



Ferguson Partners

2021 REIT Diversity Across Boards and Executives

OCTOBER 2021

Introduction

Diversity, Equity, and Inclusion (DE&I) has continued to garner widespread attention amongst a variety of constituencies and the definition and means for evaluating diversity has become more diverse in and of itself.

Over a span of just four years, DE&I has quickly evolved from considerations of gender diversity across the Board room to all forms of diversity including gender, race, ethnicity, and sexual orientation – and not just at the Board level, but also across executive leadership and company employees as a whole.

Definitions of diversity, requirements of such, and disclosure items have sharply gained momentum and are now a focal point across institutional investors, proxy advisory firms, state law, and the Securities and Exchange Commission (SEC) and NASDAQ.

Recent developments over the past year as well as announced 2022 requirements include, but are not limited to:

Institutional Investors

Major institutional investors such as State Street Global Advisors and BlackRock, amongst others, have announced that in making voting recommendations, they will be evaluating companies based on both the disclosure and composition of Board diversity. State Street has already announced that starting in 2022, they will vote against the Nominating and Governance Chair at S&P 500 companies that do not have at least one director from an “underrepresented community” on their Board.

Proxy Advisory Firm

Influential proxy advisory firm Institutional Shareholder Services (ISS) has announced that beginning in 2022 they will recommend withholding a vote, or voting against, the reelection of any chair of a nominating committee, or other directors on a case-by-case basis, where the company's Board has no apparent racial or ethnic diversity (this beyond their existing gender diversity policy).

State Legislation

A California Assembly Bill (AB 979), signed in September 2020, is set to become effective by year end 2021 and will require a publicly held corporation in California to have a minimum of one director from an underrepresented community. A director from an "underrepresented community" means a director who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual or transgender. Other states such as Colorado, Illinois, Pennsylvania, and Washington, have passed legislation that do not go so far as mandating, but encourage Board diversity and related disclosures.

Securities Exchange Commission (SEC) and NASDAQ

In August 2021, the SEC approved new listing rules submitted by NASDAQ that will require most NASDAQ-listed companies, other than exempt entities and companies with boards consisting of five or fewer members, to:

Have at least two self-identified diverse members of its Board of Directors; or explain why the company does not have the minimum number of directors on its board who self-identify as diverse.

Of the two self-identified diverse directors, at least one director must self-identify as female and at least one director must self-identify as an underrepresented minority and/or LGBTQ+.

A number of companies not only measure and track diversity across their employee base, but now also hold executives accountable by incorporating these metrics into some form as a metric in incentive programs. Careful calibration of this goal is required for appropriately evaluating improvement in this area.

Recent headlines include:

Starbucks Ties Executive Pay to 2025 Diversity Targets – Wall Street Journal

McDonald's Ties Executive Bonuses to Diversity, Releases Workforce Data – Reuters

Nike Sets Fresh Diversity Targets for 2025, and Ties Executive Compensation to Hitting Them – CNBC

Chipotle Executive Compensation will be Based on Meeting Diversity and Environmental Targets – Business Insider

Wells Fargo Ties Senior Executive Pay to Improving Diversity – Bloomberg

Many other companies now use diversity metrics within compensation plans, including (but not limited to): Allstate, American Express, CVS, IBM, Intel, Microsoft, Prudential, Uber.

Now in its fourth edition, Ferguson Partners 2021 REIT Diversity Report continues its original tracking of gender diversity across the Boardroom while expanding upon last year's tracking of Black executives and Directors to include broad representation of minorities and underrepresented communities.

Note: Throughout this report, the terms "minorities" and "underrepresented communities" are used interchangeably and are defined as someone that self-identifies as Black, Latinx, Asian, Middle Eastern and Native American/Alaskan Native. Additionally, throughout various analyses "Other Minority" is defined as Asian, Latinx, Middle Eastern and Native American/Alaskan Natives.

Topline Findings

4th

straight year that at least 50% of all new REIT directors were female and REITs having outperformed the Russell 3000 in this regard

42.5%

of new REIT Board seats were minorities, nearly consistent with the 42% reported across the Russell 3000

2.8%

of REITs have zero female representation

12.7%

of all REIT Board members are minorities

39%

year-over-year uptick of female leadership across named executive officers (NEOs) and leadership roles on Boards

48%

year-over-year increase in the number of Committee Chairs that are led by minorities, though represent less than 10% in total

55%

year-over-year increase in the number of Lead Directors/Chairpersons of the Board that are led by minorities, though represents less than 10% in total

70%

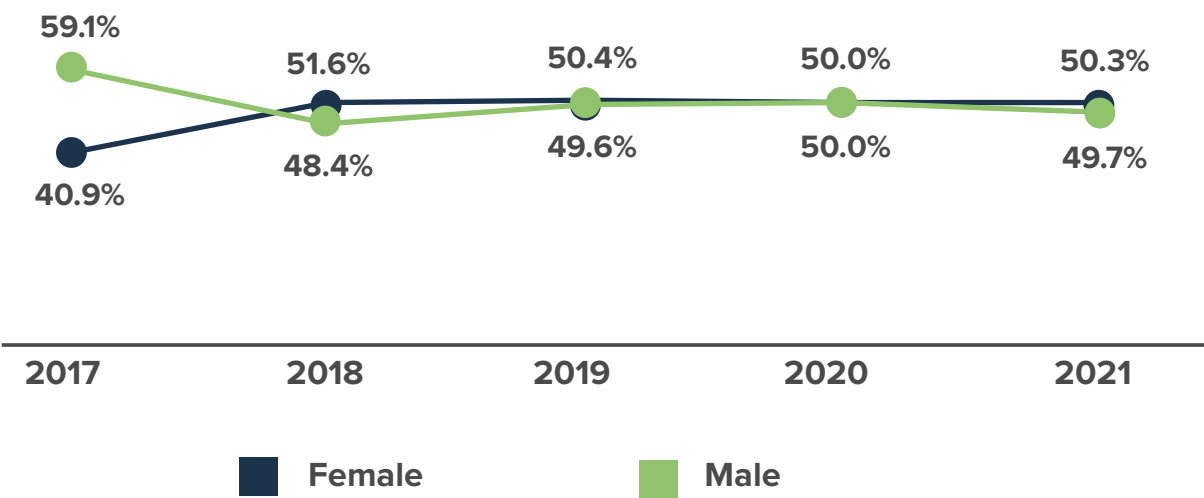
year-over-year increase in Black Board members going from 67 to 114

135%

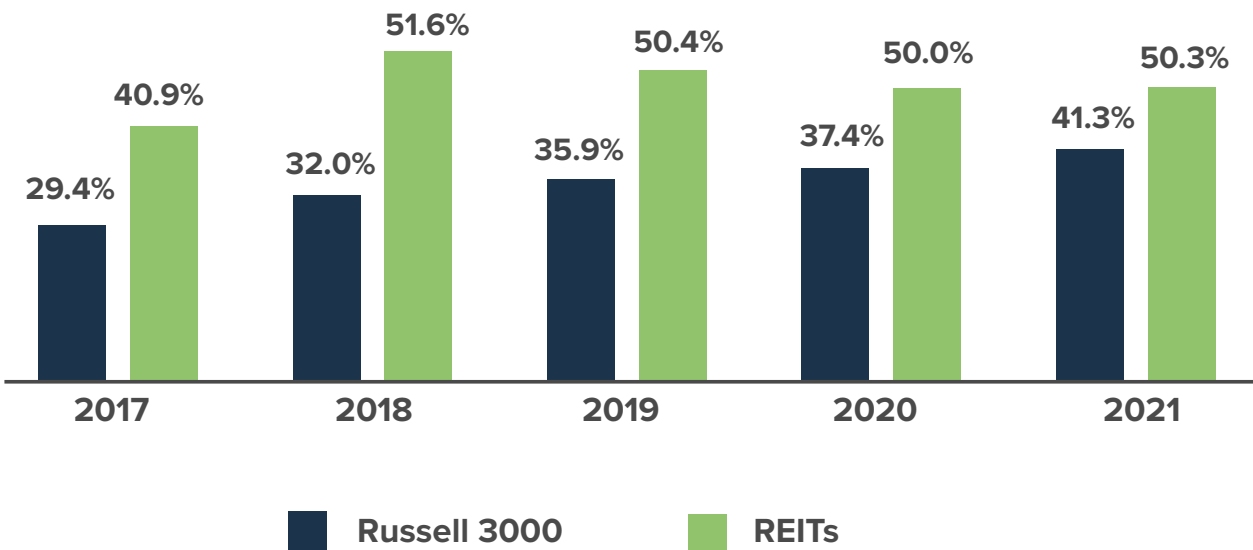
increase across 2018-2021 of REIT Boards that have at least 3 female directors

