimco's portfolio is nationwide with assets primarily located in the first-ring suburbs of major metropolitan markets.

"In our support, education, and advocacy work we hear from parents how desperately alone they and their LGBTQ+ children feel. Every institution that is hostile or silent, whether it be government, church, school, friends, business, etc., can make or break the dreams of LGBTQ+ youth and their parents that the future holds hope for them. Symbols matter. They give a sense that the loneliness and absence of belonging is lifted, even if only temporarily. I want to thank Factoria Marketplace [Kimco Realty] management for this valuable display. You communicate a message that everyone of authenticity and loving heart is championed."

Ginger Chein, President, PFLAG Bellevue/Eastside, WA



PRIDE banners at Marketplace at Factoria-Bellevue, WA

Trevor Project, a non-profit organization that focuses on suicide prevention efforts among LGBTQ+ and questioning youth. Following the initiative, Kimco donated \$10,000 to the organization and received positive recognition from community members who appreciated the inclusivity efforts.

The second program, "Be Cool, Be Kind", was held during the back-to-school shopping season

(July through September) to bring awareness to the importance of mental health, especially during the pandemic and remote schooling. Kimco held events for families that included free activities for children, live music, contests, and "kindness" themed backdrops for photo opportunities. The events were promoted through social media campaigns and aimed to encourage kindness during the upcoming school year. Following the initiative, Kimco surprised



Back to School event at Whittwood Town Center - Whittier, CA

local chapters of the National Alliance on Mental Illness (NAMI) with donations totaling \$50,000.

Both engagement campaigns generated high levels of participation and a sense of trust with Kimco's community members. Moving forward, Kimco will continue supporting local communities by organizing programs that support the diversity, equity, inclusion, and overall wellness of its community.

Photos courtesy of Kimco Realty Corporation

Fostering a Diverse and Inclusive Future Through Employee Engagement, Community Investment, and Executive Accountability

PIEDMONT OFFICE REALTY TRUST, INC. (NYSE: PDM)

Social responsibility has been at the core of Piedmont Office Realty Trust’s culture since its inception in 1999. However, over the past several years, as public discussions on racial and gender equality in the U.S. were brought to the forefront, Piedmont elevated its oversight of diversity, equity, and inclusion (DEI) to promote positive social change within the company and the communities it serves. Piedmont initiated the following activities to support this vision:

Employee Engagement: To effectively engage employees throughout the past year, Piedmont conducted anonymous employee surveys to collect their perspectives on company DEI initiatives and identify areas of improvement. Additionally, the company held anti-bias trainings for all employees to increase awareness and eliminate bias in hiring, performance evaluation, compensation, and promotional practices.

Community Investment: In addition to participating in various job fairs for minority candidates, Piedmont invests in the education and development of scholars from two Historically Black Colleges and Universities (HBCUs)—Morehouse College (Atlanta, GA) and Howard University (Washington, D.C.). In 2020, the company introduced a need-based scholarship program at both schools which allows recipients the opportunity to intern with Piedmont, interact with executive- and board-level mentors, and acquire valuable experience in real estate.

Board- and Executive-Level Accountability: In 2015, Piedmont welcomed Barbara Lang, former president of the Washington, D.C. Chamber of Commerce and DEI champion, to its board of directors. Lang

expanded Piedmont’s conversation around social responsibility and challenged the company to multiply its community programs. In 2019, Piedmont appointed Brent Smith as chief executive officer, who also helped prioritize DEI impact by reinforcing the company’s commitment to grow minority representation in the real estate sector. Under his leadership, more than 40% of Piedmont’s employment opportunities have been filled by persons of color.

Piedmont is steadfast in its desire to expand in the company’s DEI efforts and cultivate greater diversity in the commercial real estate industry by engaging employees, fostering a diverse and inclusive recruiting pipeline, and ensure board- and executive- level accountability.

PIEDMONT OFFICE REALTY TRUST, INC. is an owner, manager, developer, redeveloper, and operator of high-quality, Class A office properties located primarily in the Sunbelt. Its geographically-diversified, approximately \$5 billion portfolio is currently comprised of approximately 17 million square feet. Piedmont is a 2021 Energy Star Partner of the Year.



“Through programs such as Piedmont’s scholarship, I can strive to be the person for others that I wish I had myself.”

Caleb Davis, Piedmont Scholarship Award Recipient – Howard University



Piedmont employees participate in company-wide events and programs focused on community engagement, diversity and inclusion, and volunteer work.

Photos courtesy of Piedmont Office Realty Trust, Inc.

Advancing DEI with a Structured, Employee-Driven Approach

REGENCY CENTERS CORPORATION (NASDAQ: REG)

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Regency Centers Corporation believes that people are the company's greatest asset and that developing a team with differing backgrounds and experiences drives value for the business and communities the company serves.

Following a period of wide-spread social unrest, Regency accelerated its diversity, equity, and inclusion (DEI) strategy—an initiative that developed over several years. The intent was to integrate DEI into business practices, increase employee engagement, and build support for social justice in Regency's communities.

The strategy was first formed by various cross-functional focus groups who helped evaluate current DEI efforts. As a result of the discussions, and with assistance from expert vendors, Regency built an overarching strategy roadmap, overseen by a dedicated DEI Council, comprised of leaders from across the business.

The strategy has four distinct pillars: talent, culture, marketplace, and communities; each with a unique set of focus areas and initiatives:

Talent: Regency developed recruitment partnerships with Circa, International Council of Shopping Centers (ICSC), Jopwell, and Nareit to broadcast jobs to a more diverse pool of candidates than traditional recruitment avenues previously allowed.

REGENCY CENTERS is the preeminent national owner, operator, and developer of shopping centers located in suburban trade areas with compelling demographics. Operating as a fully integrated real estate company, Regency Centers is a qualified REIT that is self-administered, self-managed, and an S&P 500 Index member.

Culture: The company launched employee resource groups (ERGs) which bring together employees with shared characteristics or experiences to work together, network, and raise awareness of relevant issues. ERGs foster employee engagement of DEI issues and help drive innovative programs for the whole company. For instance, Regency's female-led group developed a mentorship program, which will be implemented company-wide.

Marketplace: In the marketplace, Regency put processes and systems in place for collecting information about the diversity in areas surrounding company sites, looking toward the future for neighborhoods where the company's centers are located. In addition, these mechanisms will further Regency's commitment to supporting diversity and creating a meaningful merchandising mix among its tenant bases.

Communities: Regency's community efforts include the company's Communities Program where a committee of employees select

charitable organizations, the top three of which are then voted on by the broader employee group to be selected, for a philanthropic donation. This process ensures that corporate donations to the community are aligned with employee and company values.

In addition to these efforts, Regency's commitment to DEI is reinforced by the company's CEO, Lisa Palmer, signing the CEO Action Pledge for Diversity and Inclusion, quarterly town halls, executive sponsorship of the ERGs, and unconscious bias training for all employees.

"After taking a leadership role in a newly formed employee resource group (ERG), my conversations with coworkers have expanded across all disciplines in the company. ERGs are a terrific resource that allow me—and its members—to engage in meaningful interactions with people whose functional paths may not typically cross at work."

Barry Argalas, SVP, National Transactions & Investment Strategy (and Executive Sponsor of EDGE, Ethnic Diversity Group for Everyone), Regency Centers Corporation



In early 2020, Regency teams in more than 20 markets across the country assembled to gather and distribute food for people negatively impacted by COVID lockdowns. Here, Barry Argalas (front row, second from left) and members of Regency's Jacksonville, FL team gathered at a safe distance to package food from their Brooklyn Station on Riverside property.

Photo courtesy of Regency Centers Corporation

Supporting Team Members and Their Families by Providing Educational Programming and Tutoring Services

SUN COMMUNITIES, INC. (NYSE: SUI)

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When the COVID-19 pandemic first hit, Sun Communities recognized the burden faced by working parents who struggled with the uncertainty of in-person schooling and childcare. In response, Sun surveyed its team members to assess the need for educational support for children. Once demand was evident, the company developed its “Back 2 School with Sun” program. This unique program provides team members and their families support to navigate the challenges of providing educational support for their children during a global pandemic.

