

2021 REIT Industry ESG Report

Exemplifying Leadership
Through ESG

Leadership Statement



Digital Realty, Round Table Plaza Building L, Ashburn, VA

Nareit is pleased to present its third annual 2021 REIT Industry ESG Report.

The advancement of sustainability in all of its facets, including environmental stewardship, social responsibility, and good governance is a core component of the REIT approach to real estate investment.

REITs were first created more than 60 years ago to provide a way for individuals from all walks of life to benefit from the widely-held ownership of income-producing real estate over a long term with the assistance of professional management.

That's a good recipe for sustainability grounded in the intentional and intelligent use of land and the structures we put on the land to meet our economy's needs, to serve the communities in which REITs invest, and to provide the very real benefits of real estate investment to a significant segment of the public.

Ascension of ESG

The remarkable events of the past year and more—a period marked by the most devastating global pandemic in a century, the worst recession in the U.S. since the Great Depression, and growing demands for social justice—dramatically heightened consciousness of ESG and the increasingly clear imperative for leaders in society, including in the REIT community, to take more affirmative and concrete steps with respect to the complete constellation of ESG-related matters.

With more than one-half of Americans now vaccinated against COVID-19, the reopening of the American economy now well underway and the global lessons of the pandemic fresh and still very much with us, Nareit and the REIT community it represents are even more focused on three key aspects of ESG; and, as documented in this report, Nareit member companies are taking significant and tangible steps to address them.

Climate Change

Because climate change is a very real global challenge and the risks associated with a changing climate greatly affect the real estate landscape, Nareit supports the growing number of REITs which are assessing climate risk, enhancing reporting on greenhouse gas emissions, and embracing science-based targets.



Diversity, Equity and Inclusion

Events in the U.S. over the past year, especially the murders of George Floyd, Breonna Taylor, and Ahmaud Arbery, have underlined the urgent need to ensure that our entire society, including the REIT industry, supports the drive for diversity, equity, and inclusion in our workplaces, businesses, and communities. As seen in this report, REITs as well as Nareit are making DEI a priority and view it as an imperative in their businesses.

Health, Safety and Wellness

Our collective experience over the past many months with SARS-CoV-2 has highlighted the centrality of health, safety, and wellness and in our report you will find many examples of REITs showing leadership in this pursuit.

24 Case Studies Tell the Story

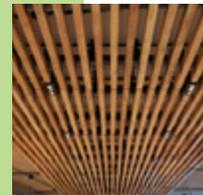
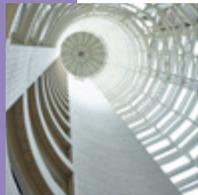
Whether through 24 case studies which appear at the conclusion of this report or through examples discussed throughout, Nareit's 2021 REIT Industry ESG Report shows how REITs are leading the way ahead for the real estate community, how they are putting people first, and how they are building resilience into their businesses for the benefit of their shareholders and stakeholders.

I hope you enjoy reading Nareit's 2021 REIT Industry ESG Report and I ask you to provide me with your thoughts about what steps Nareit might take to provide additional leadership and support in the pursuit of the best in ESG.

All the best.

Steven A. Wechsler
President & CEO

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CyrusOne, Data Center

This third annual report of the REIT industry's environmental, social, and governance (ESG) performance details the state of sustainability efforts and includes case studies that illustrate the ESG leadership and innovation of the publicly traded U.S. REIT Industry. The report serves as a practical tool for stakeholders to assess the scale and impact of the REIT industry's ESG commitments and initiatives.

Nareit's inaugural REIT Industry ESG Report, detailing ESG performance across 2018, highlighted REITs' increasing efforts to report and disclose ESG performance. In 2019, REITs demonstrated their systematic approach to ESG by setting goals and aligning to global frameworks, including the United Nations Sustainable Development Goals (UN SDGs).

Building on this established ESG foundation, in 2020 REITs' ESG journey advanced even further, including the integration of ESG issues into corporate strategies, an increased focus on addressing climate change risks and opportunities, and the prioritization of "S" impacts—intensifying in the face of a global pandemic and amidst heightened social consciousness.

ESG is Evolving

Nareit defines ESG as the environmental stewardship, social responsibility, and good governance practices that, when actively and holistically measured, managed, and disclosed, ensure sustainable business performance and accountability to the industry's investors, tenants, workforce, and communities. This report highlights common elements of REITs' ESG commitments, policies, practices, and disclosures in the context of the past year.

As the field of sustainability evolves and E, S, and G become increasingly dynamic, integrated, and interdependent, the REIT industry is prioritizing responsible management of these pillars, collectively, to help drive return on investment for shareholders and ensure long-term value for all stakeholders.

The real estate sector has long been an early adopter of ESG practices to build resilience, manage risk, strengthen financial performance, meet stakeholder and community needs, and develop and retain diverse talent. As investor demand for disclosure of ESG performance heightens and government agencies are planning for a more active role in climate change disclosures and DEI matters, REITs are positioned to thrive in an evolving regulatory environment.¹

Today, ESG is increasingly and proactively integrated into REITs' DNA, as the chapters in this report underscore.

Chapter	Contents	Chapter	Contents	Chapter	Contents
Leading the Way	<ul style="list-style-type: none"> Embedding ESG into Corporate Strategy and Business Operations Responding to Demands for ESG Transparency and Accountability Elevating ESG Leadership, Oversight, and Management 	Putting People First	<ul style="list-style-type: none"> Investing in Human Capital Meeting Community Needs Committing to Diversity, Equity, and Inclusion 	Building Resilience	<ul style="list-style-type: none"> Mitigating Climate Risks and Impacts Managing Sustainable Buildings Leveraging Technology to Advance Environmental Performance

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.

2020 Nareit ESG Dashboard

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

2020 GRESB U.S. Portfolio Analysis Report

Industry-leading benchmark of ESG performance based on voluntarily reported data from 47 U.S. equity REITs, representing 38% of Equity REITs total market cap in the FTSE Nareit All REITs Index.

2020 Nareit Member Survey

Voluntarily reported data from 86 Nareit-member U.S. equity REITs via an electronic survey.

2020 Nareit Social Responsibility Survey

Voluntarily reported data around social responsibility practices from 123 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:



The REIT Industry at a Glance



Columbia Property Trust, One and Three Glenlake Parkway, Atlanta, GA

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.²

\$2.5 trillion

REITs offered to the public own approximately \$2.5 trillion in assets, representing more than 500,000 properties, categorized across 13 sectors.³

145 million

Approximately 145 million Americans live in households invested in REIT stocks through their 401(k) and pension plans, and other investment funds.⁴

2.7 million

REITs help finance 2.7 million homes in the U.S.⁵

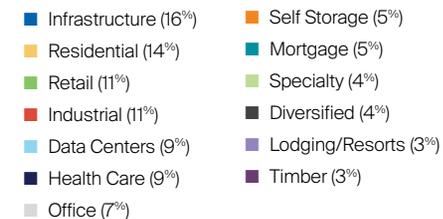
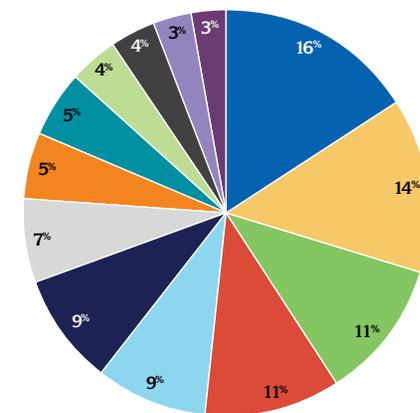
3.8% yield

The FTSE Nareit All REITs Index has a dividend yield of 3.8%, more than double that of the S&P 500 (1.5%).⁶

\$106 billion

REITs raised \$106 billion in public market offerings in 2020.⁷

Total REIT Equity Market Cap by Sector (\$B)



Source: Nareit

Industry ESG Performance Highlights

Leading the Way



98 of the largest 100 REITs by equity market cap reported publicly on their ESG efforts.⁸

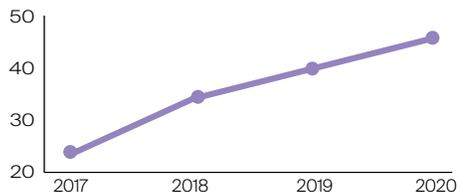
60% of REITs surveyed refreshed board membership in the past year⁹

60% of REITs surveyed publicly disclose ESG goals,¹⁰ up from 53% in 2019¹¹

87% of Nareit members reporting to GRESB include ESG factors in employee performance targets¹²

79% of REITs surveyed have a cross-functional sustainability committee or team¹³

The number of the largest 100 REITs by equity market cap with dedicated ESG staff has **increased between 2017 and 2020**.¹⁴



Putting People First



100% of Nareit members reporting to GRESB have community engagement programs¹⁵

98% of Nareit members reporting to GRESB indicated that they monitor inclusion and diversity metrics at the board and workforce levels¹⁶

68% of REITs surveyed have policies in place for recruiting and hiring a more diverse workforce¹⁷

64% of REITs expect to require unconscious bias training for staff and management by the end of 2021¹⁸

In response to COVID-19:

77% of REITs surveyed implemented **new employee engagement practices**¹⁹

65% of REITs surveyed implemented **new tenant engagement practices**²⁰

52% of REITs surveyed **executed community relief programs**²¹

Building Resilience



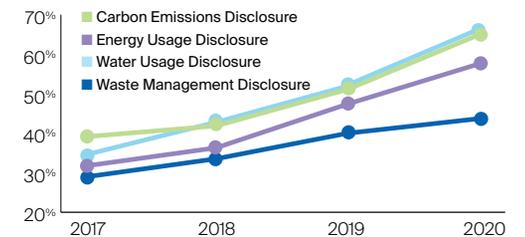
429,324 tonne decrease
Greenhouse gas emissions, reported by Nareit member GRESB participants, decreased by **429,324 tonnes of CO₂** representing a **5% decline** from 2019 emission levels²²

2,100+
REIT-owned buildings have a green certification²³

89% of REITs surveyed have an Environmental Management System (EMS)²⁴

Savings of 233,216 MWh
Nareit members reporting to GRESB reduced energy consumption by **2% in 2020**, with a **savings of 233,216 MWh**²⁵

REIT disclosures increased across all Environmental areas in the past year



Data based on 100 largest REITs by equity market capitalization



Sotherly Hotels, Inc., The Georgia Terrace, Atlanta, GA

Institutionalizing ESG within REITs' business management and operations

“As an integral part of the global supply chain, we recognize the positive impact we can make on our planet and in our communities. For nearly four decades, we have believed that doing the right thing is good for business—it attracts top talent, deepens our partnerships with our customers, and builds goodwill in the communities in which we operate. As we look forward, we will continue to shape a strategic approach that delivers tangible solutions to all of our stakeholders and creates value beyond our real estate.”



Hamid R. Moghadam, Chairman of the Board of Directors and Chief Executive Officer, Prologis, Inc. (NYSE: PLD)

Aligning Governance Practices to UN SDGs



Embedding ESG into Corporate Strategy and Business Operations

ESG matters are not new to REIT CEOs and boards. However, as climate risks and social issues become priority policy issues globally and investor demand for ESG performance increases, the business imperative surrounding sustainability has evolved from a “nice-to-have” expectation to a “have-to-have” priority.

Seismic global events from the past year—including a global public health crisis, intensifying climate events, extreme economic volatility, and mounting social pressures—intensified and further exposed the interconnectedness between businesses and the broader world in which they operate. As the business landscape changes rapidly, strong ESG practices remain central to

ensuring the long-term wellbeing of a business and its operating ecosystem, including the people, the natural environment, and the economic infrastructure it affects.

Calls for corporate accountability from investors, consumers, governments, regulators, and other key stakeholder groups have reinforced the demand for ESG in the corporate agenda, which REITs continue to respond to with relevant and meaningful efforts to integrate and elevate ESG within their business.

REITs are positioning sustainability issues as central to corporate strategy and at the forefront of long-term business planning, with 77% of

survey respondents reporting that ESG risks and opportunities, such as climate change, health and safety, or regulatory compliance, are integrated into strategic and financial planning.²⁶

REITs are also increasingly making public commitments toward meeting ESG goals and targets—amplifying their transparency around and accountability for taking concrete, tangible sustainability action.

REITs Publicly Disclosing ESG Goals

55%

55% of the largest 100 REITs by equity market capitalization publicly disclose their ESG goals²⁷

46%

46% of the largest 100 REITs by equity market capitalization reported both a carbon target and a sustainability goal²⁸

Sustainability policies and practices are becoming more integrated within REITs' operations and social responsibility practices, advancing the effectiveness of key business functions, such as supply chain management. Supply chain optimization is contributing to greater resilience and sustainability performance for REITs, while also helping to extend corporate values across the supply chain via codes of conduct under which supplier relationships operate. In particular, REITs support Goal 12 of the UN SDGs, *Responsible Consumption and Production*, by promoting sustainable procurement practices and encouraging suppliers to have ESG policies in place.

30%

30% of REITs surveyed have a formal or informal policy to ensure suppliers have Social Responsibility practices in place²⁹

17%

17% of REITs surveyed adapted supply chain resiliency measures in response to COVID-19, including adjusting delivery times, identifying alternate products, and assessing suppliers' ESG practices and protocols³⁰

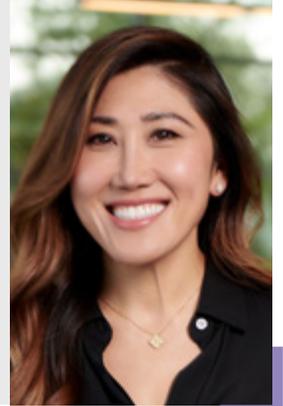
KILROY REALTY CORPORATION (NYSE: KRC)

Engaging in Research-Driven Supply Chain Optimization Initiatives to Improve ESG Performance and Reduce Embodied Carbon

“Achieving carbon neutral operations in 2020 was a big milestone but our work does not stop there. We believe a company’s ESG impacts go beyond the actions of tenants and employees and into its supply chain, which we will continue to invest our efforts. We believe this output should move the needle tangibly in improving our sustainability performance across all operations.”

Michelle Ngo, Chief Financial Officer and Treasurer

[See Case Study](#)



Prologis, Inc., Kaiser Distribution Center, Fontana, CA

Responding to Demands for ESG Transparency and Accountability

BlackRock CEO Larry Fink's annual letter to CEOs over the last four years has been consistent and targeted—sustainability management is a business necessity and corporations have a responsibility to demonstrate accountability to their stakeholders.³¹

As the connection between ESG management and business performance becomes clearer and more widely understood, ESG issues continue to attract greater investor interest, which, in turn, has elevated expectations for transparent, regular, and standardized disclosure.

58%

58% of Nareit members surveyed reported an increase in investor ESG reporting and disclosure requests in 2020³²

A recent proxy season study showed that more than 50% of institutional investors surveyed consider effective management of environmental issues and climate change as critical to the strategic success of their portfolio companies.³³ This trend is more acute in the real estate industry, as when it comes to private real estate investors in North America, 80% of those surveyed by PERE in 2019 expected companies to have ESG policies and disclosures in place.³⁴

Further, AFIRE's 2020 International Investor survey found that two out of three real estate investors increased their risk consideration of climate change issues from 2019 to 2020, with nearly nine out of ten investors including ESG criteria



HOST HOTELS & RESORTS, INC. (NYSE: HST)
Managing and Maintaining Operations by Preserving and Protecting Assets

“Our commitment to sustainability has remained constant despite the pandemic—and in fact, it's come further into the forefront of our business strategy to ensure long-term resilience and asset protection across our portfolio. We have increased our collaboration and engagement with investors through these operationally challenging times due to our proactive strategies to leverage ESG as a catalyst for the future.”

Michael Chang, Vice President of Energy and Sustainability

[See Case Study](#)

for investment decisions, and 90% receiving the same or higher returns when accounting for ESG criteria.³⁵ Similarly, respondents to Nareit's Member Survey indicated that ESG topics, such as DEI, climate change opportunities and risks, and greenhouse gas (GHG) emissions are top investor priorities.³⁶

Reporting and Disclosure in the REIT Industry

REITs are responding to these ESG demands from investors, with the percentage of REITs publicly reporting their sustainability efforts continuing to improve year-over-year.

Today, nearly all of the largest 100 REITs by equity market cap disclose ESG activities publicly via company websites, annual reports, and/or proxy statements. Of the largest 100 REITs by equity market cap, the number that issued a stand-alone sustainability report increased from 49 in 2019 to 66 in 2020.³⁹

98

98 of the largest 100 REITs by equity market cap publicly report on ESG³⁷



90% of all S&P 500 companies report ESG through sustainability reports³⁸

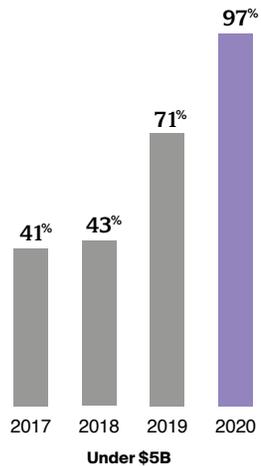


While ESG reporting has historically been more common for larger REITs, reporting data from the past year revealed that REITs of all sizes are committing to greater ESG disclosure. REITs with an equity market cap under \$5 billion that are reporting jumped from 71% in 2019, to 97% in 2020—more than doubling the 43% seen in 2018.⁴⁰

REITs align their sustainability disclosures to a variety of market-leading ESG reporting frameworks, including:

- CDP (formerly Carbon Disclosure Project)
- Global Real Estate Sustainability Benchmark (GRESB)

**REIT ESG Reporting
(by equity market capitalization)***



Data based on 100 largest REITs by equity market capitalization

* REIT ESG Dashboard, 2020, Nareit

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Sustainable Development Goals (UN SDGs)

Use of CDP captured the greatest participation rates in 2020, with 40 of the largest 100 REITs by equity market cap using the platform. The percentage of REITs by equity market cap reporting with CDP also saw the sharpest increase over the past few years, climbing from 44% in 2018 to 73% in 2020.⁴¹



**HEALTHPEAK PROPERTIES, INC. (NYSE: PEAK)
Aligning ESG Reporting Initiatives with Stakeholder Interests**

“We are committed to ESG reporting initiatives that align with stakeholder interests. By highlighting our robust ESG efforts through our reporting and disclosure practices, we also help advance meaningful transparency and accountability for these critical issues.”