Newly Elected Directors: Composition (Male/Female)

Percentage of Newly Elected REIT Directors:
2017-2021

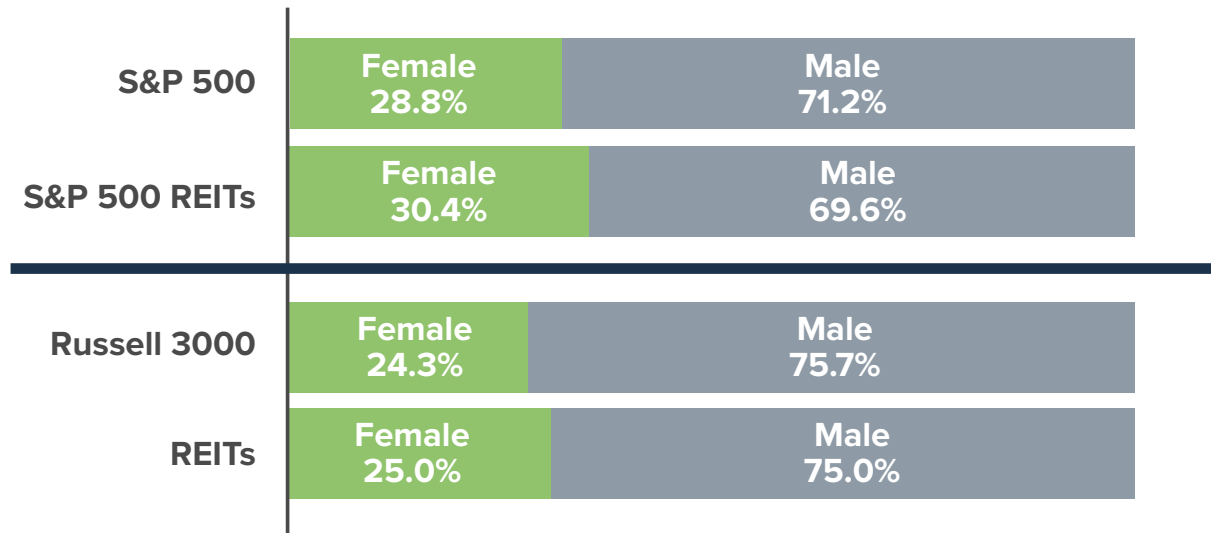


Percentage of Newly Elected Director Seats to
Female Directors 2017-2021: REITs vs. Russell 3000

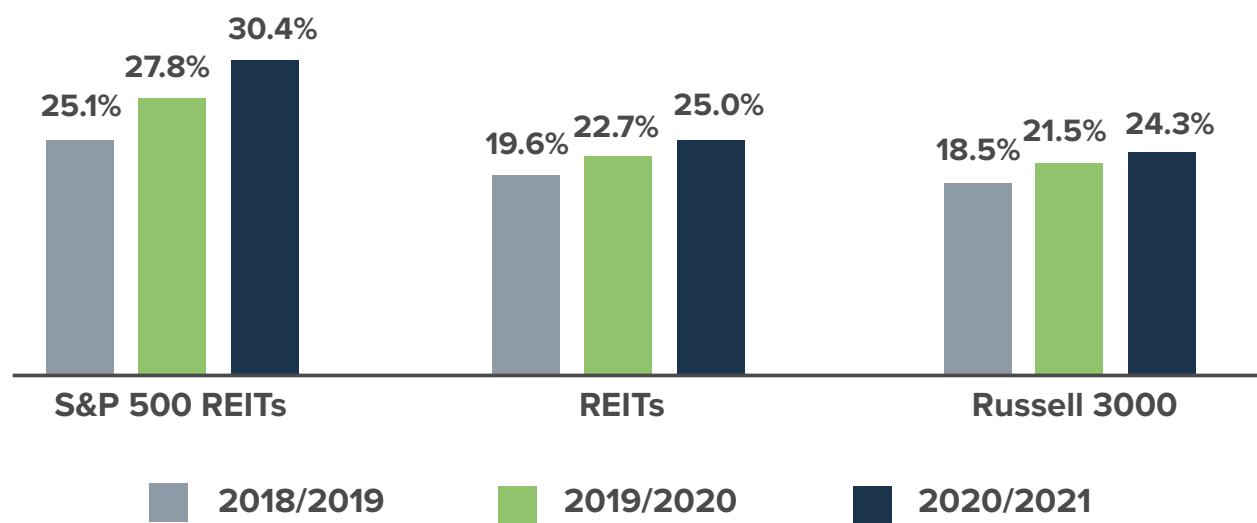


All Directors: Composition (Male vs. Female)

Percentage of Total Directors That Are Male and Female in 2021: REITs vs. Various Indices

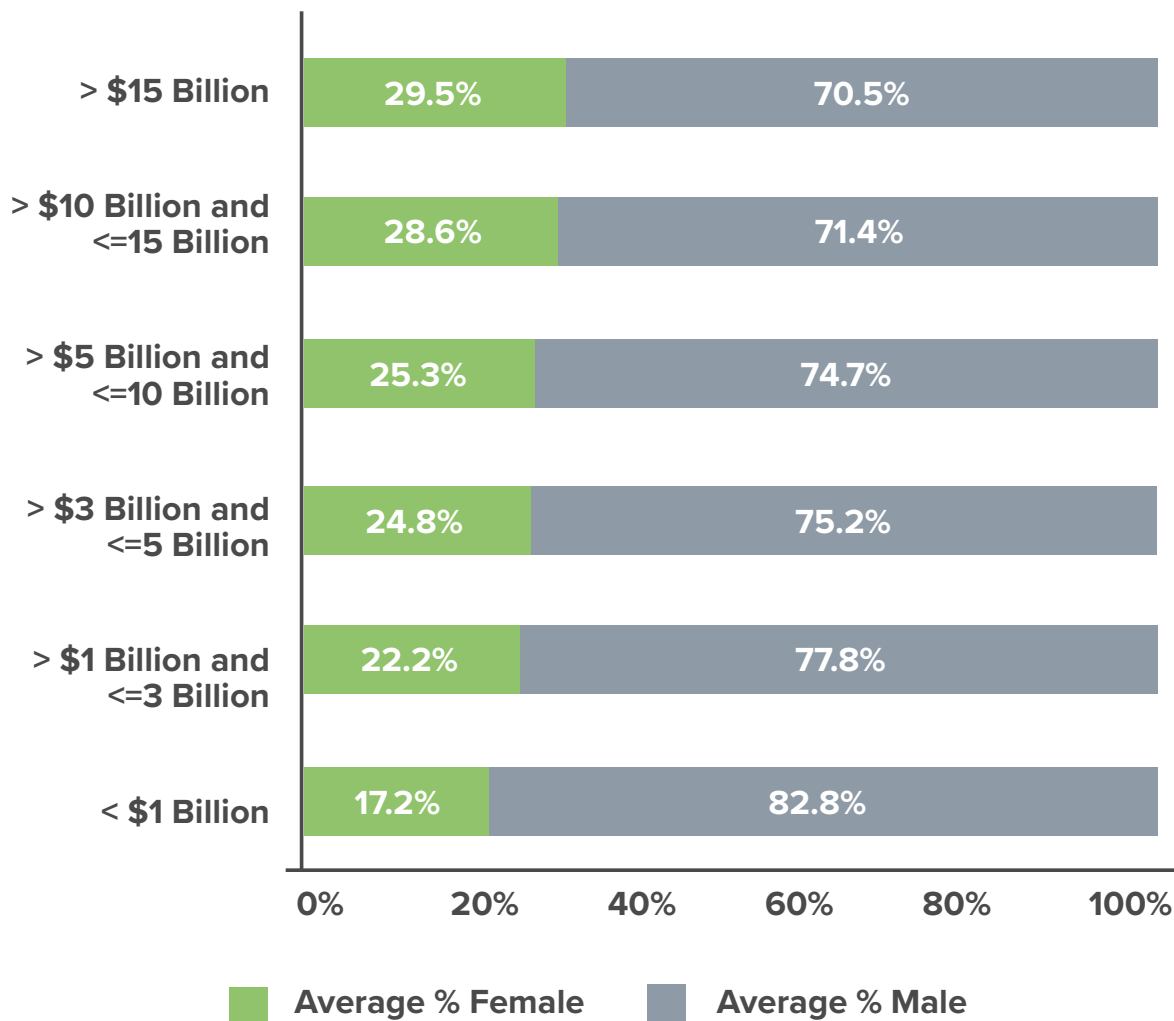


Year-over-Year Female Representation on Boards (Percentage of Total Directors That Are Female)