“Back 2 School with Sun” is an initiative primed to provide enriching, virtual academic and social opportunities for children of company team members, uplifting both Sun employees and their families.

To kick off the program, Sun hired three tutors, two of whom were existing team members in guest services. Additionally, the company hired a full-time teacher focused on curating content for preschool-aged children.

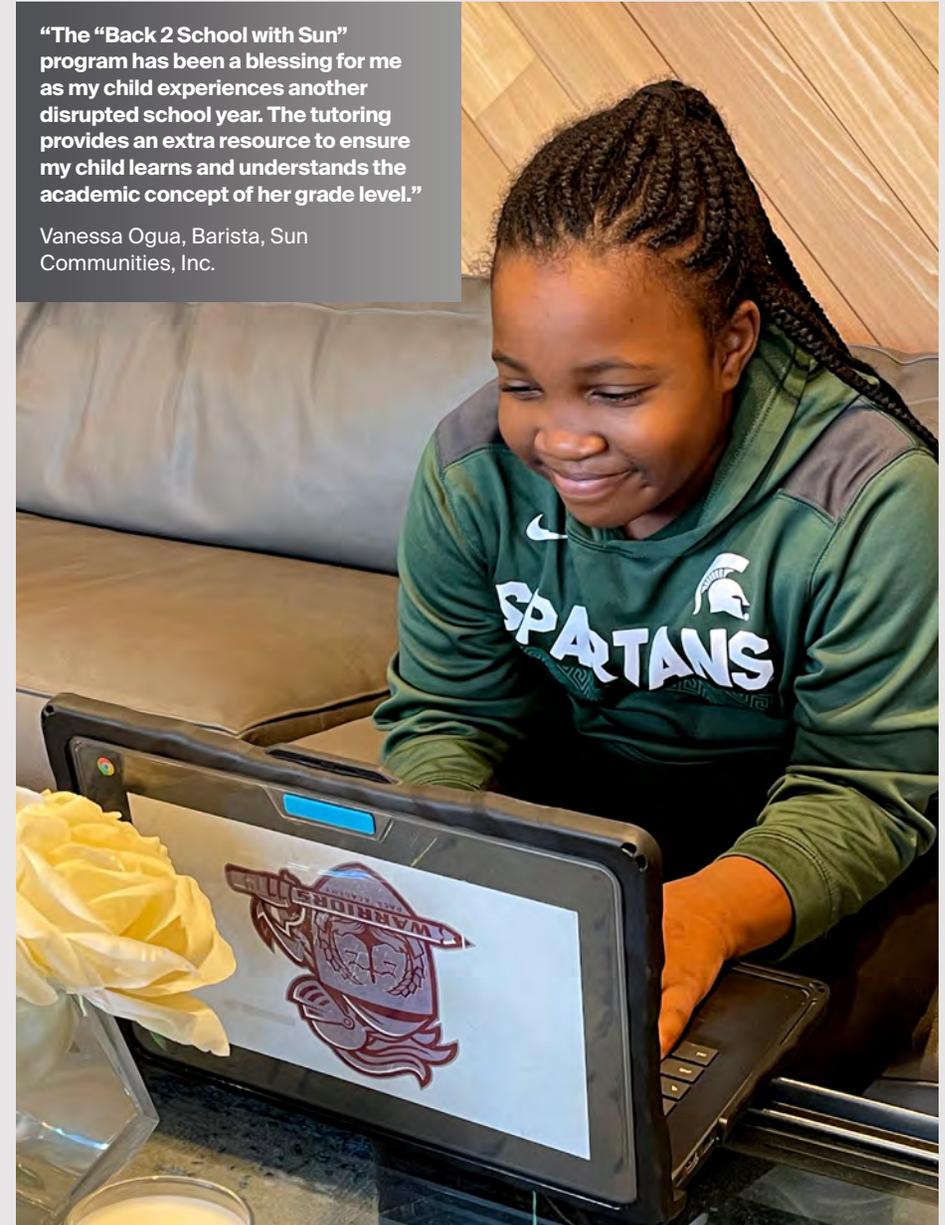
Sun’s tutors are experienced educational specialists who offer one-on-one virtual sessions with students, adapting to individual needs. To make the tutoring sessions easily accessible, Sun offers a scheduling tool dedicated to the program which provides available time blocks and tutor profiles. Post-session, tutors send follow-up emails describing what was covered in the session and what is planned next. These programs are all free of charge for team members.

For preschool-age children, Sun’s curriculum specialist curated safe and educational content options including interactive opportunities such as, virtual tours of zoos and museums, yoga classes, and arts and crafts projects.

“Back 2 School with Sun” has brought comfort to parents and those with children in their care as they navigate the uncertainties of the pandemic. Moving forward, Sun plans to maintain the program and adapt and scale as needed to allow team members the relief to focus on their work, knowing that their families are fully supported to excel in their schooling.

“The “Back 2 School with Sun” program has been a blessing for me as my child experiences another disrupted school year. The tutoring provides an extra resource to ensure my child learns and understands the academic concept of her grade level.”

Vanessa Ogua, Barista, Sun Communities, Inc.



SUN COMMUNITIES, INC. is a fully integrated REIT that together with its affiliates and predecessors has been in the business of acquiring, operating, developing, and expanding manufactured home and RV communities since 1975, and marinas since 2020.

Children of Sun Communities’ employees participating in the “Back 2 School with Sun” program

Photos courtesy of Sun Communities, Inc.

Applying Data to Derive Innovative Water Conservation Solutions

AMERICAN CAMPUS COMMUNITIES, INC. (NYSE: ACC)

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With a strategic focus on water conservation, American Campus Communities, Inc. is using data from analytic studies to identify opportunities to implement innovative and effective measures, resulting in significant water savings across its portfolio.

ACC owns and operates residential housing for college students across the nation. Given student housing's unique building types, tenant population, and ACC's recognition that access to clean water is a fundamental right, the organization identified water use as a critical environmental impact opportunity.

In order to understand the most effective methods and technologies to reduce water consumption, the company first conducted comprehensive studies, which revealed that toilets were a major source of water consumption for ACC's buildings due to the higher ratios of bathrooms to bedrooms, typical in student housing.

These findings prompted the company to initiate plumbing retrofits at its properties—replacing the internal components of the toilets to lower flush volume, monitor water usage and automatically shut off any detected leaks.

AMERICAN CAMPUS COMMUNITIES, INC. is the largest owner, manager, and developer of high-quality student housing communities in the U.S. The company is a fully integrated, self-managed and self-administered REIT with expertise in the design, finance, development, construction management, and operational management of student housing properties.

Since 2019, ACC has invested more than \$2.5 million across 31 assets on plumbing retrofits, which are on track to annually save more than 177 million gallons of water, enough to fill over 250 Olympic-sized swimming pools. Annual savings from these retrofits exceed \$2.1 million.