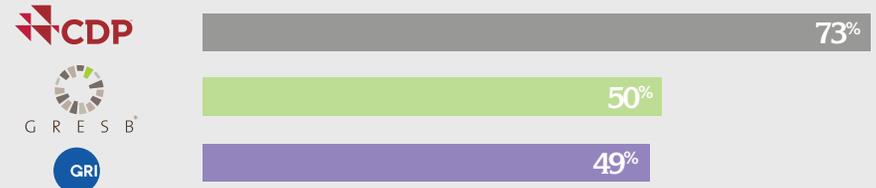
Tom Klaritch, Executive Vice President, Chief Operating Officer, and Chair of the ESG Committee

[See Case Study](#)

REITs are ahead of the S&P 500 when it comes to aligning their sustainability strategies and goals to industry frameworks. In 2020, 45% of REITs surveyed align to SASB,⁴³ compared to 14%

of S&P⁴⁴ Similarly, 35% of REITs surveyed are aligning strategies to TCFD⁴⁵ compared to 5% of S&P 500 companies.⁴⁶

Percentage of the Largest 100 REITs by Equity Market Cap Reporting to Disclosure Standards and Frameworks in 2020⁴²



Hudson Pacific Properties, Inc., EPIC, Hollywood, CA

Elevating ESG Leadership, Oversight, and Management

REITs have found that leveraging executive and board support helps to integrate sustainability across their organizations and reinforce corporate accountability around setting, monitoring, evaluating, and achieving ESG goals, to which employees at all levels actively contribute. By promoting effective, accountable, and inclusive governance mechanisms, REITs are supporting Goal 16 of the UN SDGs, *Peace, Justice and Strong Institutions*.

Board-Level Leadership

In recent years, ESG has earned a position as a board-level priority across the REIT industry, with 85% of REITs reporting ESG performance to their board of directors at least annually, and 42% doing so quarterly.⁴⁷

Not only are boards engaged in ESG, but they increasingly go through a “refreshment” cycle, leading by example when it comes to good governance. Board refreshment is the process of continually replacing board members in an effort to ensure an independent and diverse perspective for organizational management. In doing so, REITs are also strengthening diversity and representation across their leadership bodies. Data has shown that companies with a balanced board composition relative to direct tenure achieve better financial results and have a lower risk profile compared to their peers.⁴⁸

REIT Board Refreshment Activities in 2020, According to Nareit’s Member Survey⁴⁹

60% refreshed board membership

52% developed a board skill matrix

38% have board member self-evaluations

35% implemented board evaluations

13% adopted a board tenure policy

PHYSICIANS REALTY TRUST (NYSE: DOC)

Fortifying Board Sustainability Commitments through Certification and Executive Accountability

“Sustainability is an integral part of our business. From our committed board to our dedicated leadership and throughout our organization, every department and every team member shares our commitment to ensuring ESG principles inform our decision-making and guide our growth as a company. This commitment to ESG is engrained in our culture, visible in our goals and performance metrics, and a hallmark of our success as a health care REIT.”

Ryan Yetzer, Senior Manager - Construction and Sustainability

[See Case Study](#)



Executive and Staff Accountability

ESG performance relies on the successful translation of accountability from the board room to the executives responsible for leading sustainability implementation across an organization.

According to United Nations' Principles for Responsible Investment, companies may enhance accountability by linking executive compensation and ESG performance—which can make them over two times more likely to have greater ESG impact and long-term valuation.⁵⁰

Over the past year, more REITs have linked executive compensation to ESG performance, with 34% of respondents to Nareit's Member Survey stating that their executive compensation packages are tied to ESG performance in 2020,⁵¹ compared to 25% in 2019.⁵² Metrics related to energy use and GHG reduction, DEI, and stakeholder engagement are commonly used for evaluating executive compensation and are often incorporated into broader employee performance targets.⁵³

Relative to day-to-day sustainability oversight, 100% of REITs reporting to GRESB in 2020 stated they had at least one individual responsible for ESG.⁵⁵ A majority of REITs maintain cross-functional leadership of sustainability issues, with nearly 80% reporting a sustainability committee that includes employees from various functions such as investor relations, legal, human resources, and others.⁵⁶



VENTAS, INC. (NYSE: VTR)

Expanding DEI Through Governance and Employee Engagement to Work Towards Change

“Executive sponsorship, combined with a clear strategy, concrete actions and a focus on employee training and engagement are critical to improving diversity, equity and inclusion at Ventas.”

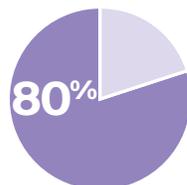
Kelly Meissner, Director of Sustainability

[See Case Study](#)

87%

87% of Nareit members reporting to GRESB in 2020 that stated they include ESG factors in employee performance targets.⁵⁴

ESG Governance Among REITs



Cousins Properties, Terminus 100, Atlanta, GA



Kilroy Realty Corporation employees volunteering

Doing the right thing for REIT stakeholders to maintain business continuity and profitability

“Focusing on all stakeholders is a necessary component of the social contract today’s businesses must operate under, and REITs recognize this responsibility. REITs strive to create long-term value, and the only sustainable way to deliver this value over time is by ensuring stakeholders are well-served.”

Steven A. Wechsler, President and CEO, Nareit

Aligning Social Impact to UN SDGs



Investing in Human Capital

REITs have long understood that the value of their physical assets is underpinned by and dependent on the value delivered by their human capital. REITs continue to invest in this critical asset—their people—to ensure their wellbeing, equip them to do their best work, and, by extension, improve business leadership, productivity, and performance. In this sense, REITs understand that business performance transcends profits and losses, and are incorporating a broader focus on people and corporate purpose in all they do.

For REITs, investing in human capital includes employee health and wellness, education and training, and personal and professional development. REITs also recognize that building thriving

communities drives good business, as evidenced through a long history of creating lasting social impact to meet the needs of the tenants and communities that REITs serve. By continually strengthening their health, safety, and wellness practices and promoting safe and secure work environments, REITs reinforced their contributions to UN SDG Goal 3, *Good Health and Wellbeing*, and 8, *Decent Work and Economic Growth*.

The events of 2020 further sharpened REITs’ focus on what it really means to “put people first.” Social initiatives went beyond addressing the public health and economic challenges of the global COVID-19 pandemic, to responding to the significant awakening in social consciousness and

civic commitment occurring across the country. Many citizens actively engaged in the movement to achieve freedom from bias and discrimination for each and every individual, with a much-needed emphasis on the treatment of African Americans and other under-represented groups in our society becoming even more imperative in the REIT community.

Elevating Health, Safety and Wellness, and Engagement Practices

90%

Nearly **90% of REITs** that responded to Nareit's 2020 Member Survey have a health and safety plan in place—a trend consistent over the past two years.⁵⁹

The COVID-19 pandemic magnified the importance of human health, safety, and wellness to business continuity, especially for REITs as buildings were less occupied and fundamental business models were challenged.

A strong foundation of established health and safety practices and protocols enabled REITs to develop and rapidly implement meaningful response strategies to protect employees and tenants. In buildings across their portfolios, REITs elevated health and safety precautions by implementing visitor screening policies, increasing cleaning frequency, limiting access to common areas, and installing touch-free entry points.⁶⁰

Recognizing the intensified need to support employees' mental health and physical wellbeing during the COVID-19 pandemic, REITs expanded initiatives to grow, develop, and maintain a healthy and engaged workforce. According to the 2020 Nareit Member Survey, 75% of REITs offered flexible employee work programs in the last year,⁶² compared to 63% in 2019.⁶³ Furthermore, 77% of REITs surveyed offered new engagement mechanisms such as virtual events to promote connectivity and overall wellbeing among employees via game nights, happy hours, exercise, or cooking classes.⁶⁴

COVID-19 Response Actions among Nareit Member Survey Participants⁶¹

77% implemented new **employee engagement** mechanisms, such as:

- Flexible work policies
- Virtual events, including town halls and training sessions
- Health and wellness programs

65% implemented new **tenant engagement** practices, such as:

- Increased communication regarding COVID-19 safety precautions
- Rent relief and financial support
- Socially-distanced or virtual recreational events

52% executed **community relief programs**, including:

- Donations to local banks and charities
- Distribution of personal protective equipment (PPE)
- Rent deferral programs for residents

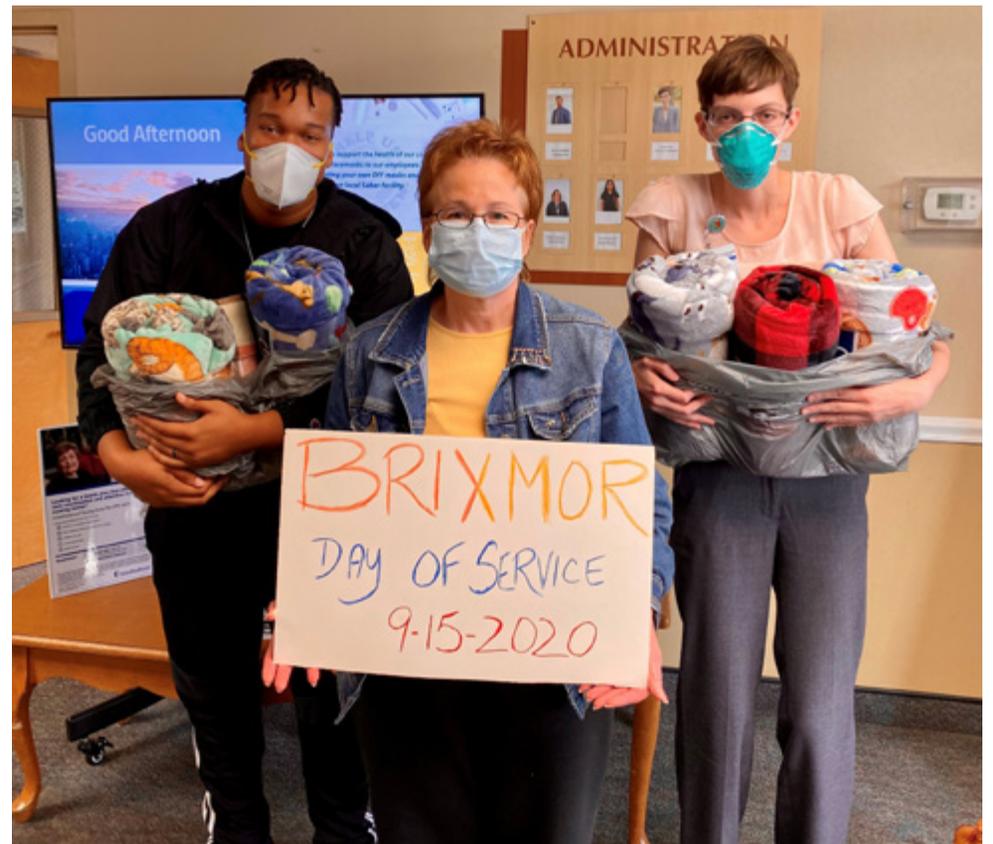
BRIXMOR PROPERTY GROUP, INC. (NYSE: BRX)

Empowering Employees to Maximize their Health, Connectivity, Growth, and Engagement

“Great real estate matters, but great people matter even more. That is not only Brixmor’s first Cultural Tenet, but how our approach to COVID-19 employee support truly manifested itself. We have taken actions to ensure our stakeholders, communities, properties, and culture are equipped to thrive in the face of adversity—all while remaining true to our strategic imperatives of helping employees remain connected, feel engaged, grow personally and professionally, and stay healthy.”

Carolyn Carter Singh, Executive Vice President and Chief Talent Officer

[See Case Study](#)



Employees at Brixmor Property Group volunteer for a Day of Service

As America experienced record-high unemployment rates,⁶⁵ and REIT tenants experienced significant financial stresses during government mandated shutdowns, REITs responded to deliver relief. According to Nareit's Member Survey, 65% of REITs implemented new tenant engagement offerings around COVID-19.⁶⁶

More specifically, REITs helped tenants navigate changed conditions and uncertainty by:

- Delivering frequent communications regarding COVID-19 safety precautions and protocols
- Distributing PPE across REITs' employee, tenant, and vendor communities⁶⁷
- Offering enhanced flexibility and restructuring of tenant contracts for those financially impacted by the pandemic

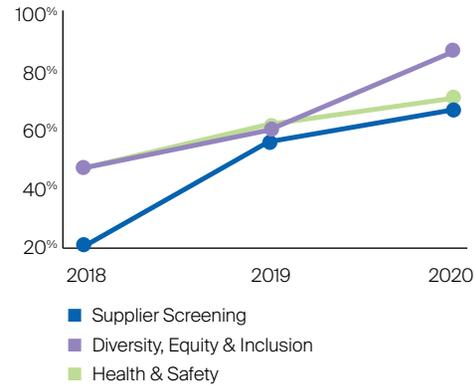
- Adapting services to meet the unique circumstances of the pandemic, such as enacting new energy efficiency and cost-saving measures in light of reduced capacity considerations⁶⁸

Elevated employee and tenant engagement efforts during the COVID-19 pandemic supplemented existing engagement approaches deployed by many REITs to ensure continual stakeholder feedback and accountability for stakeholder satisfaction.

REITs have also continually strengthened their internal controls and systems to optimize ESG oversight and management approaches for social issues, showing a strong year-over-year increase in social policy disclosures.

REITs with Social Policy Disclosure

Percentage of the Largest 100 REITs by Equity Market Capitalization⁷²



AvalonBay Communities, Inc. volunteering

Employee and Tenant Engagement

Employees

69% of REITs that responded to Nareit's Social Responsibility Survey conduct employee satisfaction surveys.⁶⁹



80% of those that conduct employee satisfaction surveys report these results internally to employees.⁷⁰

Tenants

80% of the largest 100 REITs by equity market cap publicly disclose data on tenant engagement.⁷¹

HERSHA HOSPITALITY TRUST (NYSE: HT)

Promoting Health and Safety through Rest Assured™

“While the idea of ‘building back better’ feels cliché, it is also true. The events of this year helped to establish building blocks that will help inform and improve upon our approach to ESG in the future. From applying new insights regarding energy efficiency to continually expanding our health and wellness initiatives, advancing ESG policies and practices has emerged as central to both our COVID-19 recovery efforts and Hersha's long-term strategic planning.”

Matthew Lobach, Director of Sustainability

[See Case Study](#)



Meeting Community Needs

REITs strive to be a good and welcoming neighbor through initiatives that deliver value and impact to the communities they serve. REITs engage with their communities to support effective partnerships that drive value for their industry stakeholders and company shareholders, in alignment with UN SDG 17, *Partnerships for the Goals*.

Programming around community outreach and development is widely reported across the industry and growing in prevalence year-over-year.

92%
88 of the largest 100 REITs by equity market cap disclosed data on their community development programs, representing **92%** by equity market cap.⁷⁵

In 2020, 100% of Nareit members participating in the GRESB survey reported having community engagement programs,⁷³ compared to 98% in 2019.⁷⁴ These efforts primarily took the form of financial or in-kind support of local non-profits, engagement with local students, and knowledge-sharing with local businesses.

While the REIT industry's community commitments were well established prior to the onset of the pandemic, REITs expanded existing community programming and enacted new efforts to deliver much-needed relief to neighbors in need by:

- Making donations to support local foodbanks, low-income families, and front-line workers
- Providing free billboard space for COVID-related safety messaging
- Offering on-site COVID-19 testing and hosting vaccine distribution centers
- Enacting rent referral and relief programs for small businesses⁷⁷



PROLOGIS, INC. (NYSE: PLD)
Developing the Next Generation of Logistics Talent

“Our future-focused approach to ESG drives our efforts to develop the next generation of logistics talent and find solutions for our customers, where a skilled workforce can help bridge the hiring gap and spur economic opportunity.”

Steven Hussain, Vice President, Workforce Programs and Community Relations

[See Case Study](#)



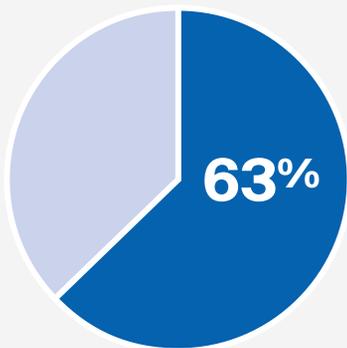
WASHINGTON PRIME GROUP (NYSE: WPG)
Embracing a Role as Community Ambassador

“At Washington Prime Group, we believe in what we can accomplish together and embrace opportunities to improve our communities, the lives of our colleagues, and the environment. Our town centers serve as gathering places within the community, which is why sustainability is an essential part of what we do every day.”

Cheryl VanPatten, Senior Vice President, Chief Information Officer, and Chair of WPG's ESG Steering Committee

[See Case Study](#)

REIT Community Outreach Policies



63% of REITs surveyed reported having community outreach policies, including:⁷⁶



KIMCO REALTY CORPORATION (NYSE: KIM)

Expanding Engagement and Support Services to Meet Stakeholder Needs

“This was the year when ESG got real. Between COVID-19 and the social justice movement fueled by Black Lives Matter, it has never been more evident how important ESG, DEI, and stakeholder engagement topics are to business.”

Will Teichman, Vice President of Business Operations



[See Case Study](#)

AVALONBAY COMMUNITIES, INC. (NYSE: AVB)

Expanding DEI Programming to Empower and Equip Employees to Thrive in the Workplace

“We are focused on empowering our employees to embrace their humanity and bring their full selves to work. Amidst a difficult year, employees needed us to have a voice and support them in ways that we had not in the past—and AvalonBay was determined to rise to that challenge.”

Christine McElhinney, Director, Corporate Responsibility, Inclusion, & Diversity



[See Case Study](#)

BRANDYWINE REALTY TRUST (NYSE: BDN)

Reinforcing Community Commitments through Employee-Driven COVID-19 Relief Efforts

“We believe in investing in our communities to maximize our impact and collective well-being. The events of 2020 brought this need for community even further to the forefront, and we are proud to say our employees found new and creative ways to come together to support the people we serve.”