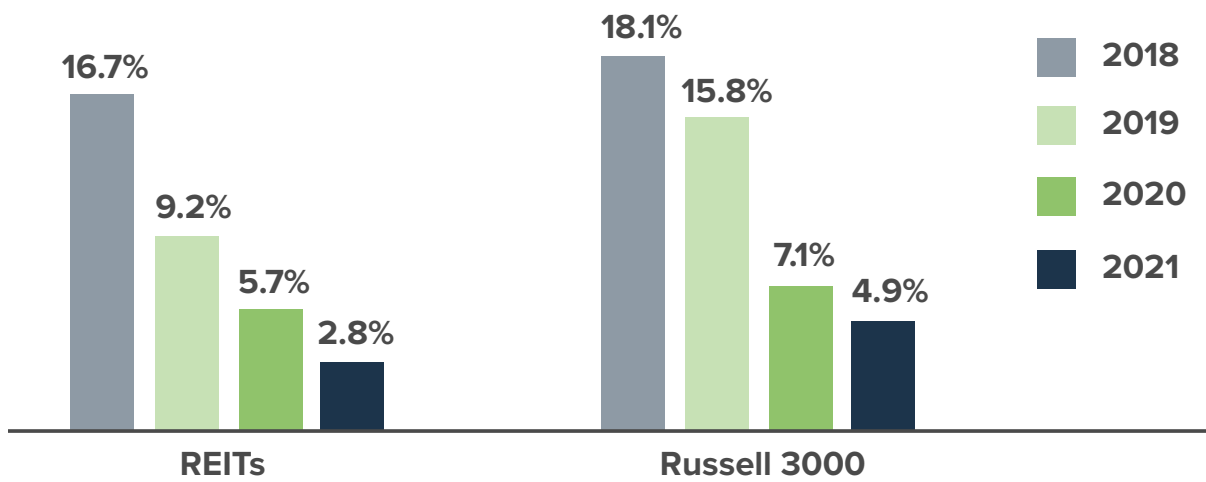
Percentage of Female Directors by Size

Average Percentage of Male and Female REIT Directors in 2021 by Total Capitalization

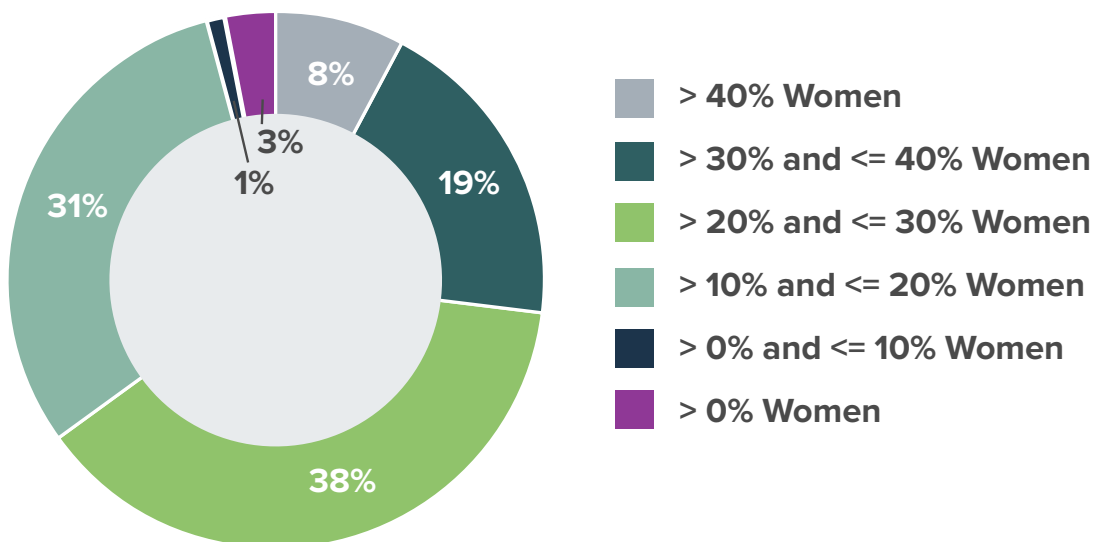


REIT Board Composition: Female Representation

Percentage of Boards with Zero Female Representation 2018–2021: REITs vs. Russell 3000