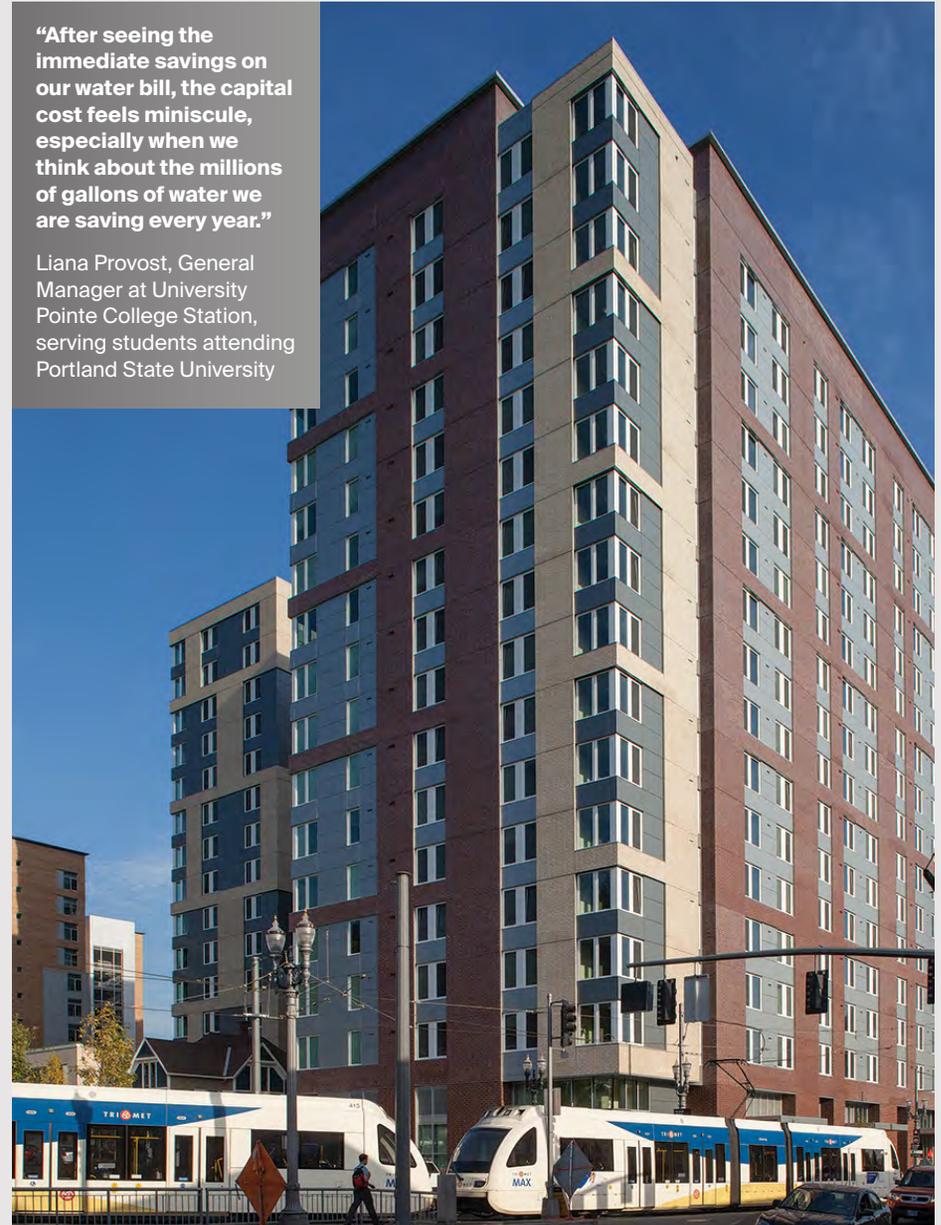
To further promote environmental conservation efforts, ACC engages tenants through its Residence Life Program, communicating best practices to reduce energy and water usage within its buildings. ACC also conducts regular resident surveys to ensure satisfaction and to maintain open channels of communication with its tenants.

Following the positive feedback and results of the plumbing retrofit initiatives, ACC plans to further its environmental stewardship and expand the plumbing upgrade project across its entire portfolio.



“After seeing the immediate savings on our water bill, the capital cost feels miniscule, especially when we think about the millions of gallons of water we are saving every year.”

Liana Provost, General Manager at University Pointe College Station, serving students attending Portland State University



University Pointe, Portland, OR

Photos courtesy of American Campus Communities, Inc.

Achieving Science-Based Greenhouse Gas Reduction Targets Across Six Continents

AMERICAN TOWER CORPORATION (NYSE: AMT)

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American Tower Corporation is committed to operating with the least possible environmental impact. The company's business model is inherently sustainable by reducing the consumption of energy, resources, and materials through co-location and infrastructure sharing across multiple communications providers.

In 2017, American Tower set out to reduce its scope 1 fossil fuel consumption and diesel-related greenhouse gas (GHG) emissions in Africa and India by more than 60% by 2027, or 140 million liters of diesel annually. The company made significant progress, achieving more than 50% of this goal in the first three years. To continue driving impact, American Tower expanded its goal to include scope 2 and 3 emissions, adopting science-based targets (SBTs) across the company's global operations and supply chain in October of 2021. The targets were approved by the Science Based Targets initiative and are in line with the 2015 Paris Agreement.

As tenants are the end-users of the energy at American Tower's sites, the company recognizes that energy and GHG emission reduction success ultimately depends on implementing scalable, tenant-centered solutions. Some of the site-level solutions that the company employs include:

- Investing in solar generation capacity to eliminate the need for diesel while increasing infrastructure reliability and resilience;
- Replacing traditional lead-acid batteries with superior performing lithium-ion batteries for on-site energy storage;
- Optimizing HVAC configurations to lower cooling demand, which in turn reduces generator run hours and demand on the grid;

- Transitioning tower lighting to LED technology to reduce energy consumption and mitigate maintenance needs; and
- Installing intelligent automatic voltage regulators at certain sites to ensure they can continue to use grid power during periods of fluctuating voltage.

American Tower intends to build on this early success in reducing emissions and continue its methodical, collaborative approach to decreasing fossil fuel consumption in all areas as the company works toward achieving its ambitious SBTs.

By enhancing the company's environmental initiatives, American Tower demonstrates its dedication to advancing its sustainability program and reducing its GHG emissions. These sustainability goals are embedded throughout American Tower's portfolio and reinforced through leadership-level accountability measures that accelerate the deployment of clean energy, including tying compensation metrics to these goals in its emerging markets.

AMERICAN TOWER, one of the largest global REITs, is a leading independent owner, operator, and developer of multitenant communications real estate with a portfolio of over 220,000 communications sites and a highly interconnected footprint of U.S. data center facilities.

"By investing close to \$300 million in just four years in onsite renewable generation and energy storage, not only are we doing our part in tackling climate change, but we are also securing our place as a partner of choice for our tenants as they strive to meet their own GHG reduction targets."

Mneesha Ohri Nahata, Senior Vice President, Legal & Chief Sustainability Officer, American Tower Corporation



Self-support tower in Kenani, Kenya with on-site solar photovoltaic power generation.

Photo courtesy of American Tower Corporation

Accelerating Decarbonization Strategies by Reducing Embodied Carbon

BROOKFIELD PROPERTIES

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With a recent commitment toward achieving net zero carbon emissions, Brookfield Properties has advanced its strategies to successfully decarbonize the company's footprint.

Brookfield Properties has long been committed to leading resilience and innovation to advance sustainable solutions in the real estate industry and continues to assess how it could further its impact. As a result, Brookfield Properties' development group is focusing on opportunities to decarbonize the entire lifecycle of the company's assets by extending its focus beyond operational carbon emissions toward reducing embodied carbon emissions. Embodied carbon, often attributed to construction materials, is an important component of Scope 3 emissions and refers to the greenhouse gases associated with the entire lifecycle of a material, including the manufacturing, transportation, installation, maintenance, and disposal.

Brookfield Properties' Beaudry, a 56-story residential building located in downtown Los Angeles at 960 W. 7th Street, has served as a successful case study for measuring and reducing embodied carbon emissions. During the project, Brookfield Properties' design and construction teams collaborated to implement

BROOKFIELD PROPERTIES develops and operates real estate investments on behalf of Brookfield Asset Management—one of the largest alternative asset managers in the world.

a double-bottom-line material procurement process that involved a strict assessment of the company's supply chain to identify ways to reduce both costs and embodied carbon of building materials.