Ronald J. Becker, Senior Vice President of Operations and Sustainability



[See Case Study](#)

68%

of REITs surveyed reported having either a formal (20%) or informal (48%) policy in place for recruiting and hiring a more diverse workforce.⁷⁹

- Recruiting qualified candidates from outside of the commercial real estate industry
- Ensuring a diverse candidate pool before making a hiring decision
- Providing clear criteria for promotions to ensure transparency and consistency across all levels of the organization⁸¹

REITs took steps to address DEI systemically, with a focus on building a more diverse and inclusive workforce and leadership pipeline, and providing safe spaces and dedicated governance structures for employees’ voices to be heard.

Some REITs have also made significant progress at the leadership level through the expansion of DEI-related responsibilities for senior executives and by diversifying Board composition.⁸²

Committing to Diversity, Equity, and Inclusion

The murders of George Floyd, Breonna Taylor, and Ahmaud Arbery in 2020, among many other injustices directed toward Black Americans historically, amplified the conversation around systemic racism in the U.S. and globally. Organizations responded by taking a closer look at diversity and inclusion within their own workplace, and the REIT industry was no exception. The sheer scale of the real estate industry, employing approximately 3 million people, makes REIT DEI action both necessary and impactful.⁷⁸

Building a Diverse and Inclusive Workforce

Most REITs have strengthened initiatives to grow and retain a diverse workforce through enhanced recruitment and retention practices—practices which significantly contribute to UN SDGs 5, *Gender Equality*, and 10, *Reduced Inequalities*, and include:

- Reviewing application processes to eliminate unconscious or adverse biases

In order to institutionalize DEI more formally, some REITs are hiring or intend to hire dedicated diversity leaders.⁸⁴ In 2020, Nareit led by example by hiring Nathaalie Carey as its senior vice president of industry affairs and social responsibility to join its leadership team and support social aspects of ESG across the REIT industry, including initiatives related to DEI, REIT industry affairs, and international organizational outreach with Nareit’s strategic global alliances and relationships.

98%

of Nareit members that participated in the GRESB survey indicated that they monitor inclusion and diversity metrics at the governance and workforce levels.⁸⁰



ESSEX PROPERTY TRUST, INC. (NYSE: ESS)
Institutionalizing DEI Commitments through Robust Management and Concrete Actions

“The ‘S’ in ESG is gaining more and more relevance given the historic issues of this past year. But for Essex, we have always believed in the power of our people. We want to be the right place to work, to attract the right personnel, to achieve the right vision—and to do that requires a diverse and inclusive workforce. We are not just committing to DEI, we are institutionalizing it.”

Patrick Gonzalez, Senior Manager of ESG and Sustainability

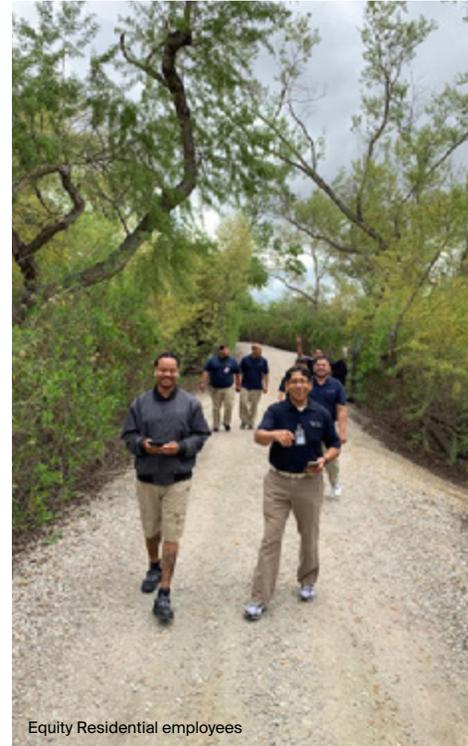
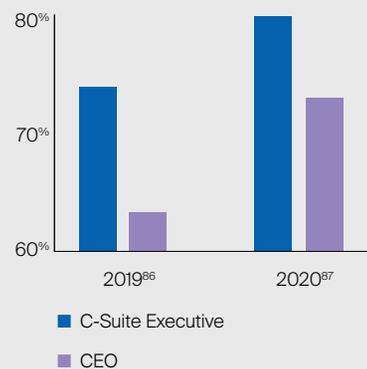
[See Case Study](#)

REITs are striving to make equal pay for equal work a reality across the industry, and are creating a more inclusive and equitable environment for all employees by addressing pay equity. According to Nareit’s Social Responsibility Survey, 57% of REITs have a policy in place to analyze, make pay adjustments, or increase the level of pay transparency at the organization.⁸⁶ REITs also acknowledge that efforts to close the wage gap must address the varying drivers of inequity, as well as the multitude of biases that could hold underrepresented employee groups back.

99

of the largest 100 REITs, by equity market cap, have at least one female board member. Board gender diversity has increased year over year, with the largest 100 REITs by equity market cap reporting in 2020 that female board members comprised over one fourth of available board seats.⁸³

Over the past year, REITs enhanced their management and oversight of DEI at the top, with 80% of REITs indicating prominent roles in DEI-related decision-making at the C-Suite Executive level and 73% indicating CEO responsibility.⁸⁵



Equity Residential employees



BROOKFIELD PROPERTIES (NYSE: BPY)
Championing DEI through Employee and Community Investments

“Our diversity and inclusion efforts will focus on achieving further alignment and agility with opportunities that reflect and better serve our employees while increasing productivity, engagement, and our bottom line.”

Dr. Vernon Johnson, Director of Diversity and Inclusion

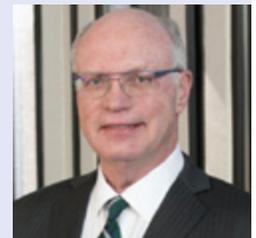
[See Case Study](#)

Nareit’s Dividends Through Diversity, Equity & Inclusion CEO Council

In November 2020, Nareit announced the formation of its Dividends Through Diversity, Equity & Inclusion (DDEI) CEO Council to lead 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 comprised of 32 REIT CEOs, collectively representing each sector and subsector of the REIT industry.

“The mission of the DDEI CEO Council is to address—at the highest level—the key issues and opportunities related to diversity, equity, and inclusion in the REIT and publicly traded real estate industry. The council will provide Nareit’s leadership with recommendations to help further Nareit’s and the industry’s progress in this crucial area.”

A. William Stein, CEO of Digital Realty (NYSE: DLR) and DDEI Co-Chair





Duke Realty Corporation employee event

EQUITY RESIDENTIAL (NYSE: EQR)

Taking a Structured Approach by Elevating Employee Voices to Strengthen Inclusion

“We have been deeply moved by the stories shared by employees of Equity Residential and by what has recently transpired in our country. These experiences have helped us develop a greater appreciation for our responsibilities as leaders and citizens to continuously advance inclusion through action to live out our purpose, creating communities where all people can thrive.”

Mark J. Parrell, President & CEO

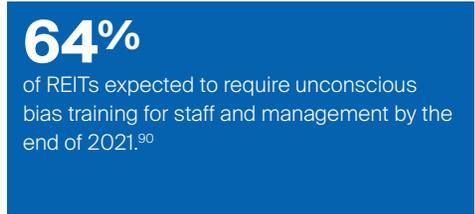
[See Case Study](#)



Advancing DEI Training and Development

Systemic change relies on successfully addressing unconscious bias, which plays a pivotal role in hiring practices, daily decision-making, and social behavior. More than half of REITs that responded to Nareit’s Member Survey required unconscious bias training for staff and management last year, and another 10% plan to require training in 2021.⁸⁹

REITs are also reinforcing their DEI commitments through robust employee engagement efforts—including surveys, dedicated town halls and staff meetings, professional development programming, and the expansion of employee resource and affinity groups—to hear, respond to, and take action around the needs of their employees, with particular attention to amplifying the voices of diverse employees.⁹¹





First Industrial Realty Trust, Inc., First Park 94, Chicago, IL

Addressing climate change and proactively managing the environmental footprint of the REIT industry

“Environmental performance, climate resilience, and preserving assets through thoughtful risk management are critical to creating long term value and delivering meaningful financial returns. At Host, during all stages of hotel ownership, we invest in sustainable solutions that help reduce the environmental footprint and mitigate the climate change-related risks of our properties.”

Jim Risoleo, President, Chief Executive Officer & Director, Host Hotels & Resorts, Inc. (NYSE: HST) and 2021 Nareit Chair



Aligning Environmental Performance to the UN SDGs



Mitigating Climate Risks and Impacts

The United Nations Office for Disaster Risk Reduction found that climate-related disasters nearly doubled in the past 20 years.⁹² In the past year alone, the number of billion-dollar weather-related disasters, such as record-breaking storms and destructive fire activity, reached 22 in the U.S.⁹³

As the risks associated with climate change are escalating in frequency, magnitude, and impact, capital market participants agree they present tangible, systemic, and financial risks to business.⁹⁴

Demands for companies to provide greater transparency with respect to climate change and related financial consequences in their corporate strategies, reporting, and disclosures are steadily

growing—and being further bolstered by political shifts that have elevated environmental issues to the forefront of the U.S. policy agenda.

To build resilience and mitigate environmental impacts, many REITs publicly elevated their commitment to addressing climate change during the past year by:

- Enhancing reporting and goal-setting processes around environmental matters
- Conducting climate risk assessments
- Setting goals and making commitments to meet climate and decarbonization targets

- Leveraging technology and innovation to realize efficiencies
- Aligning to UN SDG 11, *Sustainable Cities and Communities*, and 13, *Climate Action*, by integrating climate change measures into their strategies and planning, in order to make the communities they reside in more safe, resilient, and sustainable

Climate Research and Risk Management

The real estate industry and institutional investors are increasingly recognizing physical and financial climate risks as core issues that will affect their decisions at the market and asset levels.⁹⁶

In response to mounting climate urgency, climate-related risk and opportunity assessments are playing a central role in REITs' strategic and property-level planning, enabling REITs to make

smart investments that protect their assets, improve resilience, and reduce their environmental impact.

According to Nareit's Member Survey, one third of respondents conducted a climate change risk assessment in 2020. These assessments are typically conducted annually, or every one to three years, and are used to inform corporate reporting, resiliency planning, financial planning, and due diligence for acquisitions or development.⁹⁷

Science-based climate warming scenarios are increasingly layered into these risk assessments, with 15% of Nareit members surveyed stating they conducted a 1.5- or 2-degree climate-related scenario analysis as part of their risk assessment practices in 2020, and another 24% are planning to do so in the future.⁹⁸

REGENCY CENTERS CORPORATION (NASDAQ: REG)

Planning for the Future through Proactive Climate Risk Management

“Being mindful of the future for our people and our communities is not just the right thing to do, but a strategy that is engrained in every element of our business. By ensuring we analyze and address future risks to our portfolio, Regency Centers is ensuring a resilient path forward.”

Lisa Palmer, President and CEO

 [See Case Study](#)



5% reduction

REITs that participated on the GRESB survey reduced overall GHG emissions by **429,324 tonnes** in 2020, the equivalent to a lifetime of emissions from **90,766 automobiles** and demonstrating a **5% decline from 2019 emissions levels**.⁹⁵



Hudson Pacific Properties, Towers at Shore Center, Redwood City, CA

Meeting Climate and Decarbonization Targets

In the past year, REITs that participated in the GRESB survey have demonstrated their commitment to carbon reduction by cutting overall emissions by 5%, from 2019 levels—equivalent to a lifetime of emissions from 90,766 automobiles.⁹⁹

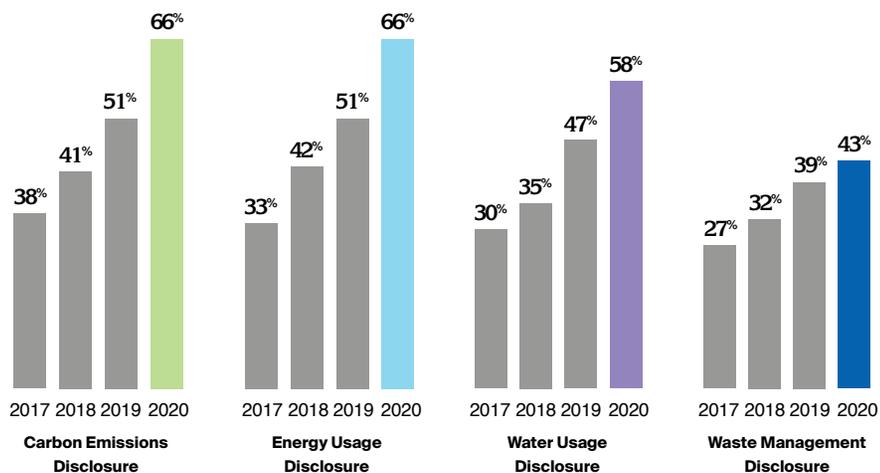
REITs are increasingly reporting their carbon emissions, with 49 of the largest 100 REITs by equity market cap reporting in 2020, compared to 31 in 2019. Representing 66% of the largest 100 REITs by equity market cap,¹⁰⁰ the REIT industry's carbon reporting was on pace with the broader market—where 65% of S&P 500 companies reported their carbon emissions to the CDP Climate Change questionnaire in 2020.¹⁰¹

Furthermore, 29 REITs, representing 46% of the industry by equity market cap, disclosed carbon

targets in 2020, with REITs continuing to align GHG emission targets to leading global initiatives, such as the Science Based Target Initiative (SBTi).¹⁰³ In doing so, REITs are publicly committing to reduce their direct Scope 1 emissions from owned and controlled sources, as well as their indirect Scope 2 emissions, from the generation of purchased electricity.

Science-based targets provide companies with a clearly-defined path to reduce emissions in alignment with the goals of the Paris Agreement.¹⁰⁴ Through the SBTi process, REITs also aim to reduce Scope 3 emissions, which are sourced from indirect third-parties in which businesses have limited or no control, and are therefore more difficult to address. Embodied carbon, or the total GHGs generated to produce a built asset,¹⁰⁵ is an important component of Scope 3 emissions reductions, as it comprises one-fourth of annual building sector emissions.¹⁰⁶

REIT Assets with Environmental Performance Disclosure (by equity market capitalization)¹⁰²



Data based on 100 largest REITs by equity market capitalization

BOSTON PROPERTIES, INC. (NYSE: BXP)

Aligning Emissions Reduction Targets with Climate Science to Achieve SBTi Approval

“We believe it is possible to advance sustainability without sacrifice. From realizing cost efficiencies, to reaping environmental benefits, to incorporating added building features for stakeholders, we find sustainability initiatives can be a ‘win-win’ for all parties—without requiring drastic trade-offs or behavior change. ESG is not just a theory, it is about getting things done and making good happen—and Boston Properties is so determined to show the intentionality behind our sustainability actions that we have chosen to set some of the most ambitious targets possible.”

Ben Myers, Vice President of Sustainability

[See Case Study](#)

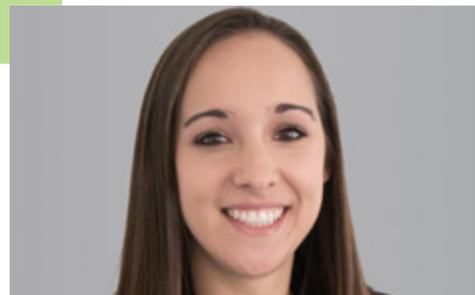


American Towers, Blood Hill Road Tower, Windsor, VT

Managing Sustainable Buildings

Making Green Buildings Healthier

COVID-19 brought increased awareness to the quality and safety of indoor spaces, illuminating how the buildings we inhabit and air we breathe can help or hinder our daily health and performance. Amidst the pandemic, REITs recognized that healthy building indoors contributed to the viability of their business. They took every effort to create healthy environments designed and operated to not only navigate the coronavirus pandemic, but build resilience and long-term value for the future.



FEDERAL REALTY INVESTMENT TRUST (NYSE: FRT)

Reinforcing Health and Wellness Commitments through Healthy Building Investments and Fitwel Certification

“We invest in our properties and the communities for the long-term which is why it was important for us to be an early adopter of emerging ESG trends such as on-site solar, Fitwel Certification, and sustainable building design and construction. We’re nearly a full decade into our efforts to ensure that our properties are designed to withstand market challenges and manage the impacts of the evolving ESG landscape, both hallmarks of having a resilient business.”

Emily Paciolla, Head of Sustainability

[See Case Study](#)

Pursuing healthy building certifications, such as the Well Building Standard and FitWel, became a particular focus for REITs. The FitWel certification, originally created by the U.S. Centers for Disease Control and Prevention (CDC) and U.S. General Services Administration,¹⁰⁷ helps building managers integrate science-based strategies to optimize health within a building or community.¹⁰⁸ Features of FitWel certified buildings include enhanced air ventilation systems, contactless entry points, and elevated provisions for improved comfort and walkability.