Percentage of REIT Boards With Various Female Composition 2021

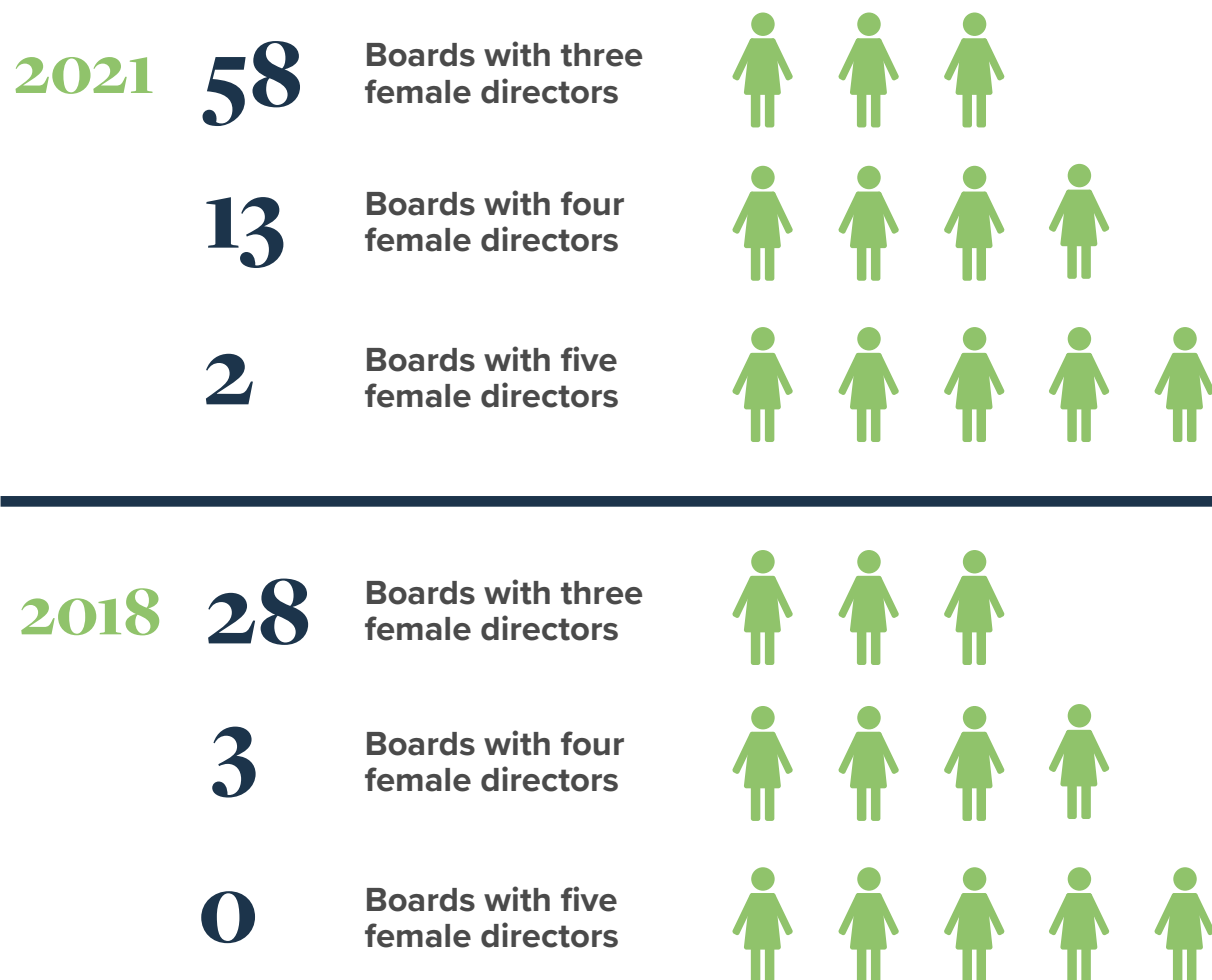


REIT Board Composition: Female Representation

Percentage of REIT Boards with Various Female Composition 2018 + 2021



135% increase



Companies with the Highest Percentage of Female Representation on their Board

T#1 Healthpeak Properties, Inc. - 50%

T#1 LTC Properties, Inc. - 50%

T#1 New York City REIT, Inc. - 50%

T#1 PennyMac Mortgage Investment Trust - 50%

#5 Annaly Capital Management, Inc. - 45%

T#6 VEREIT, Inc. - 44%

T#6 Weyerhaeuser Company - 44%

T#8 AGNC Investment Corp. - 43%

T#8 Federal Realty Investment Trust - 43%

T#8 Global Net Lease, Inc. - 43%

T#8 Investors Real Estate Trust - 43%

T#8 Lexington Realty Trust - 43%

T#8 NETSTREIT Corp. - 43%

T#8 New Senior Investment Group Inc. - 43%

T#8 RPT Realty - 43%

T#8 Seritage Growth Properties - 43%

T#8 VICI Properties Inc. - 43%

#18 Spirit Realty Capital, Inc. - 40%

T#19 CoreSite Realty Corporation - 38%

T#19 CubeSmart - 38%

T#19 Essential Properties Realty Trust, Inc. - 38%

T#19 Global Medical REIT Inc. - 38%

T#19 KKR Real Estate Finance Trust Inc. - 38%

T#19 MFA Financial, Inc. - 38%

T#19 Office Properties Income Trust - 38%

T#19 SITE Centers Corp. - 38%

T#19 Sun Communities, Inc. - 38%

T#19 Sunstone Hotel Investors, Inc. - 38%

T#19 Wheeler Real Estate Investment Trust, Inc. - 38%

T#30 Boston Properties, Inc. - 36%

T#30 JBG SMITH Properties - 36%

T#30 PS Business Parks, Inc. - 36%

T#30 Public Storage - 36%

T#30 Ventas, Inc. - 36%

T#30 Welltower Inc. - 36%

Public REITs with Three Female Directors

AGNC Investment Corp.	Lamar Advertising Company
American Campus Communities, Inc.	Lexington Realty Trust
American Homes 4 Rent	LTC Properties, Inc.
American Tower Corporation	Macerich Company
Apartment Income REIT Corp.	Mack-Cali Realty Corporation
AvalonBay Communities, Inc.	MFA Financial, Inc.
Brixmor Property Group Inc.	Mid-America Apartment Communities, Inc.
Camden Property Trust	NETSTREIT Corp.
Cedar Realty Trust, Inc.	New Senior Investment Group Inc.
Colony Capital, Inc.	Office Properties Income Trust
CoreSite Realty Corporation	Prologis, Inc.
Cousins Properties Incorporated	Rayonier Inc.
Crown Castle International Corp.	Realty Income Corporation
CubeSmart	Redwood Trust, Inc.
Digital Realty Trust, Inc.	Regency Centers Corporation
Douglas Emmett, Inc.	RLJ Lodging Trust
Equinix, Inc.	RPT Realty
Equity LifeStyle Properties, Inc.	Sabra Health Care REIT, Inc.
Essential Properties Realty Trust, Inc.	Seritage Growth Properties
Essex Property Trust, Inc.	Simon Property Group, Inc.
Federal Realty Investment Trust	SITE Centers Corp.
Four Corners Property Trust, Inc.	STORE Capital Corporation
Global Medical REIT Inc.	Sun Communities, Inc.
Global Net Lease, Inc.	Sunstone Hotel Investors, Inc.
Hannon Armstrong Sustainable Infrastructure Capital, Inc.	UDR, Inc.
Hudson Pacific Properties, Inc.	VICI Properties Inc.
Investors Real Estate Trust	Vornado Realty Trust
Invitation Homes Inc.	W. P. Carey Inc.
KKR Real Estate Finance Trust Inc	Wheeler Real Estate Investment Trust, Inc.

Public REITs with Four/Five Female Directors

Four Female Directors:

Boston Properties, Inc.
Duke Realty Corporation
Equity Residential
Healthpeak Properties, Inc.
Iron Mountain Incorporated
JBG SMITH Properties
PennyMac Mortgage Investment Trust
PS Business Parks, Inc.
Spirit Realty Capital, Inc.
Ventas, Inc.
VEREIT, Inc.
Welltower Inc.
Weyerhaeuser Company

Five Female Directors:

Annaly Capital Management, Inc.
Public Storage

S&P 500 Public REITs Ranking within the S&P 500 Index Based on Percentage of Female Representation on their Board

T#8 Healthpeak Properties, Inc. - 50%

#28 Weyerhaeuser Company - 44%

T#35 Federal Realty Investment Trust - 43%

T#87 Boston Properties, Inc. - 36%

T#87 Public Storage - 36%

T#87 Ventas, Inc. - 36%

T#87 Welltower Inc. - 36%

T#122 Duke Realty Corporation - 33%

T#122 Equinix, Inc. - 33%

T#122 Essex Property Trust, Inc. - 33%

T#122 Iron Mountain Incorporated - 33%

T#122 UDR, Inc. - 33%

T#187 Equity Residential - 31%

T#214 Realty Income Corporation - 30%

T#214 Vornado Realty Trust - 30%

T#259 Digital Realty Trust, Inc. - 27%

T#259 Prologis, Inc. - 27%

T#299 American Tower Corporation - 25%

T#299 AvalonBay Communities, Inc. - 25%

T#299 Crown Castle International Corp. - 25%

T#299 Host Hotels & Resorts, Inc. - 25%

T#299 Kimco Realty Corporation - 25%

T#299 Mid-America Apartment
Communities, Inc. - 25%

T#299 Regency Centers Corporation - 25%

T#371 Simon Property Group, Inc. - 23%

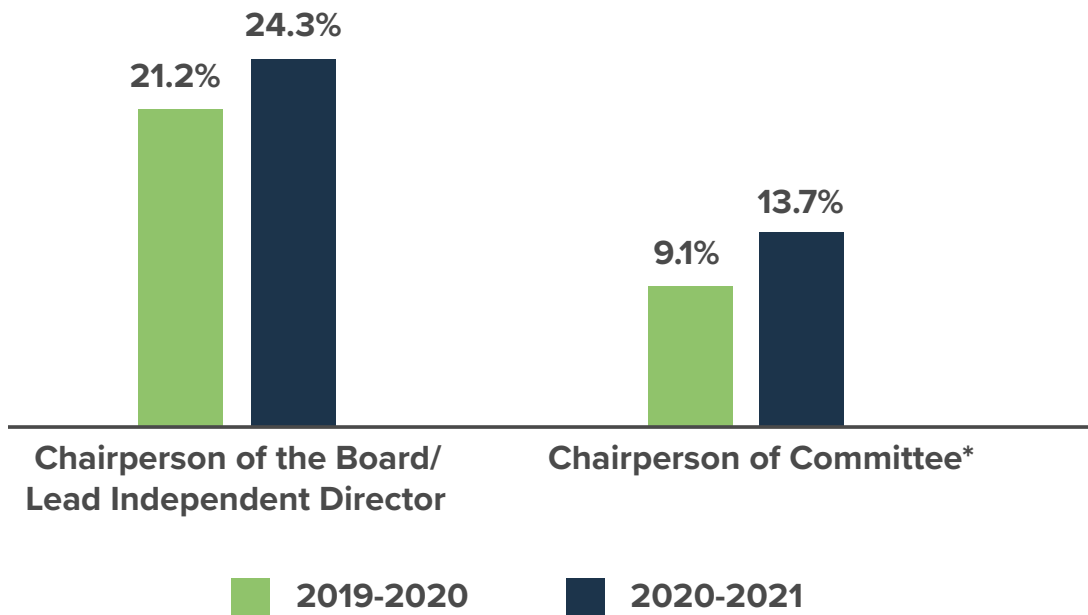
T#388 Alexandria Real Estate Equities, Inc. - 22%