A key contributing factor to the project success was the use of the newly developed tool, Embodied Carbon in Construction Calculator (EC3). This allowed for ease in tracking and comparing the emissions of each material used

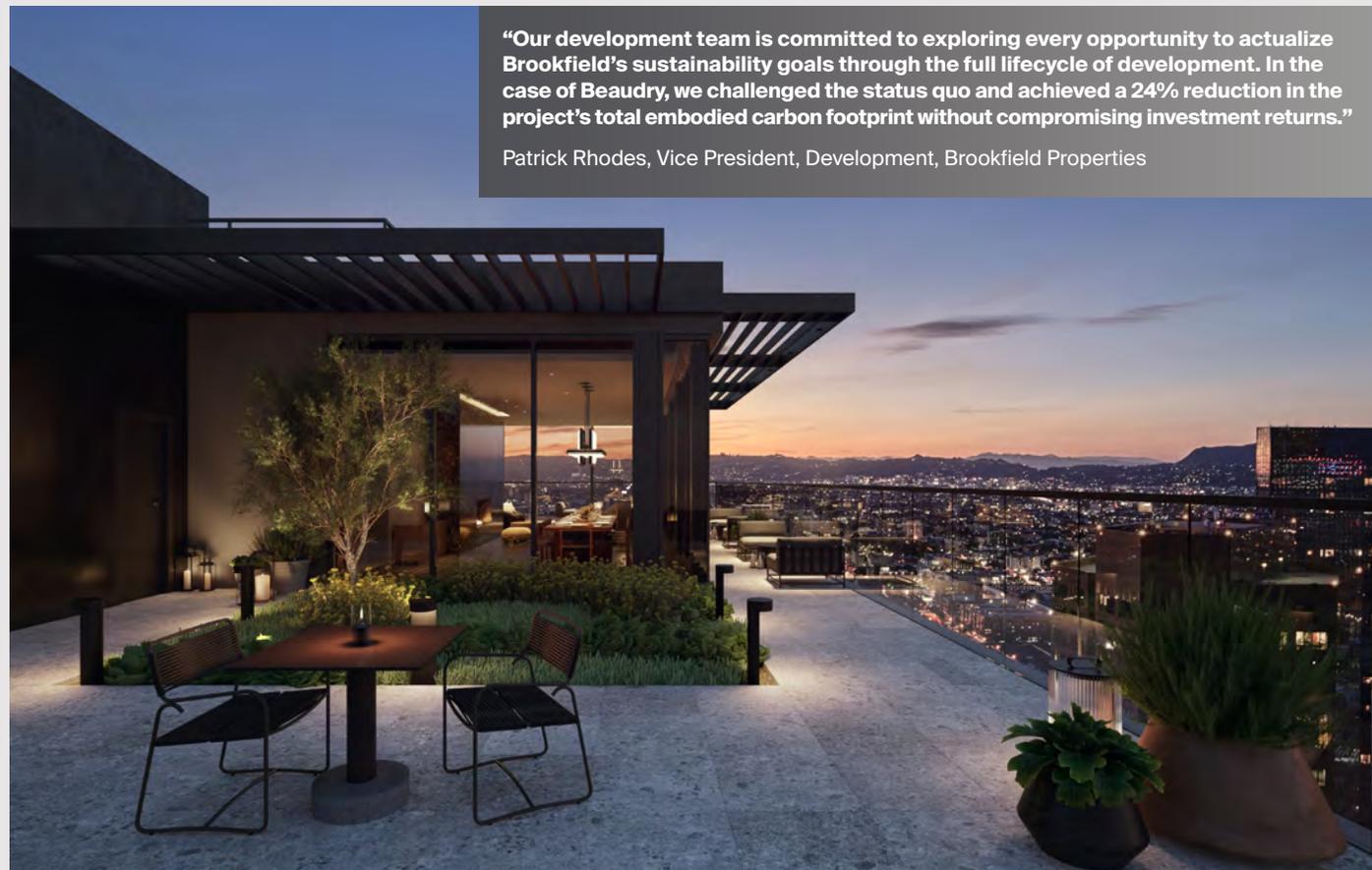
throughout the construction project. The tool includes Environmental Product Declarations (EPDs) for materials, which aggregates all information and components included within a building material. This free tool proved critical in understanding how best to compare construction material suppliers to lower the project's embodied carbon footprint.

In addition to reducing the property's environmental impact, the project has been

shared across the industry, serving as a model for future projects, strengthening the standard for measuring and reducing embodied carbon. Brookfield Properties is proud of its success and appreciative of its partners who collaborated to achieve tangible environmental and financial impacts. Moving forward, the company aims to continue focusing on and bettering its procurement practices to contribute to its goal of net zero greenhouse gas emissions by 2050 or sooner.

“Our development team is committed to exploring every opportunity to actualize Brookfield’s sustainability goals through the full lifecycle of development. In the case of Beaudry, we challenged the status quo and achieved a 24% reduction in the project’s total embodied carbon footprint without compromising investment returns.”

Patrick Rhodes, Vice President, Development, Brookfield Properties



Rendering of Beaudry, Los Angeles, CA

Photo courtesy of Brookfield Properties

Facilitating a Path to Decarbonization with a Technical Playbook for the Commercial Real Estate Industry

EMPIRE STATE REALTY TRUST, INC. (NYSE: ESRT)

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New York City-based Empire State Realty Trust, Inc. continues to prioritize the decarbonization of its portfolio as New York State and New York City pass Local Law 97 (LL97), which commits the grid and the built environment to a carbon neutral future. To address this need, Empire State Realty Trust, in partnership with the New York State Energy Research & Development Authority (NYSERDA), began the development of its decarbonization roadmap and playbook in February 2020.

The Roadmap

To reach the company's goal to reduce emissions by 80% at the Empire State Building by 2030 and throughout its entire portfolio by 2035, Empire State Realty Trust first developed a calibrated model to assess the impact of projected energy efficiency and emissions reductions measures at the Empire State Building. From there, the company conducted technical analyses of the potential for energy and carbon reduction, followed by a financial assessment of individual and groups ("packages") of energy and emissions conservation measures in the context of an evolving thermal and electric grid.

Empire State Realty Trust has completed this analysis at five of its properties and identified energy and emissions conservation measures to be implemented over a 10 to 15 year period in each building. Through these conservation measures, the company targets an 80% reduction of operational carbon from a 2007 baseline and will offset any remaining carbon emissions.

The Playbook

Empire State Realty Trust recognizes that many building owners are unsure of how to make their buildings compliant with the emissions caps established by legislation in New York City and other major cities, countries, and territories. To address this, the company leveraged its industry-leading work at the Empire State Building to create a playbook that could serve as a resource for building owners and operators, their brokers, and design and engineer teams

who want to capture the economic benefits of energy efficiency and to decarbonize the operations of their buildings. Developed in partnership with NYSERDA, and supported by the Clinton Global Initiative and four New York City-based landlords, the free, online [playbook](#) outlines the step-by-step process for existing commercial buildings to create a pathway to carbon reduction with proven returns on investment.

In the year ahead, Empire State Realty Trust plans to complete energy retrofit analyses at all of its New York City properties. The company will report on progress against its goals annually to document completed projects, financial and emissions savings, and new technologies successfully deployed. As plans evolve in response to technical innovation and economic, legislative, and market changes, Empire State Realty Trust will also continue to share lessons learned with the real estate community through its reporting and updates to the playbook. Empire State Realty Trust will receive no fines from LL97 in 2024, and the company is on track to receive no fines in the future because of this groundbreaking work.

EMPIRE STATE REALTY TRUST, INC. owns and manages a well-positioned property portfolio of office, retail, and multifamily assets in Manhattan and the greater New York metropolitan area. Owner of the Empire State Building, the "World's Most Famous Building", Empire State Realty Trust also owns and operates its iconic, newly reimagined Observatory Experience.

"We maintain our industry leadership position with proven paybacks on actions taken toward a more sustainable future. The free, online playbook demonstrates the case of how to achieve 75% to 90% emissions reductions with a payback of four to eight years through a combination of building system upgrades with a renewably sourced grid."