As an industry, U.S. listed REITs are a driving force behind the movement to make the global building portfolio healthier and greener, with over 2,100 REIT-owned buildings having a green certification—and growing.¹⁰⁹

78

of the largest 100 REITs by equity market cap have green certified buildings in their portfolio, a trend consistent year-over-year.¹¹⁰

20%

Nearly **20%** of Nareit members surveyed indicated that Certified Green Buildings, such as LEED, Energy Star, BOMA 360, and others, comprise at least **30%** of their portfolio.¹¹¹

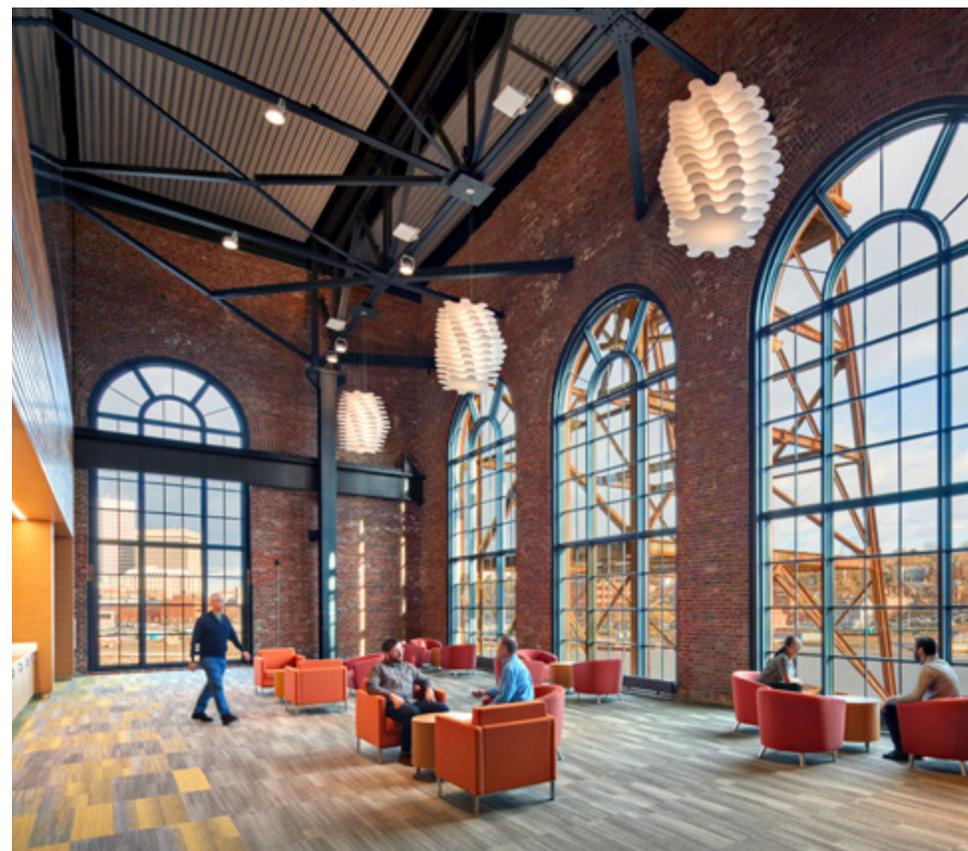
VORNADO REALTY TRUST (NYSE: VNO)

Managing Healthy Buildings through Crisis with the Fitwel Viral Response Module

“Through the pandemic, Vornado both accelerated and expanded upon the company’s strong commitment to healthy buildings. Our team worked tirelessly though the pandemic to ensure that our buildings were available to tenants in a safe and healthy way. By adopting Fitwel’s Viral Response Module, we took another significant step forward in affirming this commitment.”

Daniel Egan, Senior Vice President, Sustainability & Utilities

[See Case Study](#)





AvalonBay Communities, Inc., Gallery Place Solar Panels, Washington, DC

Driving Resource and Energy Efficiency

REITs own more than 516,000 properties across the US, which encompass a vast amount of land and resources that require protection and conservation.¹¹² REITs strive to be good stewards of the land they occupy and resources they use by improving resource efficiencies across their portfolios.

With fewer people occupying offices and retail spaces in 2020 due to social distancing requirements and safety precautions, REITs had unique access to controlled building environments within which to pinpoint the primary drivers of energy use more specifically, and then seek ways to improve efficiencies and balance utility contributions to a building's operating expenses.¹¹³



HEALTHCARE REALTY TRUST (NYSE: HR) Incorporating Renewable Energy across the Portfolio to Maximize Long-Term Value

“Our approach to sustainability is focused on creating value over time. Our emphasis on renewable energy is strategic both from the perspective of minimizing our environmental impact, and in making economic sense for our company and shareholders.”

Carla Baca, Associate Vice President of Investor Relations and Corporate Responsibility

[See Case Study](#)

Through energy efficiency improvements and increased integration of renewable energy, REITs continue to contribute to UN SDG 7, Affordable and Clean Energy. In the past year, REITs that participated on the GRESB survey reduced energy consumption by 2%, equating to 233,216 MWh or the equivalent of powering 19,143 homes.¹¹⁴ While there is still more work to be done to realize greater cost and energy efficiencies, nearly half of REITs surveyed have committed to reducing their energy consumption by having an energy efficiency goal in place.¹¹⁵

REITs are also increasingly integrating onsite renewable energy into their operations as a strategy to reduce energy consumption, costs, and associated carbon emissions. In 2020, 37% of the largest 100 REITs by equity market cap reported using onsite renewable energy sources, up from 23% in 2019.¹¹⁶

Not only does solar energy result in lower utility prices for REITs and their tenants, but these installations often yield positive socioeconomic impacts, like re-distributing energy to low-income communities and adding value to public spaces, such as covered parking lots or community parks and gardens. Due to the significant rooftop space available across all U.S. REIT properties, the potential for REITs to expand their solar generation is vast, and therefore likely to play a significant role in future efforts to expand renewable energy generation.

Conserving Water, Reducing Waste

The global demand for water is increasing, with an estimated 1 in 5 people living in water stressed locations.¹¹⁷ The United Nations Environment Programme expects that number to rise, hypothesizing that 1 in 2 people will face water stress by 2030.¹¹⁸

DUKE REALTY CORPORATION (NYSE: DRE)

Integrating and Scaling Solar Projects Across the Portfolio

“We do not just build buildings, but rather strive to leave our communities better than we found them—which is why we encourage and support development of community solar whenever feasible. We see each project not only as adding to our collective renewable portfolio, but as an opportunity for capturing more lessons learned to continuously improve and expand our solar commitments.”

Megan Basore, Vice President of Corporate Responsibility

[See Case Study](#)



HUDSON PACIFIC PROPERTIES, INC. (NYSE: HPP)

Achieving 100% Carbon Neutrality and Building a ‘Better Blueprint’ for the Future

“Hudson Pacific’s ‘Better Blueprint’ platform recognizes sustainability, health, and equity as interconnected pillars that guide our work and form the foundation of our long-term success. Meeting our carbon neutrality goal—five years ahead of schedule—showcases our commitment to prioritizing climate action and minimizing our environmental impact, with much more work to come as we continue to set bold goals for the future.”

Natalie Tear, Senior Vice President, Innovation, Sustainability, & Social Impact

[See Case Study](#)



Equinix, Inc. incorporates green design across its data center portfolio.

REITs are mindful of their role in conserving water and recognize that the thoughtful oversight of this compromised resource will result in reduced operational costs and improved resilience against water shortage risks. These efforts contribute to UN SDG 6, *Clean Water and Sanitation*, and 12, *Responsible Consumption and Production*, by increasing water-use efficiency and reducing waste generation.

Nareit Member GRESB participants also strengthened waste management performance in 2020 with a reduction in the overall amount of operational waste generated by 11% and a total of over 1 million tons of waste diverted from landfills.¹²¹ Nearly one-third of surveyed REITs have a waste reduction and management goal in place. To further advance waste reduction goals, REITs are educating tenants on proper waste disposal techniques—supporting efforts to reduce recycling contamination and improve landfill diversion rates.

In the past year, REITs that participated in the GRESB survey reduced water usage by 143,972 m³.¹¹⁹ To further progress in this area, 38% of REIT survey respondents reported having a water consumption reduction goal in place.¹²⁰

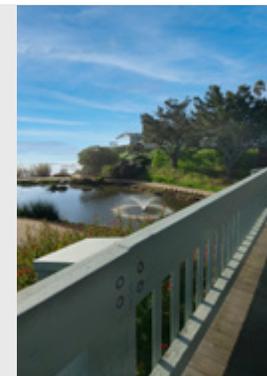
EQUITY LIFESTYLE PROPERTIES, INC. (NYSE: ELS)

Maintaining Biodiversity and Benefiting Residents through Restoration and Conservation Projects

“My favorite part [of the De Anza Santa Cruz Restoration Project] is that now we see so many more birds from the bridge. I was involved in the annual Audubon Christmas bird count for my area of De Anza Santa Cruz, particularly around the ponds. We spotted 31 species in two hours, which is truly phenomenal for a place this small.”

Jenny Anderson, three-year resident of the De Anza Santa Cruz community

[See Case Study](#)





Federal Realty Investment Trust, Owens Patio

Leveraging Technology to Advance Environmental Performance

Machine learning, advanced data analytics, and Artificial Intelligence (AI) are transforming the way business is conducted across all industries. As wireless connectivity in buildings becomes more prevalent, the integration of AI and the Internet of Things (IoT) into standard operating processes has the potential to improve nearly all aspects of building management. With AI, data from sensors and meters is collected and automatically analyzed to identify areas of operational improvement, which can not only detect—but also predict and respond to—anomalies. This creates a significant opportunity for REITs to leverage technology to advance environmental performance, as well as create efficiencies across other elements of their business.¹²²

Today, REITs are starting to embrace these cutting-edge innovations to create “smart assets” that leverage data to inform decision-making and improve overall quality of life for tenants and communities.¹²³ With real time data, REITs can see changes in the use of resources like energy, water, or waste, and then take quick, informed action to avoid overconsumption or improve management processes.

Entrepreneurial REITs are piloting and sometimes investing in these technologies across their portfolios, recognizing that technology is certain to become a more central component of REIT management and business operations in the future. By adopting environmentally sound technologies to increase resource-use efficiency, REITs are contributing to UN SDG 9, *Industry, Innovation, and Infrastructure*.

JBG SMITH (NYSE: JBGS)

Building Smart Cities and Innovating Sustainability Practices through Digitization

“In National Landing [in the Washington, D.C. metro area], we are creating a Smart City from the ground-up, starting with robust, world-class connectivity infrastructure. By laying a strong foundation with partners, we will create a canvas for innovative and real time building data monitoring that’s unlike any other.”

Vardahn Chaudhry, Vice President of Smart Cities

[See Case Study](#)





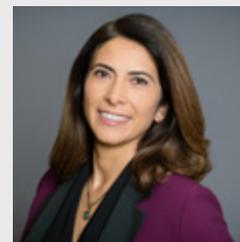
Park Hotels & Resorts, Parc 55, San Francisco, CA

Nareit offers a comprehensive ESG program providing thought leadership, education, resources, and a platform to share best practices for sustainability and 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, 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.

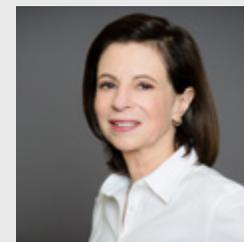
NAREIT ESG LIAISONS



Nathaalie Carey
Senior Vice President, Industry Affairs & Social Responsibility
Staff Liaison, Social Responsibility 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



Nareit, REITwise 2019

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.

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 and subsector 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

Real Estate Sustainability Council

Nareit's Real Estate Sustainability Council (RESC) consists of more than 50 Nareit corporate member sustainability thought leaders—representing all REIT sectors—with a mission to help shape and lead the REIT industry on ESG and climate issues.

REAL ESTATE SUSTAINABILITY COUNCIL CHAIR VICE CHAIR



Ben Myers

Vice President of Sustainability, Boston Properties, Inc.



Kelly Meissner

Director of Sustainability, Ventas, Inc.

Social Responsibility Council

Nareit's Social Responsibility Council (SRC), established in November 2020, is a cross-disciplinary group with more than 50 members representing Nareit's corporate membership. 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.

Corporate Governance Council

Nareit's Corporate Governance Council (GCG) 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.

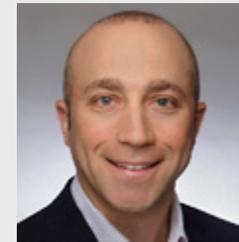
COUNCIL CHAIR



Troy McHenry

Executive Vice President, Chief Legal Officer, and General Counsel, Healthpeak Properties, Inc.

CORPORATE GOVERNANCE VICE CHAIR



Scott Fenster

Executive Vice President & General Counsel, Equity Residential

VICE CHAIR



Kay Tidwell

Executive Vice President, General Counsel & Chief Risk Officer, Hudson Pacific Properties, 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 around sustainability as well as diversity.

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.

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.

ESG Education: 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 to discuss 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 Program and 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 as a one-day program (and in 2021, as a virtual series) to teach Nareit corporate members the core skills needed to launch—or improve—an ESG program of any size. The 2020 program achieved a record turnout of 145 individuals from 78 REITs, and in 2021 there were 175 individuals who attended representing 110 REITs. Since Nareit's JumpStart program was developed, the number of REITs that publicly disclose on ESG increased from 60 REITs in 2017, to 98 of the largest 100 REITs in 2020.

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 last year focused on the evolving nature of ESG in the context of the events of 2020 and beyond, as well the "S" in ESG and how social issues and disclosures impact investors.

ESG Tools, Resources, and Research

Nareit continues to support and promote the REIT industry's adoption of ESG principles by providing resources for industry stakeholders and disseminating information about ESG oversight, management, tracking, and reporting.

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, planned for publication in 2021, is intended to provide corporate Nareit members with practical and strategic guidance for ESG performance management within the top 15 ESG KPIs identified in the Nareit Guide to ESG Reporting Frameworks.

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.





Corporate Office Properties Trust, Maritime Plaza I, Washington, DC

Nareit's third annual REIT Industry ESG Report demonstrates the significant progress REITs, and the publicly traded real estate industry more broadly, have made in adopting, implementing, and executing ESG practices to achieve positive environmental, social, and governance impact and outcomes.

As the challenges of the global pandemic, heightened social and civil consciousness, and the rising urgency to decarbonize continue to endure, REITs recognize how holistic and relevant ESG practices support the delivery of long-term value for their business, employees, investors, tenants, and communities.

REITs are leading the way by bringing ESG matters to the forefront of their corporate strategies. Through enhanced oversight of ESG issues at the leadership level, expanded efforts to embed ESG into business culture and operations, and increased public reporting and disclosures on ESG performance, REITs are committed to addressing the sustainability issues of today and building resilience to proactively navigate the ESG matters of tomorrow.

As the challenges of the pandemic persist and the fight for a more just society continues, REITs will continue to prioritize their stakeholders' needs—by ensuring the health, safety, and wellness of their people and building a diverse and inclusive work environment. Additionally, as climate risks escalate in frequency, magnitude, and impact, REITs will reinforce their resilience by incorporating climate risks into long-term planning, setting ambitious carbon reduction targets, and using technology to advance energy, water, and waste efficiencies.

In this irreversible and imperative ESG movement, Nareit will continue to be a guiding force for the collaborative advancement of leading sustainable practices for the REIT and publicly traded real estate industry.

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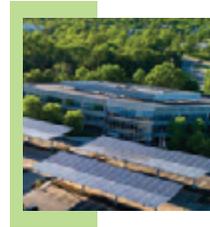
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Aligning ESG Reporting Initiatives with Stakeholder Interests

HEALTHPEAK PROPERTIES, INC. (NYSE: PEAK)

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Healthpeak Properties, Inc. (Healthpeak) regularly engages its stakeholders, including institutional investors, tenants, and employees, to identify ESG opportunities and prioritize initiatives. The feedback gained from stakeholders helps shape Healthpeak's ESG reporting strategy, including the ESG frameworks in which the company participates.

For example, as a result of engagement efforts, in 2020, Healthpeak proactively aligned disclosure in its ESG report with the TCFD and SASB frameworks, in addition to the GRI framework and UN SDGs it had already adopted. Similarly, Healthpeak participates in numerous ESG reporting surveys, such as CDP, GRESB, and the S&P Global Corporate Sustainability Assessment, and regularly reviews data from reporting services such as MSCI, Sustainalytics, and ISS, based on feedback that these surveys are meaningful to key stakeholders. To underscore the company's commitment to accountability and rigorous disclosure standards, Healthpeak's annual ESG report is reviewed by an independent third-party assurer.

With a focus on comprehensive disclosure, Healthpeak enhanced its leading ESG reporting efforts to highlight social and governance initiatives, in addition to its climate and environmental programs. For instance, in 2020, Healthpeak added disclosure on the company's culture and diversity objectives, and has reported workforce diversity and pay equity data for several years. Similarly, the company broadened the governance disclosure in its most recent ESG report to include ESG-related risks and opportunities, as well as Board and management oversight of ESG matters.

Over the past decade, Healthpeak has been recognized as an industry leader in ESG reporting, receiving Nareit's Leader in the Light award and GRESB's Green Star rating nine times, and being named to CDP's Leadership Band and Dow Jones Sustainability Index for eight consecutive years and the 100 Best Corporate Citizens list for three consecutive years. Healthpeak also expanded participation in ESG reporting initiatives to include social- and governance-focused surveys, leading to numerous recognitions:

- Named to Bloomberg Gender-Equality Index (2019-2020)
- Nominee, *IR Magazine's* Best Proxy Statement for a Large Cap Company (2020)—recognizing Healthpeak's robust and transparent governance and executive compensation disclosure
- Winner, Nareit's Diversity and Inclusion Recognition Award (2019, Silver)
- Winner, Ethical Boardroom's Best Corporate Governance Award for North American REITs (2019)



“We are committed to ESG reporting initiatives that align with stakeholder interests. By highlighting our robust ESG efforts through our reporting and disclosure practices, we also help advance meaningful transparency and accountability for these critical issues.”

Tom Klaritch, Executive Vice President, Chief Operating Officer, and Chair of the ESG Committee

The Cove, San Francisco, CA (LEED Certified Gold)

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 healthcare asset classes of Life Science, Medical Office, and CCRCs.

Managing and Maintaining Operations by Preserving and Protecting Assets

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

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1 Hotel South Beach

In 2020, Host Hotels & Resorts, Inc. (Host) introduced a refreshed corporate responsibility strategy centered around the concept of responsible investment—an overarching strategy that guides the company’s focus and actions across its three main themes Environmental Stewardship, Social Responsibility, and Governance—and spans the organization’s stakeholders, including its people, hotels, communities, and investors.

When the pandemic swiftly and drastically impacted the hospitality industry, Host initiated an asset preservation strategy, working closely with brands and asset managers in the development of no/low occupancy best practices and guidelines to protect physical assets and critical building systems. Components of this strategy included:

- **Ensuring maintenance contracts were up-to-date and maintained** in order to withstand periods of suspended operations and reduced staffing.
- **Establishing low occupancy checklists and surveys to ensure building maintenance** despite low occupancy—consisting

of monitoring hotel rooms, mitigating mold or moisture events and preventing critical equipment breakdowns from lack of use.