T#388 Extra Space Storage Inc. - 22%

T#388 SBA Communications Corporation - 22%

Female Leadership Positions

Percentage of Females in Leadership Positions Year-over-Year: REITs



*Committees include Audit Committee, Compensation Committee, and Nominating/Corporate Governance Committee

Female CEOs

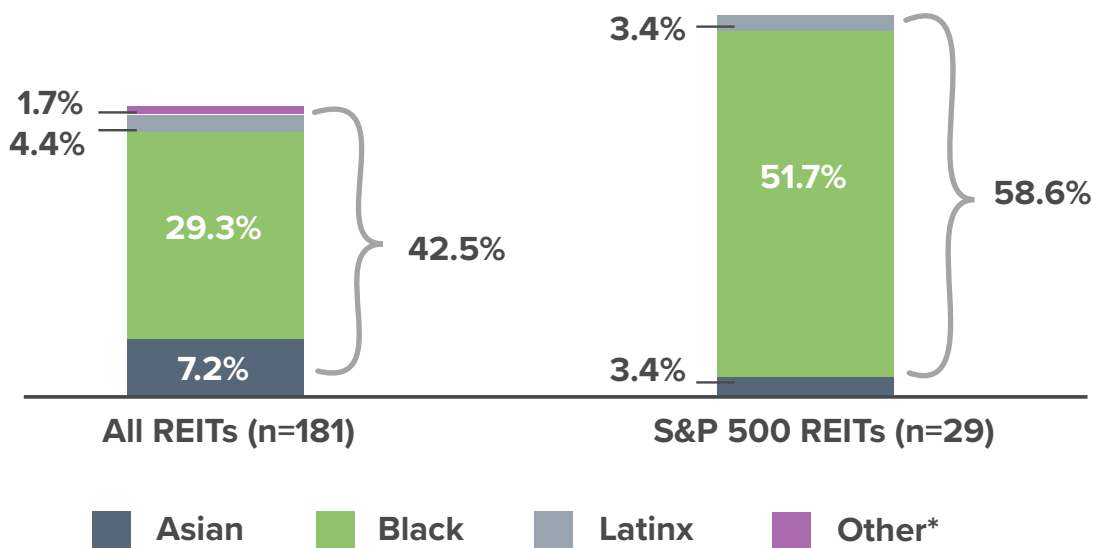
There are 10 female REIT CEOs in the industry.

The number of current female REIT CEOs remained the same as Maria Hawthorne of PS Business Parks, Inc. and Greta Guggenheim of TPG RE Finance Trust, Inc. both retired, and Andrea Olshan and Mary Fedewa became CEOs of their respective companies in 2021.

CEO	Company
Marguerite Nader	Equity LifeStyle Properties, Inc.
Wendy L. Simpson	LTC Properties, Inc.
Tamara D. Fischer	National Storage Affiliates Trust
Susan Givens	New Senior Investment Group Inc.
Lisa Palmer	Regency Centers Corporation
Leslie D. Hale	RLJ Lodging Trust
Andrea Olshan	Seritage Growth Properties
Mary Fedewa	STORE Capital Corporation
Debra A. Cafaro	Ventas, Inc.
Jennifer Williams Murphy	Western Asset Mortgage Capital

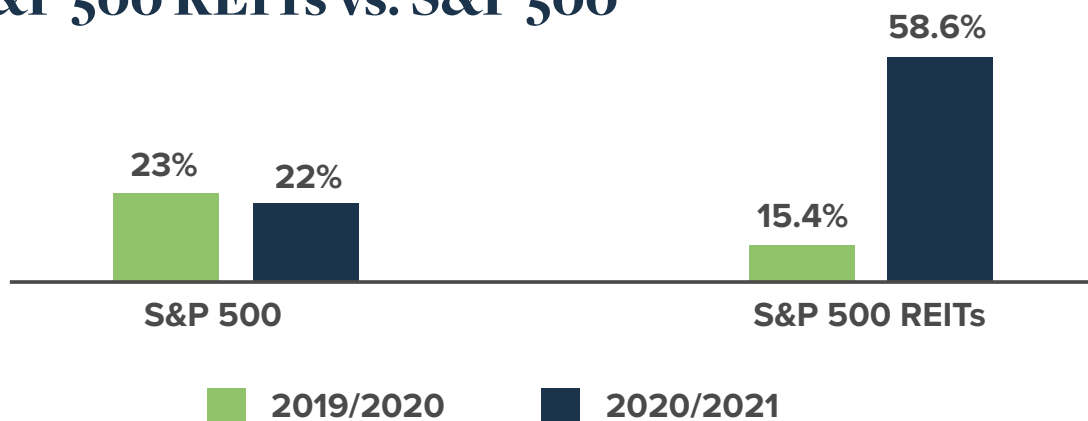
Newly Elected Directors: Composition (Racial/Ethnic Minorities)

Newly Elected REIT Director Seats to Minority Directors 2020-2021



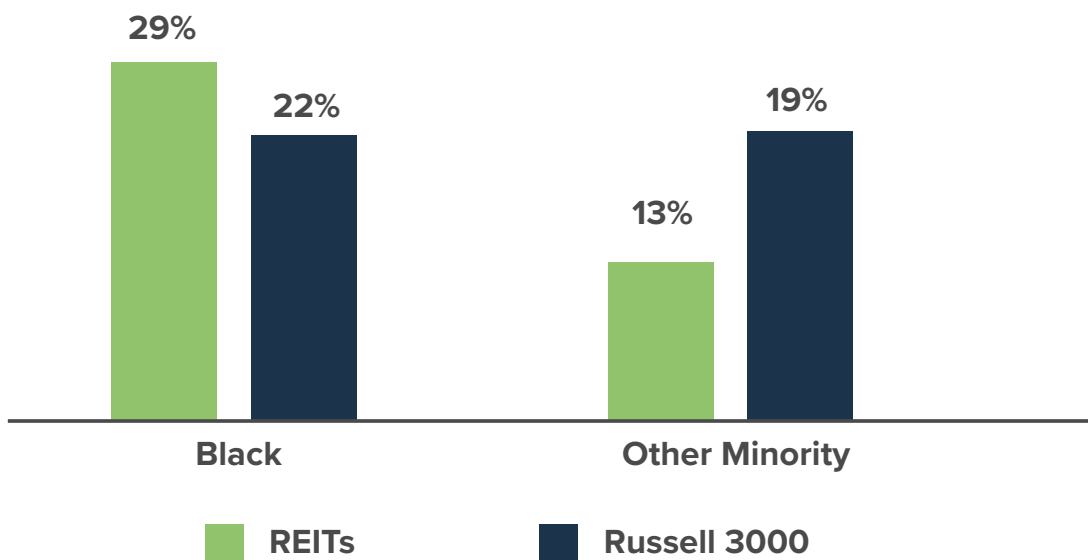
*Other includes Middle Eastern and Native American/Alaskan Native. Individuals of Indian descent have been counted as Asian, which is consistent with U.S. Census Bureau methodology.