Anthony E. Malkin, Chairman, President, and CEO, Empire State Realty Trust, Inc.



Empire State Building, New York, NY. The Empire State Building is Trip Advisor's #1 Attraction in America.

Photo courtesy of Empire State Realty Trust, Inc.

Revitalizing Existing Properties to Support Local Ecosystems and Conservation Efforts

FEDERAL REALTY INVESTMENT TRUST (NYSE: FRT)

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A key factor of Federal Realty Investment Trust's investment strategy is that the company does not build on greenfields. By choosing to build on land already improved, Federal Realty is repurposing properties to create memorable, resilient, and immersive gathering places that promote efficient operations, resonate with the community, and support local ecosystems and conservation efforts.

“The stormwater improvements at the shopping center are excellent examples of relatively simple things commercial property owners can do to reverse the degradation of our waterways and contribute positively to their long-term health.”

Gregory Flynn, Former Chairman of Commissioners, Brick Utilities



Rain garden at Brick Plaza, Brick, NJ

The following sites demonstrate noteworthy examples of Federal Realty's approach:

Brick Plaza: Brick Plaza is a shopping center that has a direct waterway connection into New Jersey's Barnegat Bay. Federal Realty recognized the importance of and opportunity to protect the local waterways as it embarked on a full-scale renovation of the Plaza. As a result, Federal Realty implemented 18 rain gardens across the Plaza, each anchored by native and drought tolerant plant material.

Today, these bioretention basins are capturing and filtering stormwater runoff and associated pollutants before they flow into Barnegat Bay, and ultimately the Atlantic Ocean. Brick Plaza now stands as a project to emulate in the community and an educational opportunity for others to see how progressive solutions can protect the health of the ecosystem.

Pike & Rose: Built on the site of a former strip mall and parking lot, Pike & Rose is now a vibrant mixed-use community in North Bethesda, Maryland that includes a 17,000-square foot rooftop farm. The Farm at Pike & Rose is the Mid-Atlantic's largest urban farm, and it produces 20,000 lbs. of fruit and vegetables annually for residents, local restaurants, and farmer's markets. The plot adds green space to the area, while also

providing fresh and nutritious food to the local community. The property also uses native landscaping throughout, to help promote local pollinator species, and hosts several beehives on site to promote local bee populations.

Assembly Row: When Federal Realty purchased the land that would become Assembly Row in Somerville, Massachusetts, the land was heavily contaminated, having previously been the site of multiple industrial uses including a Ford assembly plant located along the Mystic River. Federal Realty invested in environmental remediation efforts which helped to improve river water quality and support the return of local bird and fish species. Today, Assembly Row is a vibrant, transit-oriented neighborhood that welcomes millions of visitors annually to enjoy outdoor fitness events, concerts, art installations, and more.

Through these efforts, Federal Realty has transformed outdated, unused, or contaminated spaces, to desirable locations that support biodiversity, and provide a place to connect with nature. Moving forward, Federal Realty expects to adapt these initiatives to other places in its portfolio, recognizing the value it brings to improving the land, and attracting and retaining retailers and community members who enjoy the added environmental benefits.

Founded in 1962, **FEDERAL REALTY INVESTMENT TRUST** is one of the oldest U.S. REITs, focused on the ownership, operation, and development of high-quality retail-based properties—from grocery-anchored shopping centers to large-scale mixed-use neighborhoods.



Assembly Row in Somerville, MA

Photos courtesy of Federal Realty Investment Trust

Protecting Biodiversity Through Conservation Programs and Resident Engagement

THE HOWARD HUGHES CORPORATION (NYSE: HHC)

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The Howard Hughes Corporation is the country's leading developer of large-scale master planned communities (MPCs) with a national portfolio spanning approximately 118,000 gross acres. The company reinforces its commitment to environmental, social, and governance best practices by actively engaging and educating its residents on environmental issues and promoting sustainable solutions to help protect biodiversity and natural resources in its communities.

HHC's award-winning community of Summerlin in Las Vegas, located adjacent to the Spring Mountain Range and Red Rock Canyon National Conservation Area, helps set the standard for the company's environmental conservation initiatives.

• Water Use Reduction Initiatives:

HHC has been proactively managing the community's water use since 2003, when it became the region's first community to implement WaterSmart conservation guidelines in partnership with Southern Nevada Water Authority. As HHC works toward its goal of reducing its water use intensity by 20% by 2027 from a 2017 baseline, the company continues to replace non-functional turf throughout the community, saving millions of gallons of water annually, as well as installing water smart irrigation controllers in key areas. The Lawn, a programmable grass area in Downtown Summerlin, was converted to Bermuda grass and will save approximately 1.2 million gallons of water a year.

• Drought-Tolerant Landscaping:

Summerlin was one of the earliest adopters of desert landscaping in Southern Nevada, helping to change public perception about desert landscaping by demonstrating the beauty and functionality of planting

drought-tolerant and native plants while saving millions of gallons of water.

- **Pollinator Gardens:** HHC provides funding to underwrite teaching tools at elementary and middle schools including garden farms and pollinator gardens designed to attract



Pollinator gardens in Downtown Summerlin, NV

butterflies, insects, and bees, serving as an oasis of native pollinators.

- **Land Preservation:** HHC coordinated two federal land exchanges with the Bureau of Land Management during the early years of Summerlin development to preserve sensitive land, maintain the loop road experience and to expand the Red Rock Canyon National Conservation Area, while also creating an added space for residents to enjoy nature. Natural landscapes and topography are incorporated into drainage areas and arroyos that serve dual use for parks and trails, and revegetation is a common practice for areas impacted by construction.

HHC engages and educates its residents on an ongoing basis through social media and

newsletters, aiming to advance these programs and tailor them to each community's specific needs. Summerlin serves as a case study for environmental stewardship and HHC will continue to use its best practices to inform future developments.

THE HOWARD HUGHES CORPORATION owns, manages, and develops commercial, residential, and mixed-use real estate throughout the country. Its award-winning assets include the largest portfolio of large-scale, mixed-use master planned communities of its kind in the country, as well as operating properties, strategic developments, and other unique assets across nine states from New York to Hawai'i spanning approximately 118,000 gross acres.

"Collaborating with The Howard Hughes Corporation to fund and create teaching gardens in local schools is exactly the kind of partnership we seek to help educate students and is proof positive of work that is supported by forward-thinking companies like The Howard Hughes Corporation."

Ciara Byrne, Founder and Co-CEO, Green Our Planet



Harvesting at a garden farm at Goolsby Elementary in Summerlin, NV

Photos courtesy of The Howard Hughes Corporation

Propelling Innovation in Clean Power Generation Efforts

IRON MOUNTAIN INC. (NYSE: IRM)

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Iron Mountain Inc. is dedicated to reducing its environmental impacts, and assisting its customers to do the same, through innovative decarbonization strategies.

Iron Mountain, a global leader for storage and information management services, recognizes the importance of pursuit of decarbonization strategies, given the energy intensive nature of the business. Although they account for a small number of sites compared to its global real estate portfolio, Iron Mountain data centers represent the majority of the portfolio's global electricity demand. In early 2021, the company expanded its commitment to ESG initiatives by developing 20 new goals, two of which are critical in its decarbonization efforts—achieving net zero emissions and sourcing 100% clean electricity, all hours of the day by 2040.

Iron Mountain's dedication to innovative decarbonization efforts is illustrated in its commitment to uninterrupted sourcing of clean energy. Since renewable energy is not continuously supplied to the electrical grid today, the company is working to develop solutions that ensure every kWh of energy it pulls off the grid is matched with a kWh of clean energy, in that same hour.

Achieving a goal of this magnitude will be an ongoing effort for Iron Mountain and requires an immense amount of preparation, data collection, and collaborative efforts. Initial

steps included quantifying the total amount of energy used, on an hour-by-hour basis, and tracking the generation sources of each kWh of energy. Iron Mountain began by signing a first-of-its-kind contract with its energy providers to receive the necessary data for the analysis.