- **Increasing engagement between hotel managers and Host’s asset management and engineering teams to help with adapting these building management practices** in light of changes in occupancy and health and safety measures—encouraging widespread adoption of new standard operating procedures, testing of cleaning chemicals and the execution of more frequent asset reviews.
- **Leveraging technology across the Host portfolio to centralize cost savings and energy efficiency actions, and optimize the guest experience** (such as in-room energy management systems, mobile key and contactless check-in). Host is currently piloting a building analytics platform integrated with building management systems and guest rooms to further expand its capabilities to monitor all critical systems within its properties and drive more efficiencies.

Beyond Host’s focus on asset protection, the company ensured that employees were safe, supported, and connected during and after the transition to remote working. Host offered increased flexibility and expanded benefits to support its employees throughout the pandemic, as well as educational sessions, information, and resources focused on mental, financial, and physical well-being.

Host has also remained steadfast in its commitment to supporting its local communities, including the communities in which its hotels

are located. In support of the COVID-19 relief efforts, Host partnered with Feeding America, Direct Relief, World Central Kitchen, Food Banks Canada, and Gerando Falcoes in Brazil to provide critical financial support to affected communities in all of the company’s key markets—with a focus on hunger relief, medical supplies for frontline workers, and industry recovery efforts, including support of hotel employees and supply chain.

“Our commitment to sustainability has remained constant despite the pandemic—and in fact, it’s come further into the forefront of our business strategy to ensure long-term resilience and asset protection across our portfolio. We have increased our collaboration and engagement with investors through these operationally challenging times due to our proactive strategies to leverage ESG as a catalyst for the future.”

Michael Chang, Vice President of Energy and Sustainability

Host Hotels & Resorts, Inc. is an S&P 500 company and is the largest lodging real estate investment trust and one of the largest owners of luxury and upper-upscale hotels.

Engaging in Research-Driven Supply Chain Optimization Initiatives to Improve ESG Performance and Reduce Embodied Carbon

KILROY REALTY CORPORATION (NYSE: KRC)

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Kilroy Realty Corporation (KRC) recognizes that much of its environmental footprint lies in its supply chain—spanning the breadth of the services and products the organization procures to construct and operate its buildings, as well as the services and products that those suppliers in turn procure.

KRC's efforts to better understand, and then address, the sustainability of its supply chain began in 2018, when the organization performed an analysis to identify Critical Tier 1 Suppliers, those suppliers with whom KRC has a direct financial relationship where a disruption would immediately impact day-to-day operations.

In 2019, KRC launched its first Supplier Excellence Survey for these Critical Tier 1 suppliers, inquiring about environmental sustainability, corporate responsibility, quality management, procurement processes, and other key ESG impacts. Suppliers then received a personalized report of their results—as well as suggested improvement areas to influence environmental and social outcomes across the supply chain in the future.

In 2020, KRC built on the strong foundation established from past supply chain work to:

- Innovate and evolve its Supplier Excellence Survey to capture more ESG data points and supplier improvement areas.

- Extend the Supplier Excellence Survey to Critical Tier 1 suppliers that support its development efforts.
- Launch supplier training resources around embodied carbon and how to reduce a building's carbon footprint by leveraging the Embodied Carbon in Construction Calculator (EC3) tool.
- Update RFP language to reinforce supplier ESG excellence as a prerequisite for becoming a part of KRC's supply chain.

KRC's supply chain work has proven to not only improve its environmental footprint, but also serve as an invaluable risk management exercise by deepening the organization's understanding of the suppliers it does business with.

Beyond continuing its supply chain engagement and improvement efforts, KRC has the goal of reducing the embodied carbon of its construction materials 30% by 2030, and 50% by 2050.

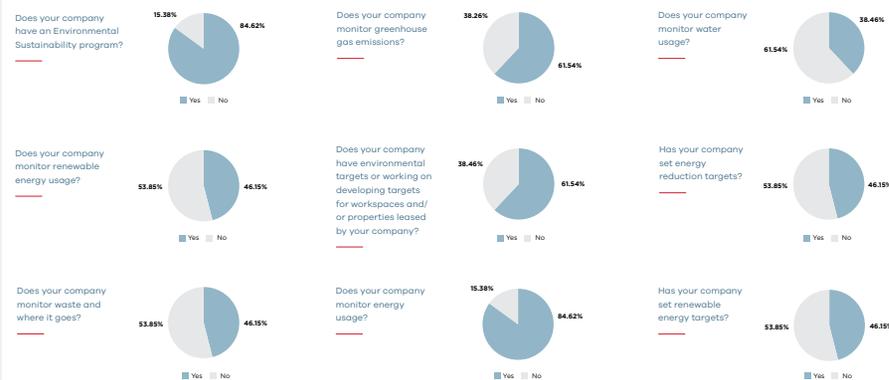
“Achieving carbon neutral operations in 2020 was a big milestone but our work does not stop there. We believe a company’s ESG impacts go beyond the actions of tenants and employees and into its supply chain, which we will continue to invest our efforts. We believe this output should move the needle tangibly in improving our sustainability performance across all operations.”

Michelle Ngo, Chief Financial Officer and Treasurer

2020 SUPPLIER EXCELLENCE SURVEY RESULTS



Environmental Sustainability



Development Supplier Excellence Survey (2020)

Kilroy Realty owns, develops, acquires, and manages real estate assets primarily in the coastal regions of Los Angeles, San Diego, the San Francisco Bay Area, and greater Seattle.

Fortifying Board Sustainability Commitments through Certification and Executive Accountability

PHYSICIANS REALTY TRUST (NYSE: DOC)

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Northside Medical Midtown in Atlanta, GA



Baylor Scott and White Charles A. Sammons Cancer Center in Dallas, TX

“Sustainability is an integral part of our business. From our committed board to our dedicated leadership and throughout our organization, every department and every team member shares our commitment to ensuring ESG principles inform our decision-making and guide our growth as a company. This commitment to ESG is engrained in our culture, visible in our goals and performance metrics, and a hallmark of our success as a health care REIT.”

Ryan Yetzer, Senior Manager—Construction and Sustainability

Physicians Realty Trust’s (DOC) ESG program aligns with the company’s mission “to help medical providers, developers, and shareholders realize better health care, better communities, and better returns.”

The organization takes a practical approach to environmental stewardship in which being “green” through capital initiatives equates to a “green” cash return via cost savings over time—a strategy that is reinforced through ambitious goal setting, rigorous board oversight, and executive accountability.

As part of its ESG strategy, DOC chose to pursue IREM Certified Sustainable Property (CSP) certifications and use enrollment in IREM’s Volume Program as a mechanism to establish policies

and programs that apply to all properties and ultimately improve overall portfolio performance.

The IREM certification process includes a defined scorecard of specific requirements properties are required to meet, spanning energy usage, waste management, water management, recycling, health, and other key criteria.

In 2019, eight DOC properties received IREM certification. To show the organization’s commitment to scale this program and improve

sustainable practices across DOC’s entire portfolio, it established an ambitious and transparent goal to achieve 30 new property certifications over the next three years—and tied this goal directly to executive compensation.

Beyond the certification process, DOC was able to cross-reference its utility data with properties under green leases in 2020. This process allowed the organization to identify its highest energy users and target energy savings opportunities, such as lighting retrofits. It also enabled DOC to bill the project costs back to its tenants for a long-term return on investment. This creative approach allowed DOC to maximize its energy reductions while driving mutually beneficial cost savings for DOC and tenants without significantly affecting its capital budget.

DOC perceives its alignment to the IREM certification guidelines—combined with other energy management practices—to be a “win-win” for its properties and stakeholders, providing brighter, cleaner, and healthier environments for patient care.

Physicians Realty Trust (DOC) is a publicly-traded real estate investment trust focused on medical office buildings (MOBs), including outpatient facilities, surgery centers, and cancer centers.

Expanding DEI Through Governance and Employee Engagement to Work Towards Change

VENTAS, INC. (NYSE: VTR)

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Diversity, equity, and inclusion (DEI) are longstanding elements of Ventas, Inc's (Ventas) ESG principles. Following the national awakening to racial inequities across society this past year, the company has been quick to react; initially by denouncing racism and reaffirming its commitment to DEI through an open letter to employees, and through a series of active steps to educate and engage employees more deeply on these critical topics.



“Executive sponsorship, combined with a clear strategy, concrete actions, and a focus on employee training and engagement are critical to improving diversity, equity, and inclusion at Ventas.”

Kelly Meissner, Director of Sustainability

Employee education, engagement, and communication lie at the foundation of the company's DEI efforts, and in 2020, Ventas took this to heart with a fun and unique competition. Employee teams, each convened by an executive vice president, collaborated virtually to research a social justice focused non-profit organization. Each team created a dynamic video presentation for an all-company viewing event where employees had the opportunity to vote for their favorite organization to receive a donation from the Ventas Charitable Foundation. Combined, donations to the competition's top three causes totaled \$50,000, but the real "winners" were the company's employees who learned about these organizations and the important issues they address through a hybrid philanthropic, educational, and team building exercise.

With a longer-term view to drive lasting change and advance DEI throughout the company, the industry, and beyond, Ventas is developing a multidimensional DEI framework that outlines actions the company will take in the areas of people, company culture, investment and financial activities, community engagement, and in celebrating its DEI commitments.

This framework is supported by the organization's DEI oversight structure which is led by the Chairman and CEO who oversees an interdisciplinary employee committee charged with operationalizing the framework and taking intentional actions to drive tangible change. Elements of the framework that are already in progress include:

- **Business Operations:** Reimagined hiring and procurement practices to embed diversity and inclusion into standard business operations, and therefore increase the diversity of Ventas' talent and vendor network.
- **Training:** A robust unconscious bias training program supported by an external DEI specialist conducting a series of in-person and virtual training and development workshops, which started in 2020.
- **Community:** A focused effort to expand employee resource groups (ERG), including dedicated forums for Women, Diversity, and Young Professionals. Supported by an executive level sponsor, these groups bring employees together in a collaborative and engaging environment that supports professional development, career management, cross-departmental collaboration, and mentoring.
- **Partnership:** A four-year commitment to the Real Estate Executive Council's (REEC) Diversity Initiative to help build inclusive cultures, establish supportive organizational structures, facilitate equitable pay, and find and retain diverse talent at all levels.

In combination, these DEI initiatives are building a collective awareness of, training around, and commitment to creating a diverse and inclusive work environment that is rooted in employee engagement.

Ventas, Inc. is a real estate investment trust specializing in the ownership and management of health care facilities in the United States, Canada, and the United Kingdom.

Expanding DEI Programming to Empower and Equip Employees to Thrive in the Workplace

AVALONBAY COMMUNITIES, INC. (NYSE: AVB)

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In addition to serving as a cross-functional, organization-wide priority, AvalonBay Communities Inc.'s (AvalonBay) DEI strategy spans four levels—from building DEI awareness for individuals, to creating a welcoming environment and inclusive corporate culture, to ensuring company and leadership accountability, and then, ultimately, contributing to DEI initiatives outside of AvalonBay and in the broader community.

Combined, these efforts intend to help the organization become more inclusive and equitable, achieve gender parity in leadership, and increase minority representation across the business.

Prior to the summer of 2020, AvalonBay established an Inclusion & Diversity Council, Steering Committee, strategy, and vision. The Black Lives Matter protests prompted additional focus on the organization's strategy, serving as a catalyst for the launch or expansion of a number of key DEI initiatives, including:

- **Expansion and elevation of DEI priorities across the business**—formalizing and integrating DEI activities alongside Corporate Responsibility, Strategy, and Human Resources functions, and joining CEO Action for Diversity & Inclusion and Nareit's DDEI CEO Council.
- **Launch of Associate Resource Groups** such as the Black Associate Coalition, Latinx Employees of AvalonBay for Diversity, Associate Rainbow Coalition, and Parents and Caregivers of AvalonBay—as well as the expansion of the pre-existing Women's Leadership Network.

- **Development of Empower Hours**, monthly sharing and listening sessions providing employees a virtual space for dynamic discussion about the changing and challenging world around them.
- **Creation of strategic partnerships in the DEI space**, including a multi-year national partnership with the National Urban League and alignment with other local philanthropic partners to support racial equity and justice.

These DEI programs and activities, designed to empower employees to bring their “whole self” to work, helped AvalonBay provide ongoing support to its associates, while also informing the goal-setting process for the organization's 2025 DEI commitments to increase the diversity of its leadership team (defined as officers and director-level associates and above), specifically to:

- Increase the representation of women in leadership from the current level of 35% to a level at parity with the overall presence of women in the relevant workforce (currently 41%) by 2025.
- Increase under-represented minorities in leadership from the current level of 15% to 20% by 2025 and to 25% by 2030.



“We are focused on empowering our employees to embrace their humanity and bring their full selves to work. Amidst a difficult year, employees needed us to have a voice and support them in ways that we had not in the past—and AvalonBay was determined to rise to that challenge.”

Christine McElhinney, Director—Corporate Responsibility, Inclusion & Diversity



Inclusion & Diversity Council



AvalonBay Communities, Inc. (AvalonBay) is an equity REIT in the business of developing, redeveloping, acquiring, and managing multi-family communities primarily in New England, the New York/New Jersey metro area, the Mid-Atlantic, the Pacific Northwest, and Northern and Southern California.

Reinforcing Community Commitments through Employee-Driven COVID-19 Relief Efforts

BRANDYWINE REALTY TRUST (NYSE: BDN)

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Community is a core pillar of Brandywine Realty Trust's (Brandywine) sustainability approach that is reinforced across the company, from its over \$16.4 million Neighborhood Engagement Initiative in Philadelphia, to a persistent organizational culture that emphasizes service and advocacy.

This emphasis on community, Ronald J. Becker, Senior Vice President of Operations and Sustainability explained, seems to "start from the top," stemming from the visionary leadership of President and CEO, Gerard H. Sweeney.

For example, Sweeney established weekly employee town halls at the onset of the pandemic focused on "Family, Faith, Focus, and Forward." The "Forward" element proved particularly important to employees, as frequent conversations emerged regarding "what we can do to support our community, and how."

"We believe in investing in our communities to maximize our impact and collective well-being. The events of 2020 brought this need for community even further to the forefront, and we are proud to say our employees found new and creative ways to come together to support the people we serve."

Ronald J. Becker, Senior Vice President of Operations and Sustainability

Fueled by corporate responsibility and inspired by this ongoing, transparent pandemic support dialogue, Brandywine's leaders got to work to keep the doors open and lights on at every property, and to allocate resources to the most at-risk members of the community.

Following the example of their senior leaders, Brandywine employees also banded together over the course of the pandemic to:

- Print and distribute 3-D face masks to community members.
- Contribute to an employee fund to work with its retail tenants to help provide meals to local Philadelphians.
- Establish the #BDNSTRONG initiative, marked by the launch of a GoFundMe account intended to support third party vendors within the Brandywine family.

Brandywine not only matched funds raised through the employees' GoFundMe initiative (over \$100,000), but also augmented the existing Grow Philadelphia fund with an additional \$350,000 to the *Grow Philadelphia Small Business COVID-19 Resilience Fund* in

partnership with the Enterprise Center, a local nonprofit lender. Additionally, Brandywine partnered with the African American Chamber of Commerce in Philadelphia to provide \$200,000 in low interest loans to chamber members impacted by the pandemic and continued social unrest. The Brandywine Meals program continued from May through the end of the year, ultimately providing over 36,000 meals to local Philadelphians in need.

As recovery efforts persist well into 2021, Becker reiterated Brandywine's continued prioritization of community service and engagement as central to its business strategy, to ensure "its tenants, employees, and community are healthy and thriving."



Brandywine's COVID-19 relief efforts supported essential workers, local residents, small businesses, and more.



Drexel Square Job Fair

Brandywine Realty Trust is one of the largest, publicly traded, full-service, integrated real estate companies in the United States, with a core focus in the Philadelphia, PA, Washington, D.C., and Austin, TX markets.

Empowering Employees to Maximize their Health, Connectivity, Growth, and Engagement

BRIXMOR PROPERTY GROUP, INC. (NYSE: BRX)

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At the onset of the coronavirus pandemic, Brixmor Property Group (Brixmor) developed and continually evolved its action plan to ensure employees were not only safe—but equipped to thrive in the “new normal” of work.

To ensure continuity with existing benefits as well as expand programs and resources for the current moment, Brixmor implemented the following initiatives, among others:

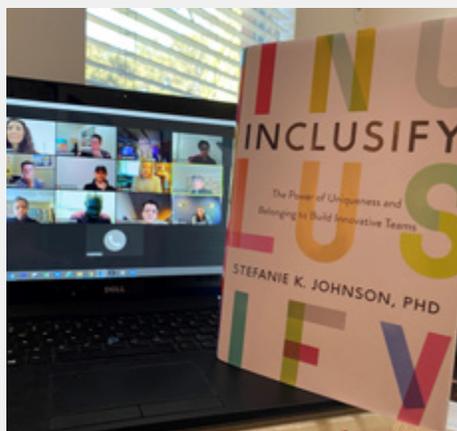
- **Transitioning all-staff meetings to a virtual format to maximize ongoing connectivity**, with over 20 virtual forums in 10 months hosted by the CEO with timely and dynamic discussions—highly attended by an average of 88% of employees nationwide.
- **Mobilizing staff to support the property management team**, asking employees across different departments to volunteer to regularly visit properties near their homes to limit non-local travel, while also ensuring properties were well-maintained and tenants were appropriately supported.
- **Responding to social justice movements** by initiating a Diversity & Inclusion Leadership Council, inviting diversity experts to engage in dialogue with employees, matching employee donations to social good organizations, and hosting book clubs to encourage team connections and dialogue.
- **Providing mental health support** by expanding benefits to provide no-copay counseling sessions and free access to meditation services.

- **Instituting a company-wide Day of Service**, closing the office for a day to allow employees to volunteer virtually or in their communities—with a focus on addressing food insecurity in the communities Brixmor serves by orchestrating food drives at properties.
- **Surveying employees to gain a deeper understanding of satisfaction and engagement across levels, positions, and demographics.** The organization saw a 10% improvement from prior surveys regarding Brixmor’s culture of “taking action when people see opportunities or problems,” and found that 99% of employees “feel proud” to work at Brixmor. The survey, completed by 97% of employees, indicated that despite the work-from-home shift, employee satisfaction and engagement was at an all-time high.

Brixmor is confident this focus on employee engagement will continue to improve its workplace, and business success, in the years ahead.