Newly Elected Director Seats to Minority Directors Year-over-Year: S&P 500 REITs vs. S&P 500



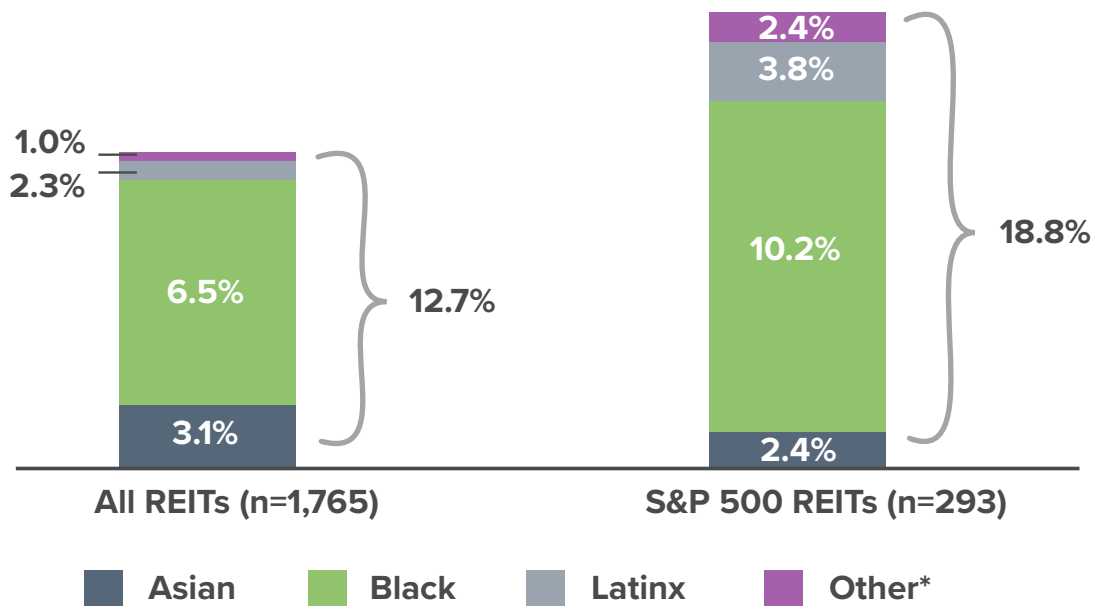
Newly Elected Directors: Composition (Racial/Ethnic Minorities)

Newly Elected Director Seats to Minority Directors 2020-2021: REITs vs. Russell 3000



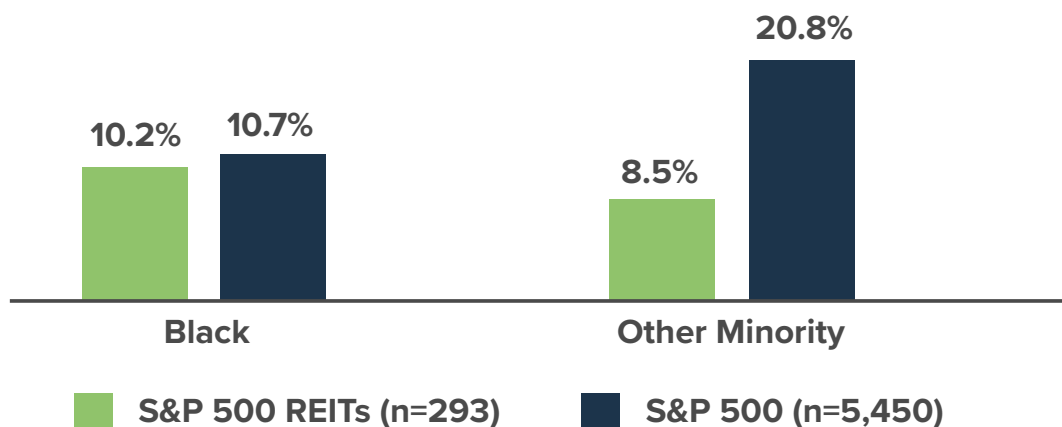
All Directors: Composition (Racial/Ethnic Minorities)

Total Minority Board Seats 2021



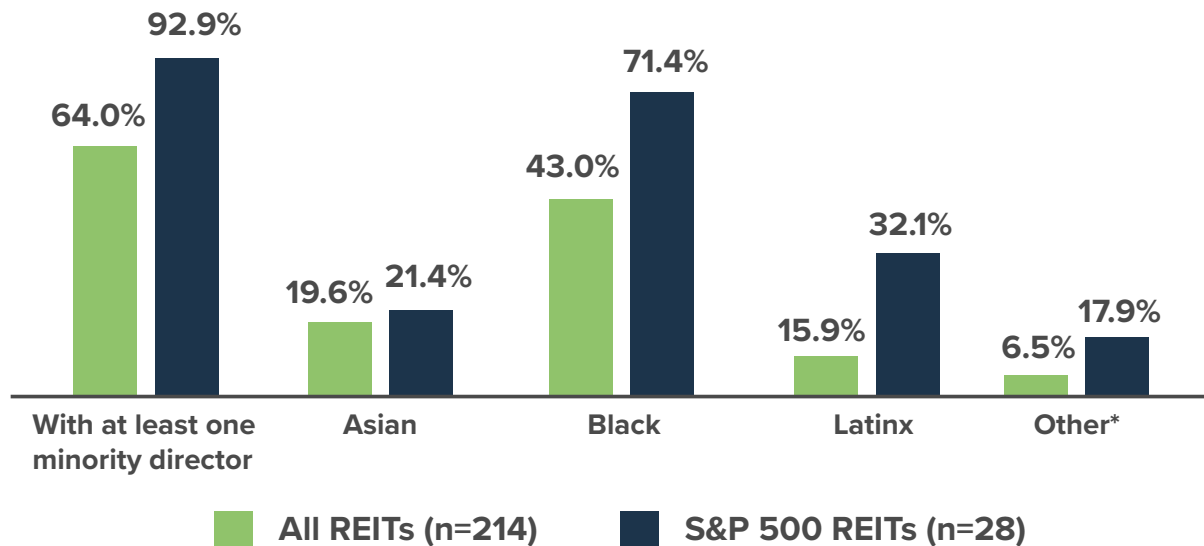
*Other includes Middle Eastern and Native American/Alaskan Native. Individuals of Indian descent have been counted as Asian, which is consistent with U.S. Census Bureau methodology.

Total Minority Board Seats 2021: S&P 500 REITs vs. S&P 500



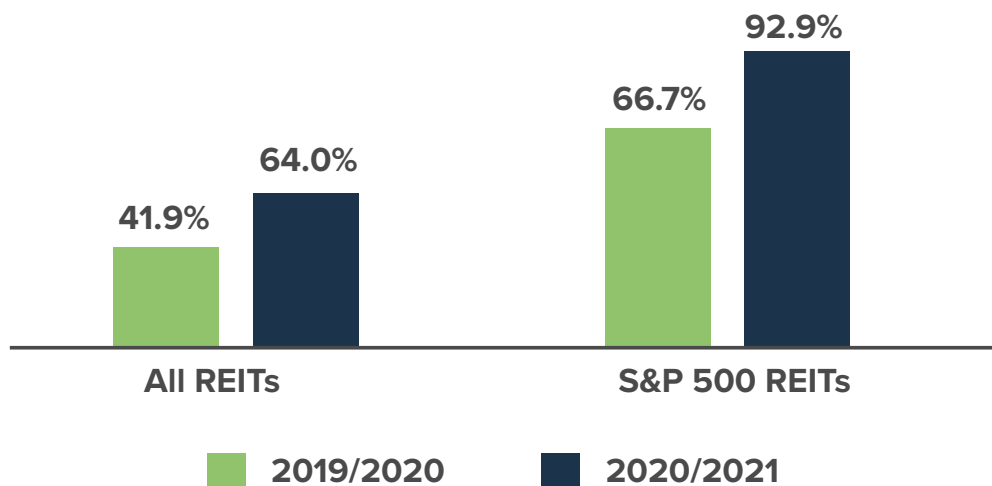
REIT Board Composition: Minority Representation

REIT Boards with at Least One Minority Director 2020-2021



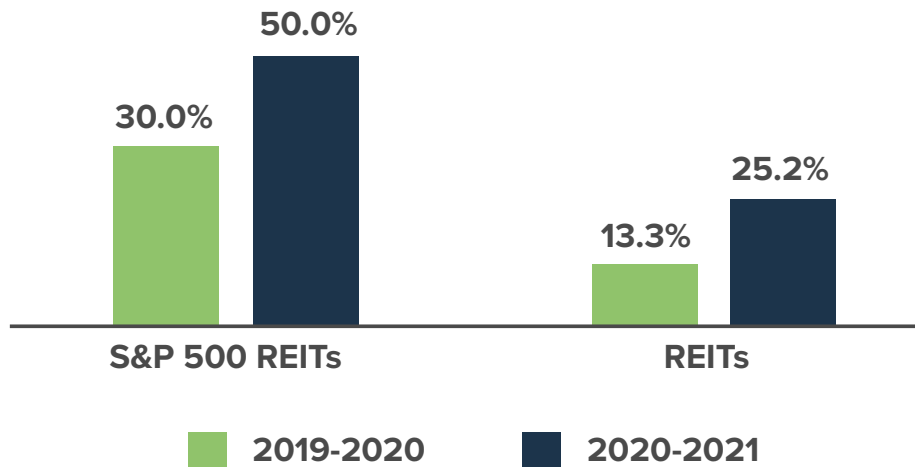
*Other includes Middle Eastern and Native American/Alaskan Native. Individuals of Indian descent have been counted as Asian, which is consistent with U.S. Census Bureau methodology.