The company's clean energy ambition also examines the energy demand of its data centers. Iron Mountain established a comprehensive process to systematically assess its buildings by deconstructing total energy use within the site, and then modeling the impact of potential system upgrades with support of consulting engineers. This allows for the identification of costs and opportunities for system upgrades and illustrates the magnitude of impact that can be made.

Through a disciplined, comprehensive approach to energy efficiency, clean energy, and a series of ambitious commitments, Iron Mountain has recognized the necessity for measuring and quantifying impact to ensure improvements are made. The company looks forward to sharing the results of this program in 2022 and for paving the way forward for granular energy use monitoring.

IRON MOUNTAIN INC. is the global leader for storage and information management services. Iron Mountain's portfolio includes records management, data management, document management, data centers, art storage and logistics, and secure shredding to help organizations to lower storage costs, comply with regulations, recover from disaster, and better use their information.



“Our clean energy commitments are just one opportunity for us to play a positive role in our communities. It is an important piece in our larger ESG efforts.”

Chris Pennington, Director of Energy & Sustainability, Iron Mountain Inc.



New Jersey data center rooftop solar array

Photos courtesy of Iron Mountain Inc.

Windmill energy farm at sunset

Prioritizing Business Continuity Plans with Data-Driven Goals and Comprehensive Scenario Analysis

MACERICH (NYSE: MAC)

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Macerich is building a strategic pathway to meet its 2030 carbon neutrality goal and address climate change by developing strong reporting and disclosure processes and conducting climate change scenario analyses.

Macerich is looking toward the future of its business by focusing on important long-term goals and staying ahead of reporting and disclosure requirements. In 2020, Macerich set science-based emissions reduction targets aligned with the Science Based Targets initiative (SBTi), made possible by the company's well-defined data collection structure. Macerich also aligned its reporting with the Task Force on Climate-related Financial Disclosures (TCFD) and CDP, achieving a spot on the CDP "A" list for six consecutive years. The company is prepared to meet regulatory changes to ESG reporting and disclosure, such as greenhouse gas emissions reporting obligations, which Macerich analyzes as part of its scenario analyses.

As a normal course of business, Macerich identifies and assesses business risks and opportunities that could impact the value, reputation, and business continuity of the company across its portfolio. To do this, the company regularly reviews climate-related risks and opportunities, distinguished by short term (zero to two years), medium term (three to seven years), and long term (eight to 20

years) transitional risks; physical risks; and opportunities. Identified focus areas include, but are not limited to:

- **Short-Term Transitional Risks:** Shifting costs of raw materials and energy, enhanced emissions reporting obligations, and demand for sustainable tenant space
- **Medium-Term Transitional Risks:** Aging and obsolete utility infrastructure and risks from not being prepared for emerging regulation
- **Long-Term Transitional Risks:** Regulations by carbon legislation, and a rising appetite for climate-related litigation
- **Physical Risks:** Increased severity of extreme weather events, grid connection interruptions, and changes in recurring physical risks
- **Opportunities:** Investment in energy efficiency projects, incentives and benefits for sustainable investments, and changing consumer preferences

Macerich's transparency in reporting and disclosure, as well as its strategic scenario analyses, have prepared the company for the uncertainty of future challenges. By setting goals and identifying risks and opportunities, Macerich has been able to develop a risk management framework that allows the company to properly evaluate and prioritize material risks, ensuring that Macerich's strategy is focused on the long-term success of the business.

"Macerich's commitment to extensive environmental data collection, as well as transparency in reporting and disclosure over many years, has positioned us as an industry leader in ESG. More importantly, this commitment positions us to make sound longer-term business, financial and environmental decisions to protect the resiliency of our portfolio in the face of continuing climate change."

Jeff Bedell, Vice President, Sustainability, Macerich



Fashion District Philadelphia, Philadelphia, PA



Scottsdale Fashion Square, Scottsdale, AZ

MACERICH is one of the country's leading owners, operators, and developers of major retail real estate. Its unparalleled portfolio comprises trophy properties in the most desirable, densely populated, and highest-barrier-to-entry U.S. markets.

Photos courtesy of Macerich

Conducting Portfolio-Wide Climate-Related Risk Assessments to Drive Long-Term Resiliency

PARAMOUNT GROUP, INC. (NYSE: PGRE)

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Paramount Group, Inc. is embedding ESG into company resiliency plans by employing five and 10-year capital planning cycles, conducting climate scenario analyses for existing assets, and employing a price on carbon to guide sustainable investment decisions.

Paramount prioritizes the consideration of climate change impacts on its long-term business prospects by incorporating climate risks into the company's overall risk management framework. As the effects of climate change intensify, the company recognizes the multitude of ways its assets can be impacted. In response, Paramount has identified areas where it can drive innovation and create new opportunities for the business.

To assess the acute and chronic physical risks resulting from climate change on Paramount's portfolio, the company initiated a climate change scenario analysis. This analysis was informed by the Representative Concentration Pathway (RCP) greenhouse gas concentration trajectory adopted by the Intergovernmental Panel on Climate Change (IPCC). The team applied three scenarios to assess the future risk to Paramount's portfolio—the IPCC RCP 2.6, RCP

4.5, and RCP 8.5. These pathways describe different climate futures, all of which vary depending on the volume of greenhouse gases emitted in the years to come. The RCP 2.6 is aligned with a 2°C global emission scenario, and the 4.5 and 8.5 trajectories represent an intermediate and a worst-case scenario.

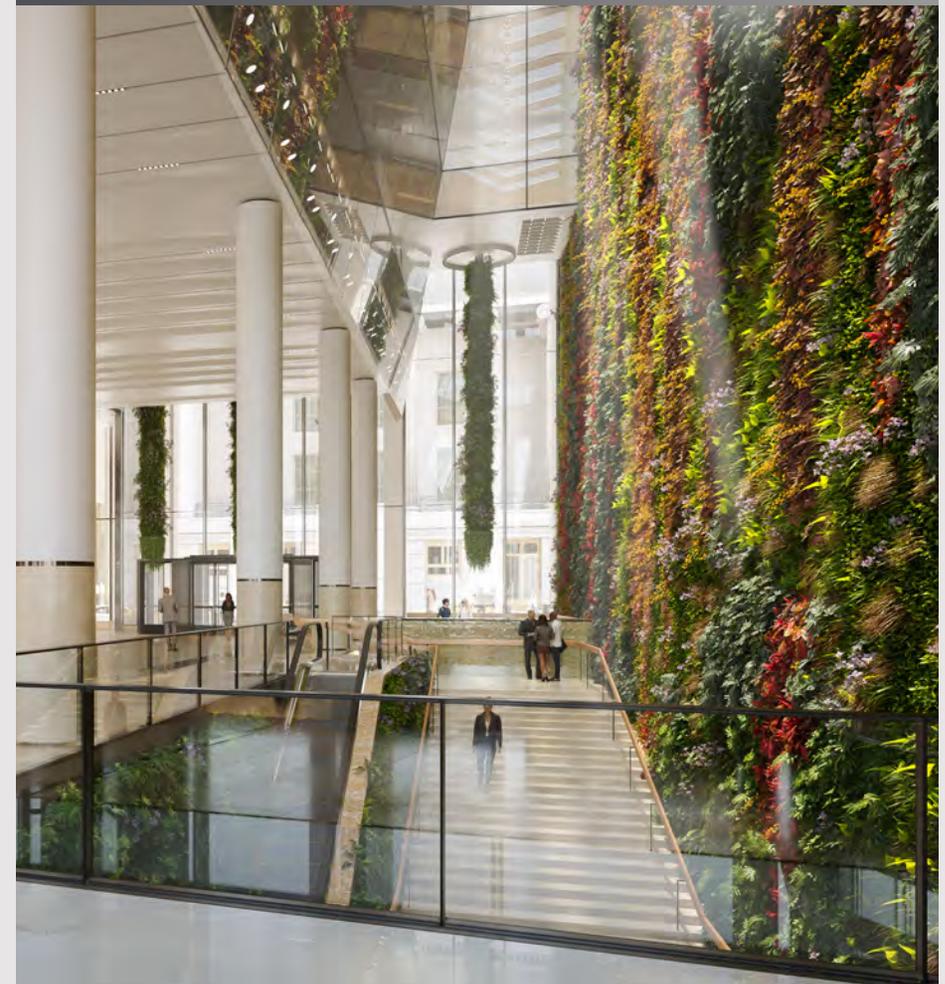
This analysis equips Paramount's team with the information needed to proactively assess climate risk, identify resilience measures, and guide decision-making processes. The company is committed to refreshing this analysis annually to protect both the value and the condition of its assets from potential hazards including sea level rise, extreme weather, flooding, and changes in precipitation and temperature.