“Great real estate matters, but great people matter even more. That is not only Brixmor’s first Cultural Tenet, but how our approach to COVID-19 employee support truly manifested itself. We have taken actions to ensure our stakeholders, communities, properties, and culture are equipped to thrive in the face of adversity—all while remaining true to our strategic imperatives of helping employees remain connected, feel engaged, grow personally and professionally, and stay healthy.”

Carolyn Carter Singh, Executive Vice President and Chief Talent Officer



A Diversity & Inclusion Leadership Council was initiated to set goals and take meaningful action that enhances inclusivity.



86% of employees volunteered for the company’s first Day of Service, including food drives.



Employee surveys helped inform the company’s evolving action plan to support the team in the way they needed.

Brixmor owns and operates nearly 400 retail centers across the country—centers where retailers and communities connect and thrive.

Championing DEI through Employee and Community Investments

BROOKFIELD PROPERTIES (NYSE: BPY)

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Brookfield Properties has a deep commitment to DEI centered around fostering an inclusive and transparent culture with stakeholders—including communities, retailers, employees, consumers, and shareholders.

The organization's DEI approach celebrates collaboration while striving to embed diverse talent and equal representation at all levels, with a focus on creating an Inclusive Culture, Diverse Teams, and Diverse Talent Brand.

Throughout 2020, Brookfield Properties reinforced its DEI commitments through investments in its people and communities—starting with the strategic hire of a Director of Diversity and Inclusion to champion DEI internally, and expanding thereafter to include:

- Enhanced DEI resources for employees.
- Refreshed new employee orientation to incorporate a stronger DEI lens.
- Fielding of a company-wide DEI survey.
- Creation of inclusive employee collaboration spaces, including a DEI Employee Advisory Group and Employee Resource Groups (such as a Pride Network, Military Families Group, and Women's Advisory Group) focused on employee support and allyship.

Brookfield Properties' commitment to DEI is further showcased through its community programming, including:

- *Partner to Empower*, a program launched in May 2021 designed to ensure the diversity of Brookfield Properties' shopping centers reflect the local communities they serve, as well as support Black- and minority-owned businesses to increase their presence in Brookfield Properties' retail centers.
- *Accelerate*, a rotational internship program with the City Colleges of Chicago focused on building a diverse pipeline of talent and introducing students from underserved populations to retail real estate.

Brookfield Properties is poised to deepen its focus on DEI by growing and expanding these programs and initiatives in the years ahead.

Shared Senior Vice President of Human Resources, Kathy Rugebregt, *"These internal initiatives created momentum across the company, transitioning diversity and inclusion into a frequent conversation across the organization with strong—and growing—employee engagement and participation."*

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



Diversity & Inclusion at Brookfield Properties

Taking a Structured Approach by Elevating Employee Voices to Strengthen Inclusion

EQUITY RESIDENTIAL (NYSE: EQR)

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Equity Residential is dedicated to being at the forefront of diversity and inclusion in the REIT industry, having transformed its workforce composition from 46% to 60% people of color in under a decade. During this time, Equity Residential has redefined its approach to diversity by expanding its strategy and focus to encompass inclusion. As Equity Residential continues to align its diversity and inclusion efforts with its purpose—creating communities where people thrive—it is cultivating a workplace of belonging that provides a continuous safe space for its employees to more easily share their stories, voices, and ideas.

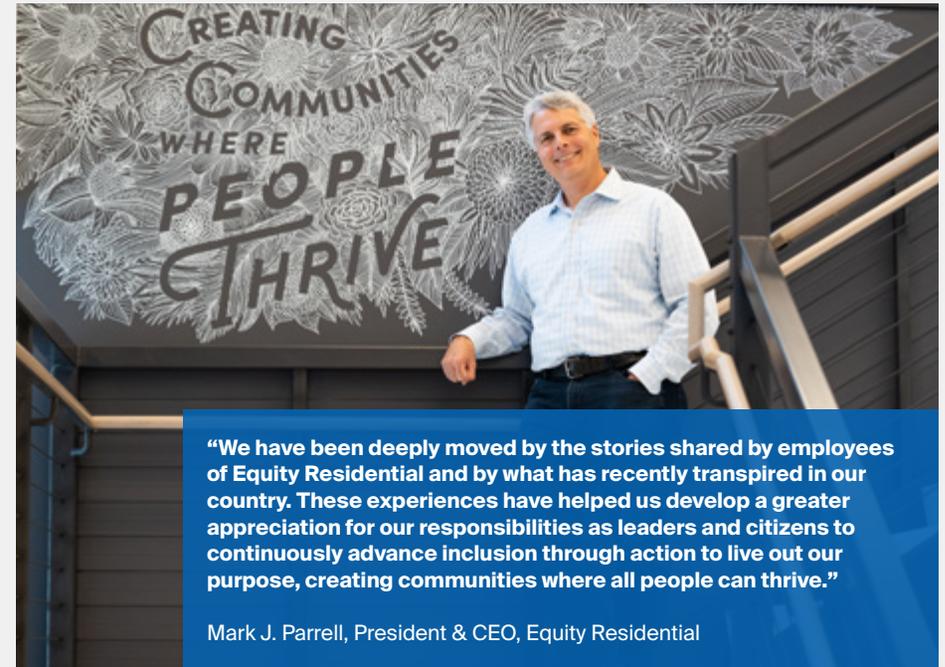
Across 2020, Equity Residential launched a strategic campaign designed to provide safe spaces for its employees to have authentic conversations with executive and senior leadership. The carefully structured dialogues yielded tangible inclusion-focused actions and outcomes for the organization.

This initiative included the following key activities:

- Conducting 14 company-wide listening sessions led by Equity Residential's Executive Leadership Team to provide a safe space and forum for colleagues to share their experiences and elevate their voices to

help the organization better appreciate the impact social unrest is having on the professional and personal lives of its employees.

- **Creating a Task Force composed of five Sub-Teams and Advisory Groups** totaling more than eighty employees to continue the dialogue and identify strategic opportunities—around areas of *Aligning Behaviors with Company Values, Cultural Awareness Training and Development, Promotions, Community Engagement, and Employee Engagement*.
- **Researching priority topics to understand current needs** on the 14 strategic recommendations identified by the Task Force Sub-Teams to cultivate inclusion and a consistent approach to inclusive change management at Equity Residential.
- **Funneling leadership-approved recommendations** to department leaders to operationalize, while re-branding the Task Force to become its Diversity & Inclusion Committee charged with monitoring the progress of all Task Force recommendations, helping to advance diversity and



“We have been deeply moved by the stories shared by employees of Equity Residential and by what has recently transpired in our country. These experiences have helped us develop a greater appreciation for our responsibilities as leaders and citizens to continuously advance inclusion through action to live out our purpose, creating communities where all people can thrive.”

Mark J. Parrell, President & CEO, Equity Residential

inclusion practices and serving as a top level advisor to the CEO on all matters relating to diversity and inclusion.

- **Updating lease agreements for residents** to include language that specifically calls out intolerance of racist conduct towards their employees, fellow residents, and guests within Equity Residential's communities. Going forward, lease violations can be issued for the prohibited behavior.
- **Launching an online DEI microlearning resource** for people managers to help them develop cultural awareness and inclusive leadership skills.

Equity Residential quickly saw the benefit of this widespread staff engagement. Employees have expressed gratitude to the organization for creating spaces to come together and have difficult, uncomfortable conversations around race which led to identifying strategic opportunities to elevate as they continue their DEI journey.

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



Institutionalizing DEI Commitments through Robust Management and Concrete Actions

ESSEX PROPERTY TRUST, INC. (NYSE: ESS)

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Essex Property Trust's (Essex) DEI strategy is designed to encourage diversity by promoting a broad range of perspectives, ideas, and experiences and fostering an inclusive environment across the organization where all employees feel a sense of belonging and trust.

In recent years, Essex has formalized and institutionalized its commitments to DEI with enhanced governance structures and concrete actions designed to:

- Ensure robust DEI oversight through a Diversity & Inclusion Committee, with sub-teams focused on strategy, administration, and action to champion and catalyze commitments, and a committee chairperson reporting progress directly to the CEO for enhanced accountability
- Improve workforce diversity demographics, in terms of gender and ethnicity, in each position category, including the Board of Directors
- Maintain a 0% gender pay gap across the organization
- Amplify employee voices through employee-led affinity groups and DEI listening sessions, which were further bolstered amidst the pandemic through widely attended virtual events and the implementation of expanded digital connection capabilities
- Engage in public reporting on DEI performance metrics, leading to greater transparency with its stakeholders
- Implement a DEI education program, including unconscious bias training that engages 100% of Essex's workforce and includes concepts applicable to both the workplace and associates' personal lives



“The ‘S’ in ESG is gaining more and more relevance given the historic issues of this past year. At Essex, we have always believed that the diversity of our people is the foundation of our success. We want to be the right place to work, to attract the right personnel, to achieve the right vision—and to do that requires a diverse and inclusive workforce. We are not just committing to DEI, we are institutionalizing it.”

Patrick Gonzalez, Senior Manager of ESG and Sustainability

Essex is viewed as a leader in diversity and inclusion across the REIT industry, being named a 2020 Women on the Board's “W” Winning Company in honor of its commitment to board diversity, as well as presented with the Bronze Award at Nareit's 2020 D&I Recognition Awards. Reinforcing the organization's people-first leadership mentality, Essex's President and CEO, Michael Schall, was named a top-ten CEO in a global survey by Glassdoor for his exemplary leadership during the COVID-19 pandemic.

Essex is a fully integrated REIT that acquires, develops, redevelops, and manages multifamily apartment communities located in supply-constrained markets.

Diversity, equity, and inclusion are ingrained in Essex's culture and incorporated in its core values of “Seek Fairness” and “Act With Integrity.”

Promoting Health and Safety through Rest Assured™

HERSHA HOSPITALITY TRUST (NYSE: HT)

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To instill stakeholder trust and confidence regarding building safety in the pandemic era, Hersha Hospitality Trust (Hersha) launched Rest Assured™—a proprietary program focused on the well-being and safety of guests and associates through advanced, science-based cleaning practices complemented by innovative service offerings and technologies.

The program, one of the first institutional health and safety protocols launched by a REIT in response to the pandemic, focuses on **employee training, guest experiences,** and **cleaning protocols** as part of Hersha’s overall sustainability platform, EarthView.®

First, the organization was determined to assuage employee concerns about returning to work by instilling confidence in property policies and procedures. Hersha created seven unique employee training modules regarding COVID-19 workplace leading practices, customized by position and level, and supplemented with videos, implementation guides, and standard operating procedures. Once completing the Rest Assured training program, employees are encouraged to wear a pin that visibly recognizes and rewards their commitment to health and safety.

Hersha also surveyed guests as a key input for the creation of the Rest Assured program, with the aim of capturing what was most important to them when returning to travel. The survey underscored the importance of physical

distancing for nearly 90% of guests, resulting in the implementation of front desk plexiglass shields, plentiful signage around common areas, and incorporation of QR codes and other contactless forms of ordering and payment.

Hersha also provides a Rest Assured wellness kit to guests at select hotels to ensure all building occupants have access to necessary PPE, while simultaneously offering a personal touch reminding guests that their safety is the organization’s top priority.

Finally, these guest and employee activities occur in parallel to rigorous, CDC-aligned cleaning efforts.

Since implementing the Rest Assured program, survey results indicate that 91% of guests surveyed feel confident staying with Hersha due to its commitment to safety. Through this program, Hersha is also expanding to a new market of health-conscious guests—including professional sports franchises—whose requirements for heightened building safety are reflected and reinforced through Rest Assured.



“While the idea of ‘building back better’ feels cliché, it is also true. The events of this year helped to establish building blocks that will help inform and improve upon our approach to ESG in the future. From applying new insights regarding energy efficiency to continually expanding our health and wellness initiatives, advancing ESG policies and practices has emerged as central to both our COVID-19 recovery efforts and Hersha’s long-term strategic planning.”

Matthew Lobach, Director of Sustainability



Rest Assured program at The Rittenhouse Hotel, Philadelphia, PA

Hersha Hospitality Trust is a self-advised real estate investment trust in the hospitality sector, which owns and operates high-quality hotels in urban gateway markets and regional resort destinations.

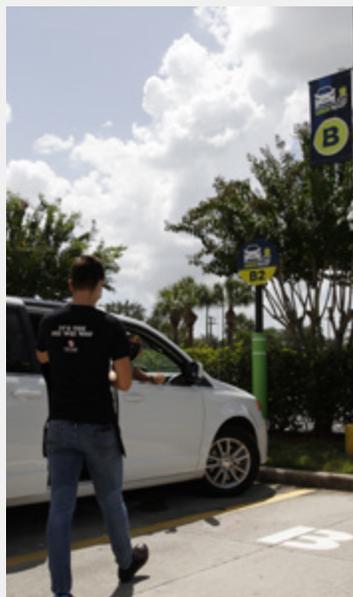
Expanding Engagement and Support Services to Meet Stakeholder Needs

KIMCO REALTY CORPORATION (NYSE: KIM)

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Kimco Curbside Pickup



“This was the year when ESG got real. Between COVID-19 and the social justice movement fueled by Black Lives Matter, it has never been more evident how important ESG, DEI, and stakeholder engagement topics are to business.”

Will Teichman, Vice President of Business Operations

Kimco Realty Corporation (Kimco) is committed to the health and safety of its tenants, associates, vendors, shoppers, and the community members in the areas its centers serve.

Recognizing the significant impact of the coronavirus pandemic on each of these stakeholder groups, the organization launched a multi-faceted COVID-19 support program, encompassing a number of key initiatives including the following:

- **Development of a Tenant Assistance Program** that offered free-of-charge Federal Paycheck Protection Program (PPP) application assistance, resulting in over \$20M in loans extended and over 600 Kimco tenants served.

- **Expedited approval processes for restaurant tenants** seeking to expand outdoor dining options, helping businesses stay open while pivoting to meet evolving health and safety requirements.
- **Rapidly deployed Curbside Pickup™ infrastructure across over 300 properties**, designed to help businesses adapt to new shopping habits while also allowing customers to safely ease back into a daily shopping routine.

- **Leveraged national partnership with SCORE**, providing tenants and vendors exclusive access to webinars and mentoring opportunities with small business coaches.
- **Enhanced community support services**, including the repurposing of properties to serve as drive-thru testing centers, blood drive locations, or meal delivery sites.

This focus on stakeholder engagement is one of the pillars in Kimco's ESG program, along with embracing the future of retail, engaging tenants and communities, leading in operations and resiliency, and fostering an engaged, inclusive, and ethical team. As it relates to deepening employee relationships, in 2020 Kimco received re-certification as a “Best

Place to Work,” while also achieving its highest employee satisfaction level in over five years.

In the coming year, Kimco—with the highest levels of support in the company and its dedicated ESG governance bodies—intends to finalize additional goals that underscore the importance of the “S” of ESG to the organization's long-term strategy, including bold targets around tenant and community engagement and satisfaction.

Kimco Realty Corporation is a real estate investment trust headquartered in Jericho, N.Y. that is one of North America's largest publicly traded owners and operators of open-air, grocery-anchored shopping centers and mixed-used assets.

Developing the Next Generation of Logistics Talent

PROLOGIS, INC. (NYSE: PLD)

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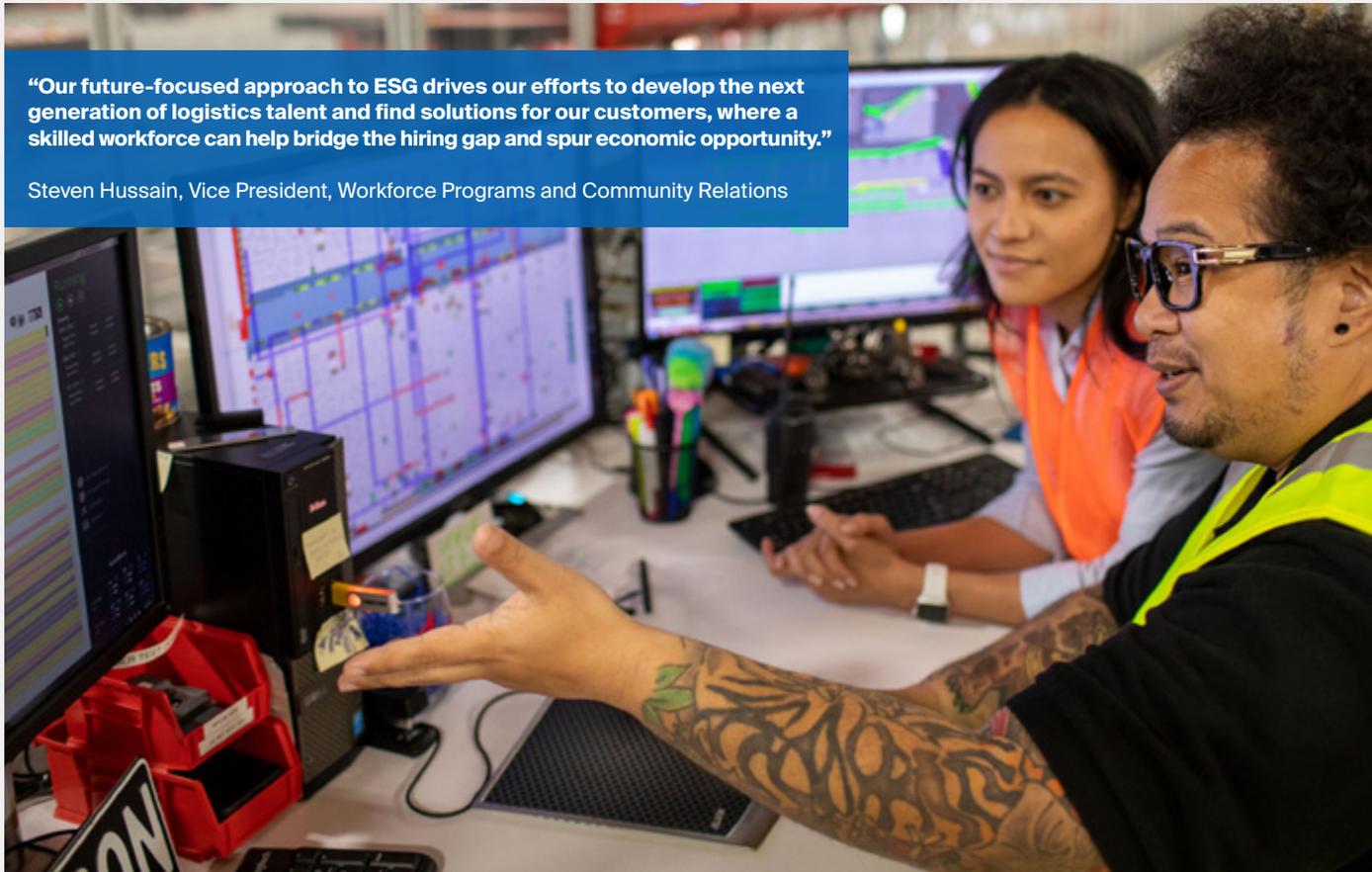
ESG is integrated into every level of Prologis, Inc.'s (Prologis) business, and it continually looks for ways to engage with customers to deliver best-in-class solutions that meet sustainability goals and create value.