REIT Boards with at Least One Minority Director Year-Over-Year

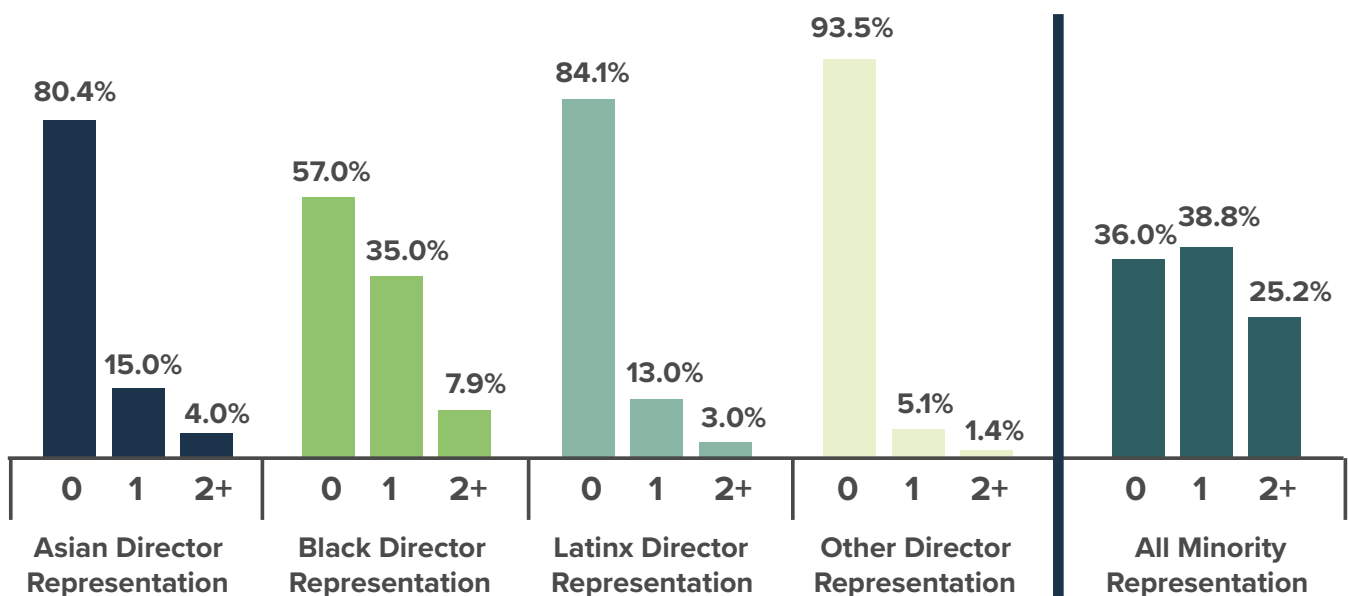


REIT Board Composition: Minority Representation

Percentage of Boards that Have 2 or More Minority Directors

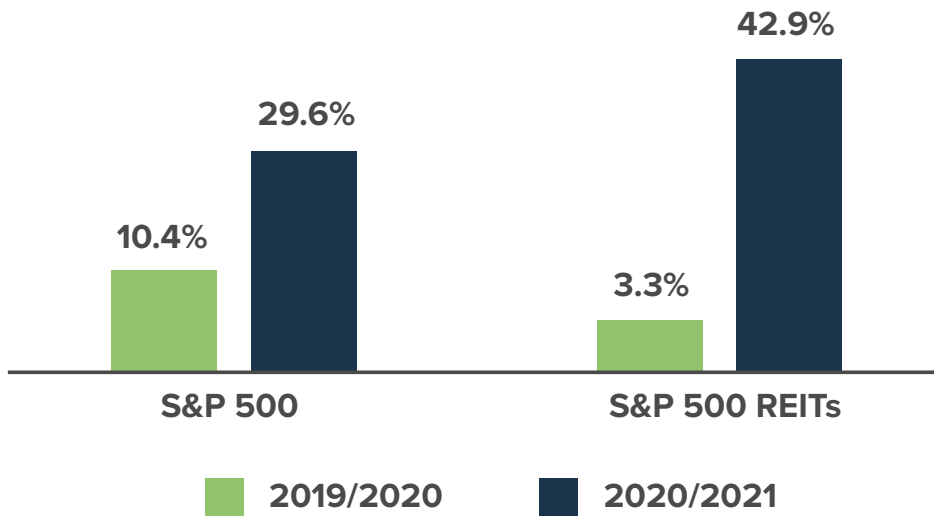


Percentage of REIT Boards with Various Minority Composition



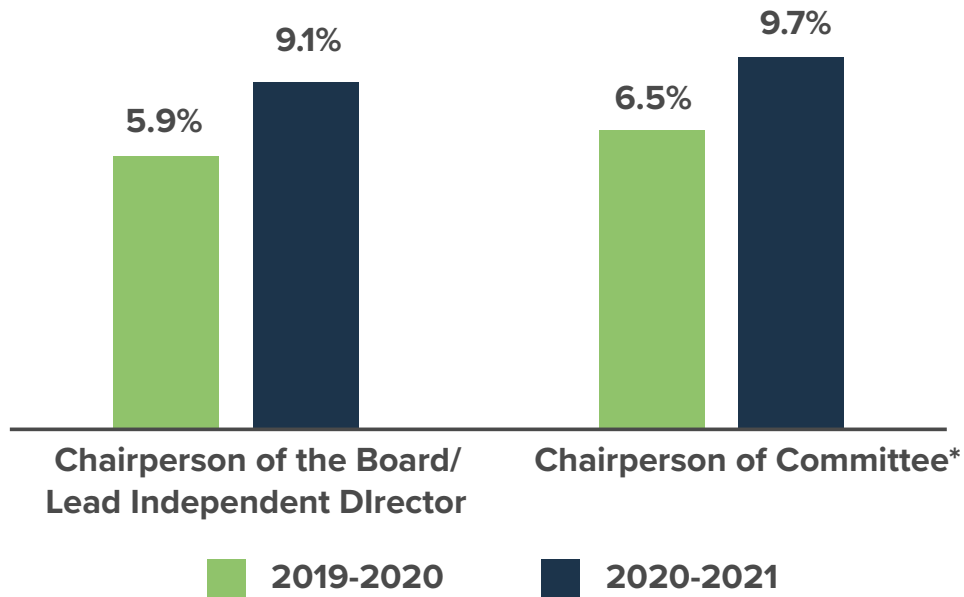
REIT Board Composition: Black Representation