To further assess climate risk and ensure resilience, the company piloted an internal carbon shadow price. The shadow price is a theoretical dollar cost per ton of carbon emissions included in the investment analysis of projects. Incorporating carbon pricing helps Paramount's team prioritize low-carbon investments and consider the impact of these investments beyond the company's bottom line to also include society and the planet.

As the company continues its focus on resiliency efforts, Paramount is confident that these strategies will help to manage risk and ensure business continuity.

"We recognize climate change as a long-term risk to our business that demands effective management. Developing proactive strategies to mitigate the potential impacts of climate change on Paramount's assets has become increasingly important to our stakeholders and is essential to the future sustainability of our operations."

Evin Epstein, SVP, Energy and Sustainability, Paramount Group, Inc.



60 Wall Street Rendering, New York, NY

Photo courtesy of Paramount Group, Inc.

Headquartered in New York City, **PARAMOUNT** is a fully integrated REIT that owns, operates, manages, acquires, and redevelops high-quality, Class A office properties located in select central business district submarkets of New York City and San Francisco. Paramount is focused on maximizing the value of its portfolio by leveraging the sought-after locations of its assets and its proven property management capabilities to attract and retain high-quality tenants.

Leveraging Innovative Software and Low-Cost Efficiencies to Enhance Environmental Performance

PHYSICIANS REALTY TRUST (NYSE: DOC)

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Physicians Realty Trust is taking a proactive approach to managing its environmental impact through innovative software, low-cost efficiencies, and best practices in data and disclosure. Physicians Realty Trust defines no/low cost as measures funded through operating expenses that pay for themselves within one year. Together, these strategies reduce resource consumption, mitigate climate risk, and better serve the communities in which the company's stakeholders live.

Innovative Software Systems

Physicians Realty Trust leverages specialized software from three vendors to measure environmental data at its properties, identify opportunities for improvement, and help the company to track progress toward its goals of:

1. Reducing energy use intensity, scope 1 and 2 greenhouse gas (GHG) emissions intensity, and water intensity by 10% each over a three-year period based on a 2018 baseline;
2. Increasing waste diversion by 10% over a three-year period based on a 2018 baseline;

3. Reducing GHG emissions by 40% by 2030 from a 2018 baseline; and
4. Identifying existing and future climate risks at each of the company's properties to implement mitigation strategies.

In addition, Physicians Realty Trust uses climate risk software to see the greatest risks to its property locations before they occur so the company may implement preventative strategies and limit future risks.

Efficiency Measures

To help the company meet its energy use, emissions, water use, and waste diversion goals, Physicians Realty Trust leverages low-cost efficiencies. In 2020 and 2021, the company took a collaborative approach to

this concept and challenged each property manager to implement at least one low- or no-cost measure at their properties. A significant factor contributing to the success of this low- and no-cost efficiency challenge was resource sharing between properties and their respective managers. Some of the efficiency measures included building automation system upgrades, energy audits, thermostat upgrades, and installation of high-efficiency water and energy-saving measures through upgrades certified by the EPA's WaterSense Program.

Data and Disclosures

To measure the challenge's success, Physicians Realty Trust created and maintained a dashboard of the actions taken. On average, participating properties saw an 8.3% year-over-year reduction in carbon emissions. As a result of the comprehensive data monitoring and tracking across its properties, the company also aligned its sustainability platform with the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) guidelines.

Physicians Realty Trust's work in ESG has earned it several prestigious awards and recognitions, including a 2021 ENERGY STAR Partner of the Year Award and 28 cumulative IREM Certified Sustainable Property (CSP) designations. The company looks forward to leveraging its property-level tracking and monitoring data to continually refine its reporting and management of environmental impacts, including its climate risk mitigation strategy.

“As part of our plan to decrease carbon emissions and meet aggressive energy reduction goals, Physicians Realty Trust drives environmental change through strategic upgrades of core building components, such as lighting and building automation. Simultaneously, our management teams encourage behavioral changes through highly successful educational efforts to promote a sustainability-focused mentality among our health care partners. We call these opportunities ‘low- and no-cost efficiencies.’”

Ryan Yetzer, Senior Manager, Construction and Sustainability, Physicians Realty Trust



Photo courtesy of Physicians Realty Trust

Bob Bové Neuroscience Institute, Scottsdale, AZ

PHYSICIANS REALTY TRUST is a publicly traded REIT focused on medical office buildings (MOBs), including outpatient facilities, surgery centers, and cancer centers.

Establishing Portfolio-Wide Innovations to Achieve Decarbonization

PROLOGIS, INC. (NYSE: PLD)

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Prologis, Inc. takes an innovative approach to accelerating carbon reductions across its building portfolio by designing to sustainable building standards, applying cutting-edge energy solutions, and implementing renewable energy programs for customers. The company’s decarbonization initiatives and integrated approach to ESG have garnered recognition from top global organizations, including a place in the top 10% of the largest 2,500 companies in the S&P Global BMI recognized by the Dow Jones Sustainability™ World Index 2021.

In 2021, Prologis committed to achieving certifications for all future development and redevelopment projects, pursuing best-in-class standards, such as LEED, BREEAM, WELL, CASBEE, DGNB, and HQE. These standards help to structure Prologis’ sustainable building approach, driving innovation in areas like site selection, energy and water efficiency, building materials, and biodiversity conservation.

The company also uses low-carbon building products and techniques that reduce the embodied carbon footprint of its buildings. In the Netherlands, Prologis has implemented circular design principles into some of its new construction projects. The company also aims to use building materials which contain a high level of recycled content as well as reduce emissions from transportation by sourcing

25% to 30% of building materials locally. Prologis is dedicated to reducing the emissions associated with the life cycle of its buildings—its goal to achieve carbon-neutral construction by 2025 is an important part of this ambition.

Prologis also identifies innovative technologies to further reduce the carbon footprint of its buildings. A recent building development in France uses borehole thermal energy storage, which stores heat underground during warm months and pumps it back into the building during the winter months to meet heating demands. The building also produces renewable energy from a solar photovoltaic (PV) array on the roof while also sourcing off-site renewable energy. Prologis is working to further implement similar technologies across its global building portfolio to improve energy efficiency and further decarbonize its operations.

Lastly, Prologis supports customers efforts in reducing carbon emissions with its SolarSmart program, launched in 2020. The program helps customers access the financial, operational, and environmental benefits of solar power without the upfront costs or long-term financial commitments. Through the program, Prologis builds, operates, and maintains rooftop solar systems which typically cover 80% of the customers’ electricity needs. With SolarSmart installations, customers pay only for the solar energy they use and are free to focus on their businesses. This initiative will support the company’s goal of installing 400 MW of solar capacity across its building portfolio by 2025.

PROLOGIS, INC. is a multinational logistics REIT with a portfolio consisting of over 1 billion square feet in 19 countries.

“By advancing sustainable building standards and implementing energy solutions to support our customers’ needs, we are helping to address the urgent climate-related challenges we face today, while also driving greater value for our stakeholders.”