The Prologis Community Workforce Initiative (CWI) exemplifies this common purpose of driving positive business and ESG outcomes for the company's key stakeholders. Launched in 2018, CWI was founded to help Prologis' customers build a talent pipeline in logistics, while revitalizing career pathways and creating economic opportunity in the communities

where it operates. The company has partnered with JFF, a national nonprofit that drives transformation in the American workforce and education systems, to develop a digital learning and development program that addresses basic workforce skills, lean principles, and logistics-specific training in areas such as workplace safety and forklift operation.

"Our future-focused approach to ESG drives our efforts to develop the next generation of logistics talent and find solutions for our customers, where a skilled workforce can help bridge the hiring gap and spur economic opportunity."

Steven Hussain, Vice President, Workforce Programs and Community Relations



Warehouse operations, Prologis Park Torrance, Torrance, California

As part of this effort, Prologis has also partnered with community-based organizations, community colleges, and workforce development boards to engage jobseekers through these online training resources, connect them with local employment opportunities, and provide additional career guidance and support services. These partnerships are now active in 10 markets around the world, including the United Kingdom.

In the three years since its founding, CWI has trained hundreds for logistics roles and is well on its goal of training 25,000 by 2025. It recently announced, with the Association for Supply Chain Management, a new certificate program that will serve as a standard for core skills in logistics and builds on the online, self-paced curriculum that Prologis developed. After successfully passing an exam, students will receive completion certificates, digital badges, and credentials for their resumes.

Prologis, Inc. is a multinational logistics REIT with a portfolio consisting of approximately 990 million square feet in 19 countries and headquartered in San Francisco, California.

Embracing a Role as Community Ambassador

WASHINGTON PRIME GROUP (NYSE: WPG)

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In a year that halted so much of everyday life, Washington Prime Group (WPG) town centers across the country met 2020 with resilience, persistence, and compassion for guests, communities, and partners—launching leading initiatives designed to support small businesses and community organizations.

WPG town centers across the U.S. hosted more than 1,000 goodwill efforts as part of WPG Cares, an initiative where local management teams embrace their roles as community ambassadors and work with local organizations to transform town centers into spaces for social good. When stay at home orders shut down many town centers, WPG found ways to remain an integral part of the community, such as hosting blood drives, distributing meals for students unable to attend school, providing a drop-off location for personal PPE, setting up COVID-19 testing sites, and even hosting a socially distant high school commencement ceremony.

Upon safely reopening WPG town centers in late summer, WPG Cares continued to help with community goodwill efforts including serving as a suitable location for voter registration, hosting socially distanced outdoor community events, offering free drive-in movies and music concerts in parking lots, providing complimentary meals to local heroes including hospital workers, and providing drive-thru sites for the community to donate and distribute food, clothing, and personal items for individuals and families in need.

In early 2021, WPG town centers are serving as COVID-19 vaccination sites, including a formerly

vacant 80,000 square foot anchor space that is now home to a vaccination megahub at Morgantown Mall, in Morgantown, West Virginia. The megahub, established by WVU Medicine, is the first of its kind in the state and serves to vaccinate as many people as possible in North Central West Virginia.

In these instances and countless others, local management teams recognized a need in their community and felt empowered to deliver when it was needed most. WPG plans to continue its WPG Cares initiative well beyond the pandemic.

“At Washington Prime Group, we believe in what we can accomplish together and embrace opportunities to improve our communities, the lives of our colleagues, and the environment. Our town centers serve as gathering places within the community, which is why sustainability is an essential part of what we do every day.”

Cheryl VanPatten, Senior Vice President, Chief Information Officer, and Chair of WPG’s ESG Steering Committee



Lincolnwood Town Center hosts drive-thru graduation for Hanna Sacks Bais Yaakov High School



Mesa Mall hosts first drive-thru Candy Crawl, distributing free pumpkins from a local farm



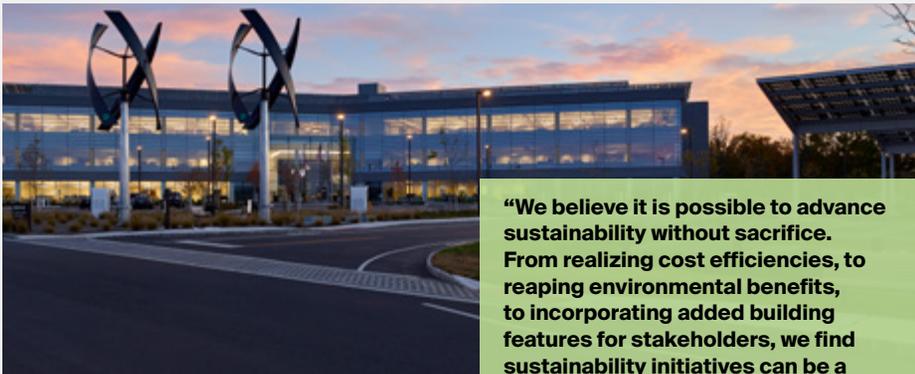
Indian Mound Mall gifts goody bags for Meals on Wheels volunteers

Washington Prime Group is a retail REIT and a recognized leader in the ownership, management, acquisition, and development of retail properties.

Aligning Emissions Reduction Targets with Climate Science to Achieve SBTi Approval

BOSTON PROPERTIES, INC. (NYSE: BXP)

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“We believe it is possible to advance sustainability without sacrifice. From realizing cost efficiencies, to reaping environmental benefits, to incorporating added building features for stakeholders, we find sustainability initiatives can be a ‘win-win’ for all parties—without requiring drastic trade-offs or behavior change. ESG is not just a theory, it is about getting things done and making good happen—and Boston Properties is so determined to show the intentionality behind our sustainability actions that we have chosen to set some of the most ambitious targets possible.”

Ben Myers, Vice President of Sustainability

Boston Properties (BXP) aspires to continuously evolve and advance its sustainability practices. As such, BXP sought to become one of only approximately 350 companies world-wide with their targets approved at the highest threshold through the Science Based Targets initiative (SBTi)—believing that aligning its emissions reduction targets with climate science would further elevate the organization’s approach to sustainability.

To complete the SBTi approval process, BXP had to align its targets to SBTi’s criteria and then present these targets to the SBTi Target Validation Team—who then classified BXP’s target ambition and determined that it is in line with a 1.5°C trajectory, currently the most ambitious available.

Through this SBTi process, BXP committed to reducing combined scope 1 and 2 GHG emissions 39% per m² by 2024 from a 2018 base year, and scope 3 GHG emissions 14% per m² by 2025 from a 2018 base year—and intends to publicly communicate and disclose its progress against these goals moving forward.

To meet these ambitious targets, BXP is looking beyond the purchase of offsets, and rather exploring opportunities to improve its materials selections and reduce embodied carbon, such as through the greater optimization of steel and concrete consumption as well as the integration of more timber into building designs. BXP is doubling down on its efforts to shift its portfolio from brown to green power, while also pursuing reductions in overall energy usage.

BXP’s commitment is physically manifested through its fall 2020 completion of a 5.2 megawatt solar photovoltaic onsite renewable energy system at Carnegie Center in Princeton, New Jersey. Developed under a power purchase agreement, the 3,000-panel system will annually avoid 4,600 metric tons of greenhouse gas emissions.

BXP’s approach to sustainable development and operations has been recognized by numerous industry groups recently, including the Company’s designation as a 2020 ENERGY STAR Partner of the Year, completion of its Fitwel Champion commitments to be named a 2020 Best in Building Health award winner, and ranking at #56 on Newsweek magazine’s 2021 list of America’s 400 Most Responsible Companies—the highest ranking given to an office REIT and the second highest ranking of any property company.

Boston Properties is the largest publicly-held developer and owner of Class A office properties in the United States, concentrated in five markets—Boston, Los Angeles, New York, San Francisco, and Washington, DC.

Carnegie Center, Princeton, NJ

Integrating and Scaling Solar Projects Across the Portfolio

DUKE REALTY CORPORATION (NYSE: DRE)

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Perth Amboy, New Jersey Community Solar Panels

Duke Realty is committed to working on environmentally responsible developments and building operations, and to making sure the company has a strong plan for a sustainable, high-performance future. Engaging in renewable energy projects, and particularly in solar projects, emerged as a right-fit approach for Duke Realty to expand across its distribution and warehouse property portfolio, due to its large, unencumbered roof spaces.

Throughout 2020, the organization made strides to improve its renewable energy strategy and increase capacity on its sites. For their solar initiatives, Duke Realty focuses on two unique project elements that align with its overall sustainability approach.

First, it **documents successful practices and processes uncovered through these projects to help scale renewable energy efforts at different sites across the portfolio.** The

organization has been developing a “playbook” of top considerations relative to negotiations and partnerships, strategies for ensuring buildings are properly equipped for solar, standard operating procedures, potential roadblocks to avoid, and other implementation tips to train its network to engage in similar projects in the future. This focus on identifying and documenting leading practices will also help Duke Realty track what projects are most successful in different markets and circumstances.



“We do not just build buildings, but rather strive to leave our communities better than we found them—which is why we encourage and support development of community solar whenever feasible. We see each project not only as adding to our collective renewable portfolio, but as an opportunity for capturing more lessons learned to continuously improve and expand our solar commitments.”

Megan Basore, Vice President of Corporate Responsibility

Secondly, Duke Realty encourages the **incorporation of community solar elements and enhancements whenever possible**, enabling a certain amount of clean energy to go back to low-income households, leasing solar space to the community and tenants, and incorporating positive environmental impacts such as the installation of drought tolerant landscaping, plants and flowers.

As an illustrative example of this approach, the organization, in partnership with Solar Landscape, recently embarked on a four-building Community Solar initiative in New Jersey. The system is 11.07 MW and will produce a combined 13,500,000 kWh in one year, or enough to power 2200 NJ households annually. To incorporate community impact into this initiative, 50% of the project will provide affordable, local solar energy for low-to-moderate income households.

Duke Realty currently has 28.198 MW of solar on its roofs across 11 buildings either installed or under construction, with another seven currently being negotiated.

Moving forward, Duke Realty’s lessons learned from its initial solar projects will help more renewable energy initiatives take shape across its portfolio—delivering value to both tenants and communities, by providing much needed renewable energy capacity to the electric grid.

Duke Realty is the leading pure-play, domestic-only logistics property REIT in the United States, owning and operating approximately 159 million rentable square feet in 20 major U.S. logistics markets.

Maintaining Biodiversity and Benefiting Residents through Restoration and Conservation Projects

EQUITY LIFESTYLE PROPERTIES, INC. (NYSE: ELS)

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Equity LifeStyle Properties' (ELS) portfolio spans over 39,000 acres—encompassing 32 threatened and endangered species in critical habitats, about 8,000 forested acres, and over 2,200 acres of wetlands.

As such, environmental topics including Water Consumption and Conservation, Energy Consumption and Efficiency, Climate Change Mitigation and Adaptation, and Biodiversity are of material importance to ELS—and have therefore inspired a number of environmental projects.

In particular, the De Anza Santa Cruz Restoration Project at a 198-site manufactured home community on the shores of the Pacific Ocean serves as an illustrative example of ELS' environmental commitments.

ELS completed a large-scale, multi-phase ecological and environmental conservation and restoration project at the property, working closely with the California Coastal Commission, California Department of Fish and Wildlife, and California Department of Housing and Community Development.

The wide-ranging scope of the project included:

- Improvements to the community's storm-water infrastructure
- Restoration of the plant habitat surrounding the community ponds
- Removal of invasive species
- Creation of new habitats designed to attract native wildlife and endangered species
- Development of dedicated spaces—such as vista overlooks, gardens, and pathways—that provide peaceful outdoor areas for residents along wildlife habitats
- Incorporation of locally sourced native plants to help reduce the project's carbon footprint

The project has been particularly appreciated by residents of the community who enjoy seeing the growth in biodiversity.

By pursuing additional environmental stewardship projects in the future, ELS is well positioned to continue maintaining biodiversity across its portfolio, creating assets that are connected to their local and natural environments, and providing places where residents and guests can enjoy and unite with nature.



“My favorite part [of the De Anza Santa Cruz Restoration Project] is that now we see so many more birds from the bridge. I was involved in the annual Audubon Christmas bird count for my area of De Anza Santa Cruz, particularly around the ponds. We spotted 31 species in two hours, which is truly phenomenal for a place this small.”

Jenny Anderson, three-year resident of the De Anza Santa Cruz community

Equity LifeStyle Properties is a leading owner and operator of manufactured home communities, RV resorts and campgrounds, and marinas in North America.

De Anza Santa Cruz, View from Bridge

Reinforcing Health and Wellness Commitments through Healthy Building Investments and Fitwel Certification

FEDERAL REALTY INVESTMENT TRUST (NYSE: FRT)

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909 Rose Avenue

“We invest in our properties and the communities for the long-term which is why it was important for us to be an early adopter of emerging ESG trends such as on-site solar, FitWel Certification, and sustainable building design and construction. We’re nearly a full decade into our efforts to ensure that our properties are designed to withstand market challenges and manage the impacts of the evolving ESG landscape, both hallmarks of having a resilient business.”

Emily Paciolla, Head of Sustainability

Federal Realty Investment Trust (Federal Realty) was an early adopter of onsite renewables, installing its first array in 2012, and will have grown its onsite solar portfolio to a capacity of over 15 megawatts by Q3 2021, in less than a decade.

This integration of renewables in Federal Realty’s energy practices has earned it recognition from the Solar Energy Industries Association (SEIA) as a top-five organization in the real estate sector for onsite solar capacity.

However, Federal Realty’s focus on Healthy Buildings extends *beyond* incorporating environmental features in the buildings themselves to encompassing the health and wellness of the broader community around the buildings, and those who inhabit them.

The pandemic shone a light on the value of health and wellness, reinforcing Federal Realty’s decision to become one of the first shopping center REITs to pursue Fitwel certification—the organization’s first health and wellness certification.

The certification, awarded at the end of 2020, is for Federal Realty’s newly completed corporate headquarters building, 909 Rose, located at Pike and Rose in North Bethesda, Maryland—a LEED Gold neighborhood. Together, 909 Rose and Pike & Rose include a number of health, wellness, and environmentally responsible features such as:

909 Rose: Federal Realty Corporate Headquarters Building

- Dedicated outdoor air ventilation system (DOAS), delivering 100% outside air as needed to critical areas.
- Circulation of 30% more fresh air than required by code.

- PORT Technology to limit the number of elevator passengers.
- WiFi enabled public spaces in the building and the surrounding neighborhood, to maximize alternative working spaces.
- Provision of ergonomic desks and chairs and fitness facilities, to support employee health and wellness.
- Walk score of 80.

Pike & Rose Neighborhood

- Access to Rose park on the property, just steps from the 909 building.
- Close proximity to multiple forms of public transit.
- Home to the largest rooftop farm in the Mid-Atlantic, which offers a CSA program to office tenants and residents on the property.

These Healthy Building investments and neighborhood amenities were thoughtfully designed to make employees feel comfortable returning to work in the pandemic era. Underscoring the health and safety impact of Federal Realty’s Healthy Buildings initiatives, in a recent survey approximately 95% of employees indicated that they are satisfied with the office health and wellness features and programming provided.

Moving forward, Federal Realty intends to continue investing in health and wellness features and programming, and aspires to use its Green Bonds toward achieving LEED Gold and Silver distinctions across its portfolio.

Founded in 1962, **Federal Realty Investment Trust** is one of the oldest US 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.

Incorporating Renewable Energy across the Portfolio to Maximize Long-Term Value

HEALTHCARE REALTY TRUST (NYSE: HR)

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Engaging in partnerships to expand renewable energy capacity is one of Healthcare Realty Trust's (Healthcare Realty) top sustainability initiatives—as utilities are one of its two largest operating expenses. The company anticipates renewables will continue to become a more prominent source of energy in the future and a desirable property feature for investors and tenants.

Over the past year, Healthcare Realty partnered with Black Bear Energy to identify opportunities to incorporate renewable energy into its portfolio—focusing on solar given the spaces available across its hospital-centric medical office properties.

Leveraging Healthcare Realty's valued relationships with its hospital system partners, this initiative is expected to result in the implementation of multiple rooftop and carport solar projects in properties located in California (six in 2021).

The energy to be generated through these projects will have a total capacity of 3.4 Megawatts, to be used both onsite and offsite, and produce enough electricity in one year to power a 300,000 square foot medical office campus.

Further, the carport projects improve stakeholder experiences by providing covered parking—a valued amenity for patients and physicians alike—while also reducing utility usage and related energy costs for tenants. Through regular satisfaction surveys, tenants have expressed their interest in sustainability, and thus their appreciation for the organization's focus on renewable energy and environmental impact.

These initiatives are additive in helping Healthcare Realty achieve its goal to reduce baseline energy consumption and greenhouse gas emissions by 10% by 2026.

“Our approach to sustainability is focused on creating value over time. Our emphasis on renewable energy is strategic both from the perspective of minimizing our environmental impact, and in making economic sense for our company and shareholders.”

Carla Baca, Associate Vice President of Investor Relations and Corporate Responsibility



Solar Carport Project, West Hills, CA

Healthcare Realty is a publicly traded REIT that focuses on owning, managing, acquiring, and developing outpatient medical facilities throughout the United States.

Achieving 100% Carbon Neutrality and Building a 'Better Blueprint' for the Future

HUDSON PACIFIC PROPERTIES, INC. (NYSE: HPP)

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“Hudson Pacific’s ‘Better Blueprint™’ platform recognizes sustainability, health, and equity as interconnected pillars that guide our work and form the foundation of our long-term success. Meeting our carbon neutrality goal—five years ahead of schedule—showcases our commitment to prioritizing climate action and minimizing our environmental impact, with much more work to come as we continue to set bold goals for the future.”

Natalie Tear, SVP, Innovation, Sustainability & Social Impact

EPIC Property in Hollywood, CA

In 2020, Hudson Pacific Properties, Inc. (Hudson Pacific) achieved 100% net zero carbon across all operations through a combination of energy efficiency, on-site renewables, off-site renewables, and carbon offsets.

Hudson Pacific’s race to net zero was accelerated due to the coronavirus pandemic, as the organization recognized that even in low occupancy scenarios its energy usage would likely increase due to enhanced air quality and ventilation needs.

In recognition of these operational changes and challenges, the organization decoupled its carbon and energy use, ensuring that Hudson Pacific would remain carbon neutral regardless of pandemic impacts while also positioning the organization to not have to “choose” between its commitment to sustainability and property health and safety.

More specific drivers contributing to Hudson Pacific’s carbon neutrality achievements included:

- **Energy efficiency:** Approximately 71% of Hudson Pacific’s in-service office portfolio is ENERGY STAR certified, while 80% is LEED certified.
- **On-site renewables:** The company uses traditional rooftop solar panels where possible and has piloted new technology such as building-integrated solar panels.

- **Off-site renewables and Renewable Energy Certificates (RECs):** Many of Hudson Pacific’s properties purchase carbon-free directly from local utilities, and all remaining electricity is 100% renewable through the purchase of RECs from a wind farm in Texas.
- **Carbon offsets:** The remainder of the company’s greenhouse gas emissions are offset by Verified Carbon Standard (VCS) certified emission reduction credits from a landfill gas-to-energy project in Illinois.

Moving forward, Hudson Pacific plans to measure embodied carbon at all its developments, leverage innovative design and materials choices to drive lower-carbon construction, and further invest in innovative technology to scale its energy efficiency and on-site renewable energy solutions.

Hudson Pacific Properties, Inc. (Hudson Pacific) is a real estate investment trust focused on premier West Coast epicenters of innovation, media, and technology—with a portfolio of office and studio properties totaling nearly 20 million square feet, including land for development.

Building Smart Cities and Innovating Sustainability Practices through Digitization

JBG SMITH (NYSE: JBGS)

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National Landing is a large-scale repositioning of three Northern Virginia neighborhoods just outside Washington, DC and minutes from the Pentagon and Reagan National Airport. In 2018, Amazon chose the neighborhood for their second headquarters (HQ2) and Virginia Tech elected to open a \$1 billion Innovation Campus in adjacent Potomac Yard, cementing the market's status as an up-and-coming technology hub. JBG SMITH helped facilitate these transactions, controls the majority of the existing and developable space, and is the master developer responsible for establishing the neighborhood as a smart city and innovation district.

In National Landing, JBG SMITH is intensely focused on physical placemaking, cultivating a vibrant, amenity-rich, and walkable mixed-use neighborhood for people who live, work, play, and learn there.

To couple their investments in physical placemaking, JBG SMITH continues to develop comprehensive 'digital placemaking' strategies, including curation of world-class connectivity infrastructure to create a canvas of innovation. JBG SMITH is currently working to coordinate the deployment of ubiquitous 5G—the first of its kind at scale—underpinned by a robust and redundant fiber network. They also recently acquired seven blocks of CBRS spectrum for innovative private network uses in National Landing (and in Arlington and Alexandria more broadly), and are in discussions with leading operators to bring edge data centers to the market.

This digital placemaking will be the foundation for urban innovation in buildings, public spaces, and the neighborhood at large. In addition to delivering a differentiated consumer experience and achieving operational efficiencies, JBG SMITH is committed to leveraging digitization to usher in a new era of health, wellness, and sustainability in the built environment.

As JBG SMITH embarks on this journey, it is focused on:

- **Creating of a “Hub of Innovation,”** as the neighborhood is designed to attract best-in-class service providers, partners, entrepreneurs, universities, and technology companies to innovate new products and services in AI, Cybersecurity, Cloud Computing, and IoT in a highly connected environment.

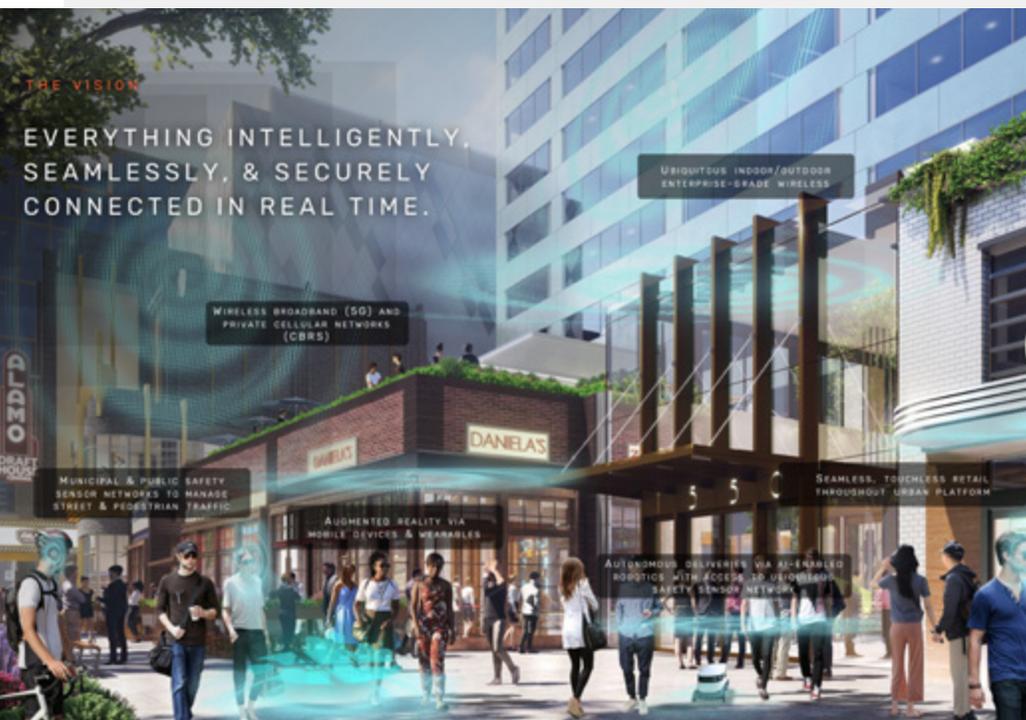
“In National Landing, we are creating a Smart City from the ground-up, starting with robust, world-class connectivity infrastructure. By laying a strong foundation with partners, we will create a canvas for innovative and real time building data monitoring that’s unlike any other.”

Vardahn Chaudhry, Vice President of Smart Cities

- **Establishing a “Smart City” environment,** wherein spaces are activated with technology in order to improve tenant engagement, and create a unique and differentiated live, work, play, and learn experience.
- **Taking a data-driven approach to building efficiency,** spanning lighting, water, and power, as well as enhanced building and waste management features that automate and optimize sustainability programs across the neighborhood.
- **Testing, iterating, and scaling solutions,** as they deploy technology across the National Landing neighborhood, and subsequently scale across their portfolio.

JBG SMITH expects its Smart City investments will continue to attract leading companies and consumers to this innovation district, while also advancing the organization's sustainability strategy.

JBG SMITH is an S&P 400 company that owns, operates, invests in, and develops a dynamic portfolio of high-growth mixed-use properties in and around Washington, DC.



National Landing Vision Overview

Planning for the Future through Proactive Climate Risk Management

REGENCY CENTERS CORPORATION (NASDAQ: REG)

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Chimney Rock Solar Panels



“Being mindful of the future for our people and our communities is not just the right thing to do, but a strategy that is engrained in every element of our business. By ensuring we analyze and address future risks to our portfolio, Regency Centers is ensuring a resilient path forward.”

Lisa Palmer, President and CEO

Commons Regency Steven Bullock

Regency Centers Corporation (Regency) seeks to constantly improve its Corporate Responsibility program and environmental impact by advancing sustainable operations and resource use initiatives, as well as by reinforcing climate resilience at its properties.

To build off past risk analyses, further its environmental sustainability efforts, and proactively meet the needs of the communities it serves, Regency conducted a climate-related scenario risk and opportunity analysis over the course of 2020—aligned with recommendations from the Financial Stability Board’s (FSB) Task Force on Climate-related Financial Disclosures (TCFD).

This scenario analysis and risk management initiative was both a top-down and bottom-up approach to advancing Regency’s climate change risk management practices—supported by senior leaders,

championed by the Corporate Responsibility Committee, co-created across the organization, and integrated into corporate governance.

Expanding on this company-wide commitment to and engagement in risk management, Kirrin Winning, Director of Corporate Responsibility, shared, *“Risk management is embedded in all that we do. Our leadership encouraged all streams of business to be involved in this work, which inspired organization-wide discussion on how we could, collectively, better understand future climate risks and opportunities.”*

Regency looked at its entire portfolio and business over two medium- to long-term scenarios (2030-2100), recognizing that mitigating future risks (transitional and physical) from its portfolios in climate zones like California for wildfires and Florida for sea level rises may require significant behavior change, and also need to inform future investments and divestments.

Regency incorporated the results of the climate-related risk and opportunities assessment into its strategic planning to ensure climate resilience continues to play a central role in the organization’s proactive strategic and property-level planning.

This thoughtful approach to environmental impact will help support the organization’s environmental stewardship targets, designed to

lower Regency’s impact on the planet and climate by reducing Scope 1 and 2 greenhouse gas emissions by 5% each year from 2018 to 2028.

Regency’s dedication to environmental sustainability is further demonstrated through the organization’s status as the first U.S. REIT and second U.S. Corporation to issue a Green Bond.

Regency Centers is the preeminent national owner, operator, and developer of shopping centers located in affluent and densely populated trade areas.

Managing Healthy Buildings through Crisis with the Fitwel Viral Response Module

VORNADO REALTY TRUST (NYSE: VNO)

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Healthy buildings contribute to a healthy society. Vornado Realty Trust (Vornado) believes that consistent health programming and communications protocols not only mitigate health risks within its buildings, but they also create a responsible behavior framework for employees, tenants and visitors to consider elsewhere in their daily lives.

“Through the pandemic, Vornado both accelerated and expanded upon our company’s strong commitment to healthy buildings. Our team worked tirelessly though the pandemic to ensure that our buildings were available to tenants in a safe and healthy way. By adopting Fitwel’s Viral Response Module, we took another significant step forward in affirming this commitment.”

Daniel Egan, Senior Vice President, Sustainability & Utilities

Vornado was among the first five real estate companies to earn the Fitwel Viral Response Module (“VRM”) designation—a third-party certification of policies and practices designed to mitigate the spread of contagious diseases within buildings. Vornado’s pandemic response protocol aligns with VRM’s three pillars to Enhance Indoor Environments, Encourage Behavioral Change, and Build Occupant Trust, and includes the following:

- FDA-approved thermal scanning practices, social distancing, and PPE requirements in lobbies and common areas
- Enhanced Indoor Air Quality (IAQ) and humidity control policies, as recommended by CDC and ASHRAE, as well as ongoing IAQ monitoring and testing
- Legionella testing and water management plans
- Enhanced cleaning, disinfecting & maintenance protocols provided by Building Maintenance Service LLC, Vornado’s facility services company
- Hand hygiene stations, including education and signage
- Enhanced stakeholder collaboration plan, including its employee survey and emergency communications plans through Live.Work.Do., Vornado’s proprietary mobile application
- Paid sick leave and family support policies for employees
- Daily health screenings and onsite COVID-19 testing for employees
- Weekly rotational personnel plans, to limit workforce occupancy to no more than 50%

Vornado received its VRM certification in December 2020, complementing existing Fitwel certifications through its single tenant program at 731 Lexington Avenue in New York, and the multi-tenant, whole-building program at theMART in Chicago and the 555 California Street complex in San Francisco. Vornado is also a corporate member of Fitwel’s Leadership Advisory Board.

In addition to its Fitwel certifications, **Vornado** owns and manages more than 27 million square feet of LEED certified buildings with a portfolio concentrated in the nation’s key market—New York City—along with premier assets in both Chicago and San Francisco.



Vornado Realty Trust, Rendering of the Farley Building, New York, NY



Rendering of PENN 1 and PENN 2, New York, NY



Columbia Property Trust, 315 Park Ave South, New York, New York

Board-Level Oversight—ESG

Outlines the roles and responsibilities of the company's Board of Directors specific to goal setting, strategy, and remuneration, among others. Disclosures include descriptions of the Board's responsibility and oversight of the company's ESG performance.

Climate Change Adaptation

Changes in processes, practices, and structures to moderate potential damages or to benefit from opportunities associated with climate change.

Climate Change Mitigation

Efforts to reduce or prevent the emission of greenhouse gases released into the atmosphere and to reduce the current concentration of carbon dioxide (CO₂) by enhancing carbon sinks.

Climate Change Opportunities and Risks

A company's strategy, planning, and policies for climate-related business risks and opportunities. Disclosures explain the tools and methodologies companies use to identify, assess, and address climate change, and how these approaches are integrated into overall risk management and business strategy.

Compensation Policy

Describes a company's strategy and practices for compensation across the company—from line workers to C-Suite and board members. Disclosures discuss incentive programs and targets generally, as well as incentives specific to ESG performance. Compensation data is disclosed, as well as descriptions of policies, strategies, and processes for remuneration.

Diversity, Equity, and Inclusion (DEI)

Describes strategies and policies in place surrounding diversity and other workforce demography practices. Includes metrics on workforce demographics as well as diversity strategy throughout the organization. Specific focus on providing policies around workplace discrimination; gender, racial, and ethnic equality; diversity programs; and other workforce hiring and development practices.

Embodied Carbon

Refers to emissions that arise from producing, procuring, and installing the materials and components that make up a structure. It may also include the lifetime emissions from maintenance, repair, replacement and, ultimately, demolition and disposal.

Energy

Covers all energy-consumption related metrics and policies for a company. Disclosures include specific data and metrics on energy use and energy spend by source, with specific emphasis on renewable energy use. Disclosures cover programs and metrics related to energy reduction, efficiency, and conservation for all company operations and products.

Environmental Management System (EMS)

Details the systematic management of an organization's environmental programs, and whether or not an organization has a documented structure in place. Disclosures focus on policies and procedures in place to govern operations, tools, and platforms to collect, monitor, and manage environmental data, and processes to evaluate and mitigate negative impact. Emphasis is placed on target-setting and continuous monitoring.

Glossary

Environmental Policy

The presence and completeness of an organization's environmental management policies, what they contain, and how they are managed. Disclosures describe company policies related to environmental protection, responsible building development, carbon pricing, supply chain, resilience scenario planning, compliance with regulation, and management/approval from senior leadership, among others.

ESG Reporting Standards

Indicates whether or not an organization is publicly disclosing ESG information using Frameworks (GRI, SASB, etc.), or if it is a member of international ESG-related compacts or agreements (UNGC, CDP, UN SDGs, etc.).

Greenhouse Gas Emissions (GHG)

Includes all greenhouse gas (GHG) emissions-related metrics and policies for a company across Scope 1 (direct, onsite), Scope 2 (purchased energy), and Scope 3 (extended indirect). Disclosures require verifiable information and standardized data for the emissions resulting from company operations and products, as well as descriptions of programs and policies seeking to reduce or otherwise mitigate negative emissions.

Governance Risk Assessment

Describes company strategy and processes related to issues of security, data, and financial risk, as well as overall company risk culture. Specific disclosure focuses on risk governance procedures and policies and how they are integrated into overall risk strategies.

Governing Policy

Includes disclosures related to the system of rules, practices, and processes that direct and control the organization. Disclosures cover risk management, corporate structure, management approach, data policies, and adherence to regulation, among others. Specific focus on describing the policies in place and the strong accountability and oversight behind each policy.

Health and Safety

Policies and practices related to occupational health of employees. Disclosures cover verifiable data and standardized metrics related to employee injuries, absentee rate, fatalities, lost-time injury frequency, and lost days, among others. Disclosures also explain specific policies related to employee health, nutrition, and overall access, as well as supplier/vendor/contractor health and well-being policies.

Human Capital

The management of a company's human resources (employees and individual contractors) as key assets to delivering long-term value.

Physical Risk

Risks associated with a myriad of acute shocks (e.g., wildfires, flood events, tropical and extratropical storms) and chronic stresses (e.g., changing heating and cooling degree days, precipitation levels) caused or exacerbated by climate change.

Scenario Analysis

Process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty. In the case of climate change, scenarios allow an organization to explore and develop an understanding of how the physical and transition risks of climate change may impact its business, strategies, and financial performance over time.

Scope 1 Emissions

GHG emissions from sources that are owned or controlled by an organization.

Scope 2 Emissions

GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization.

Scope 3 Emissions

Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions.

Stakeholders

Individuals, groups of individuals, or organizations that affect and/or could be affected by an organization's activities, products/services, and performance. Stakeholder engagement processes are related to outreach and communications efforts with these stakeholder populations, including formal and informal communications, customer feedback, employee surveys, and community outreach, among others.

Stakeholder Engagement

Describes policies and practices related to outreach and communication efforts with a company's internal and external stakeholders. Engagement includes formal and informal communications, customer feedback, employee surveys, and community outreach, among others. Disclosure also focuses on stakeholder engagement related to ESG issues, such as sustainability reporting and disclosure, ESG controversy publications, and others.

Supply Chain

Includes the management and performance of social aspects of a company's supply chain, including workforce and labor standards, codes of conduct, transparency, health and safety, and ESG integration. Disclosures cover whether or not organizations have screening policies and procedures in place to ensure their suppliers and vendors have strong social practices.



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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.nareit.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 stock-exchange listed 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.

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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).