Suzanne Fallender, VP of Global ESG, Prologis, Inc.



Solar installation on the rooftop of Prologis Park iPort 2, Carteret, NJ, provides 9,000 MWh annually



BREEAM-Very Good certified Prologis Park Venlo DC8, Venlo, Netherlands

Photos courtesy of Prologis, Inc.

Engaging with Tenants to Reduce Environmental Impacts and Add Long-Term Value to a Global Portfolio

W. P. CAREY INC. (NYSE: WPC)

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W. P. Carey Inc. strives to be an industry leader in environmental sustainability by taking a proactive and collaborative approach to quantifying and reducing its portfolio's global carbon footprint.

As a net lease REIT, nearly all of W. P. Carey's properties are leased to tenants on a triple-net basis, whereby tenants are responsible for the maintenance and energy usage of their facilities. Despite this lack of direct control, W. P. Carey effectively manages its portfolio's environmental impact through a three-phased approach:

W. P. CAREY INC. is one of the largest diversified net lease REITs that provides real estate-based capital solutions for companies primarily in the U.S. and Europe.

Data Collection: In 2021, W. P. Carey launched a multi-year program to collect tenant energy data through partnerships with several technology providers and a proprietary business intelligence platform. In partnership with a leading data aggregator, the company automates and scrapes utility data from its global tenant base which is then fed into a management platform that processes the data and calculates the carbon footprint of the portfolio. The data is then captured by a proprietary business intelligence platform which enables W. P. Carey's key decision makers to identify outliers and opportunities for carbon reduction. Through this process, in

2021, W. P. Carey collected energy data from tenants representing 25% of annualized base rent (ABR).

Systematic Engagement in Tenant Outreach:

Each asset manager at W. P. Carey is responsible for a portfolio of tenants, enabling them to develop long-term relationships and build direct dialogue with management teams on how the tenant can more effectively operate their facility. As part of this process, the team has initiated an outreach survey to collect information on tenants' sustainability goals. Additionally, the company has embedded sustainability as part of the discussion in all key moments throughout a lease term, including initial acquisition, lease renewal, or disposition.

Sustainable Investments: Through tenant engagement, W. P. Carey can identify opportunities for sustainable investments that

can help improve the tenant's environmental performance and reduce its operational costs. For example, at the company's Netherlands facility in the Port of Rotterdam, W. P. Carey partnered with tenant, Nippon Express, one of the largest third-party logistics companies in the world, to install a one-million-square-foot solar roof. This and similar projects, including building energy retrofits or green building certifications, are supporting tenants' environmental goals, while also providing attractive incremental returns on invested capital.

Through these strategic initiatives, W. P. Carey is not only helping to reduce its portfolio's environmental impact, but also improve the overall quality of the company's assets, deepening tenant relationships, and increasing renewal probabilities.



“Since W. P. Carey first acquired our facility in 2015, the company has served as a true partner and consistently worked with us to achieve both our business and sustainability goals. With W. P. Carey’s help, we now have one of the largest solar rooftops in the Netherlands, generating 12,000 MWh annually and helping us achieve the highest standard of sustainable logistics operations.”

Alwin Jonk, Nippon Express, Tenant of W. P. Carey

Photo courtesy of W.P. Carey Inc.

Solar panels at Nippon Express in the Netherlands



Appendix

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Appendix

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About this Report

This fourth report of the REIT industry's environmental, social, and governance (ESG) performance provides an overview of the state of sustainability efforts within the publicly traded U.S. REIT industry and includes case studies that demonstrate the ESG leadership and innovation of more than 30 Nareit member REITs.

The real estate industry has long been a leading sector for ESG—a trend that has sustained and accelerated, even in the face of the global pandemic. Nareit's REIT Industry ESG Report has evolved over the past several years as REITs have

advanced their ESG performance in response to emerging priorities and the shifting landscape of stakeholder expectations regarding ESG matters.

In 2021, REITs continued to demonstrate their ability to elevate their ESG commitments—responding to short-term priorities without compromising long-term results, expanding sustainability governance, adapting capital management and allocation strategies, and continuing efforts to address the needs of all stakeholders. This report showcases those efforts, insights from investors, implementation actions for REITs, industry data, and case studies.

Report Methodology

The following primary data sources were used in the development of this REIT industry report, supplemented with cited secondary research from trusted industry sources, where relevant.

2021 Nareit ESG Dashboard

ESG performance metrics from the largest 100 U.S. equity REITs by equity market capitalization, based on publicly available and voluntarily disclosed data.

2021 GRESB U.S. Portfolio Analysis Report

Industry-leading benchmark of ESG performance based on voluntarily reported data from 60 U.S. equity REITs.

2021 Nareit Member Survey

Voluntarily reported data from 94 Nareit-member U.S. equity REITs via an electronic survey.

2021 Nareit Workforce Development & DEI Survey

Voluntarily reported workforce development and DEI policy data from 122 Nareit-member U.S. equity REITs via an electronic survey.

REITs Remain Committed to the United Nations Sustainable Development Goals (UN SDGs)

The 17 Sustainable Development Goals, adopted by United Nations Members in 2015 as part of the 2030 Agenda for Sustainable Development, call for global partnerships to help end poverty and hunger, reduce inequality, protect the planet and natural resources, and build thriving economies and peaceful societies. Along with governments, UN entities, and many international and regional organizations, REITs continue to align their ESG efforts to this global framework and make significant contributions to the SDGs. Goals commonly pursued by REITs include:



Federal Realty Investment Trust, solar panels at Pike & Rose, Bethesda, MD



Photo courtesy of SL Green Realty Corp.

SL Green Realty Corp., One Madison Avenue Rendering, New York, NY

About Nareit

Nareit is the worldwide representative voice for REITs and publicly traded real estate companies with an interest in U.S. real estate and capital markets. Nareit’s mission is to actively advocate for REIT-based real estate investment with policymakers and the global investment community. Nareit’s vision is to ensure that everyone has the opportunity to benefit from real estate investment by broadening and deepening REIT ownership—helping a growing set of everyday American investors enjoy the benefits of holding real estate in a well-diversified portfolio, while increasing capital sources that invest in America’s future. For more information, visit [REIT.com](https://www.reit.com).

About REITs

REITs invest in America’s future. Through the diverse array of properties they own, finance, and operate, REITs help provide the essential real estate that revitalize neighborhoods, enable the digital economy, power community essential services, and build the infrastructure of tomorrow, while creating American jobs and economic activity along the way. REITs of all types collectively own more than \$3.5 trillion in gross assets across the U.S., with public REITs owning over \$2.5 trillion in assets. U.S. listed REITs have an equity market capitalization of more than \$1 trillion. REITs provide everyday Americans the opportunity to invest in real estate, and more than 145 million Americans live in households that benefit from ownership of REITs through stocks, 401(k) plans, pension plans, and other investment funds.

About This Report

Nareit is not acting as an investment adviser, investment fiduciary, broker, dealer, or other market participant, and no offer or solicitation to buy or sell any security or real estate investment is being made by this publication.

The information in the 2022 REIT Industry ESG Report is for informational purposes only and is not intended to be a solicitation related to any particular company, nor does Nareit intend to provide investment, financial, legal, or tax advice. Nothing herein should be construed to be an endorsement by Nareit of any specific company or products or as an offer to sell or a solicitation to buy any security or other financial instrument or to participate in any trading strategy. Opinions, where and when expressed, are subject to change without notice.

All index information, investment returns, or performance data (past, hypothetical, or otherwise) are not necessarily indicative of future returns or performance. All data in this publication about REITs are derived from, and apply only to, publicly traded REITs.

This report has been prepared by Nareit in partnership with AccountAbility, a global consulting and standards firm. Since 1995, AccountAbility has been working with businesses, governments, and multilateral organizations on ESG matters to advance responsible business practices and improve their long-term performance. For more information, visit [AccountAbility.org](https://www.accountability.org).