**Percentage of Companies that Added
a Black Director for Each Period**



Racial/Ethnic Minority Leadership Positions

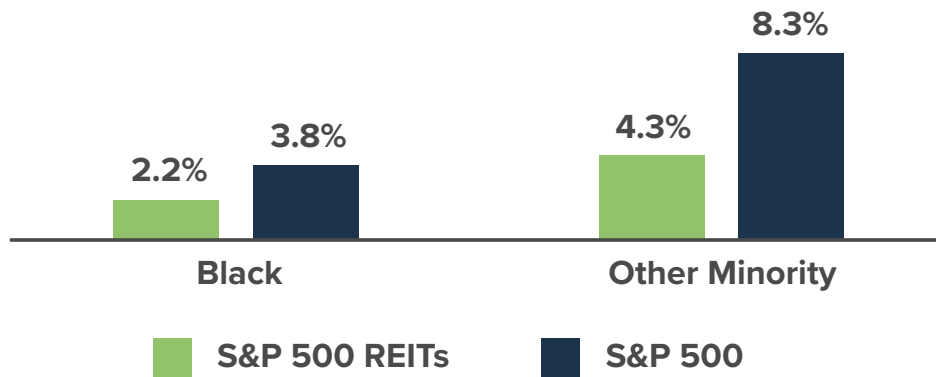
Percentage of Minorities in Leadership Positions Year-over-Year: REITs



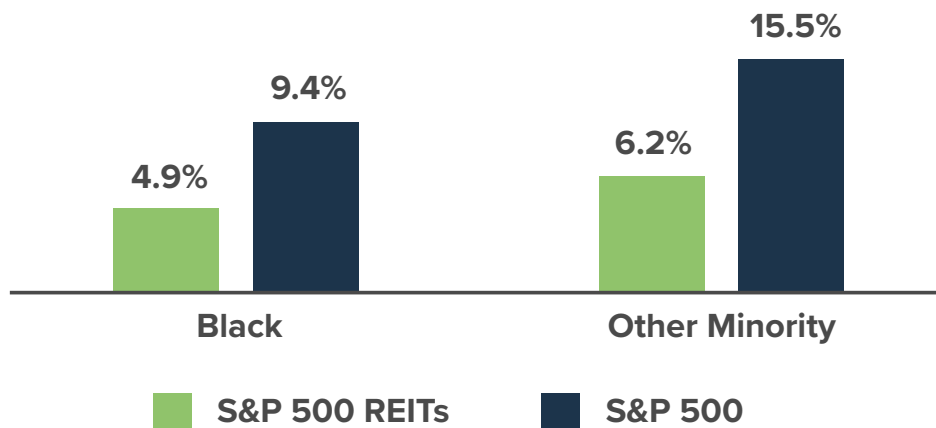
*Committees include Audit Committee, Compensation Committee, and Nominating/Corporate Governance Committee.

Racial/Ethnic Minority Leadership Positions

Percentage of Minorities in Chairperson/ Lead Independent Director Positions Year-over-Year: S&P 500 REITs vs. S&P 500

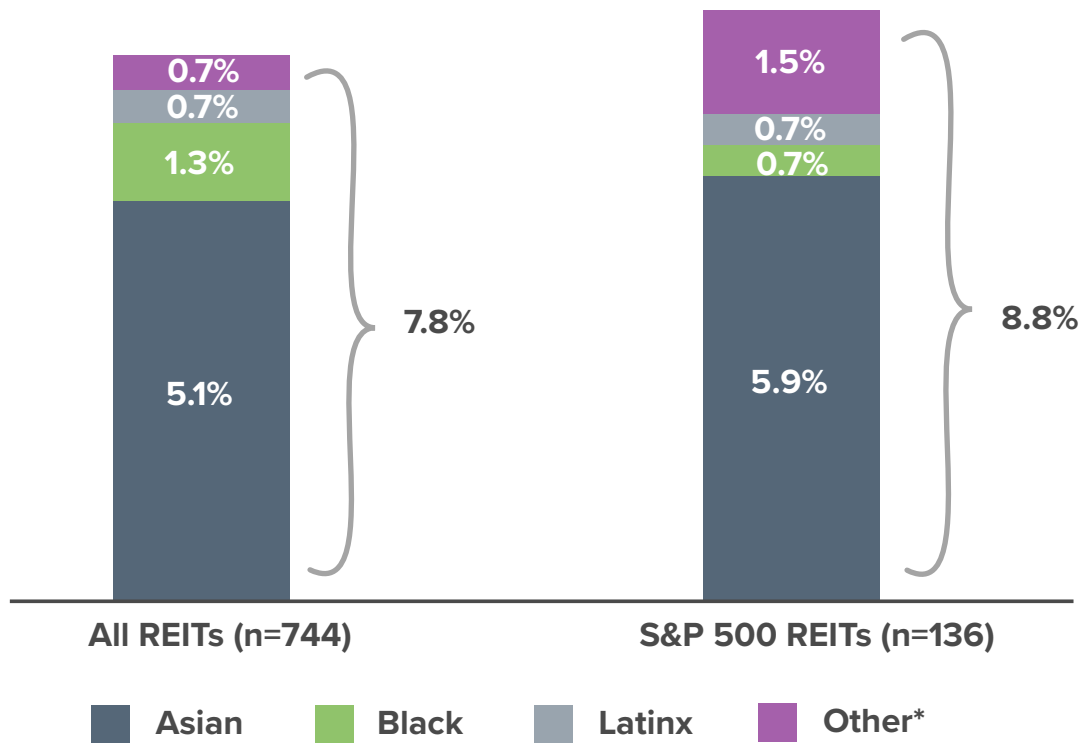


Percentage of Minorities in Committee Chair Leadership Positions Year-over-Year: S&P 500 REITs vs. S&P 500



Minority NEOs

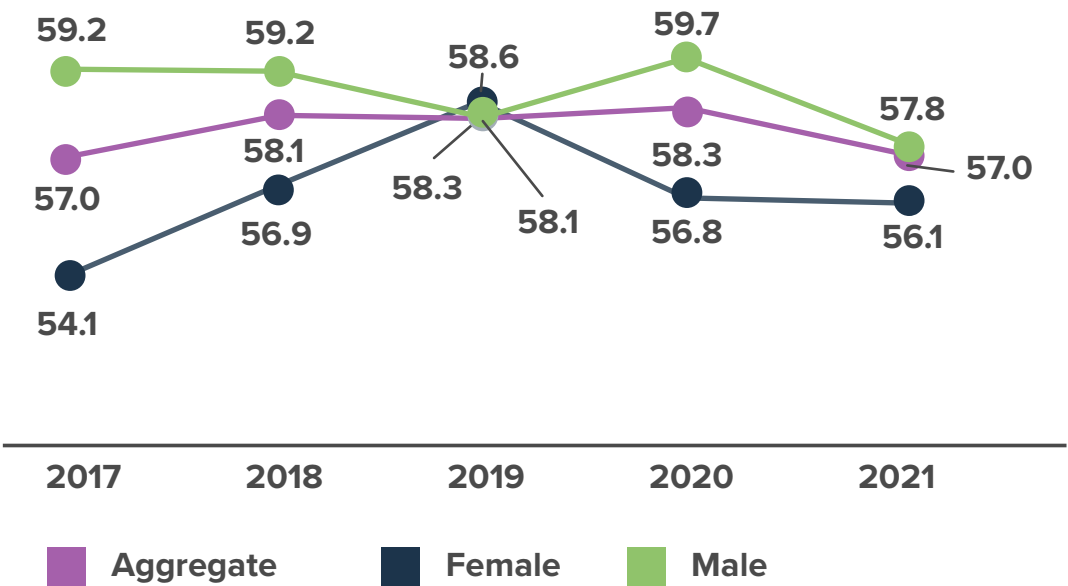
Percentage of Minority NEOs



*Other includes Middle Eastern and Native American/Alaskan Native. Individuals of Indian descent have been counted as Asian, which is consistent with U.S. Census Bureau methodology.

Newly Elected Directors: Age

Average Age of Newly Elected REIT Directors 2017-2021



Research Methodology

This report analyzes director and executive demographics across 214 and 171 U.S. public REITs, respectively, the latter excluding externally managed REITs. For the REITs under review, data corresponding to 2021 was reported by the companies in regulatory filings submitted to the Securities Exchange Commission during 2021 and also further examined across company websites and crosschecked, as required, across other internet sources, such as LinkedIn, Bloomberg, etc. Externally managed REITs were only included for the director analyses and a total population of 1,765 REIT directors were examined. The 744 total REIT executive positions examined were based on NEOs publicly disclosed in regulatory filings, including any recently announced changes as of July 15, 2021. With respect to board composition, the data largely reflects such as of each company's annual shareholder meeting in 2021, most of which occurred between May 1 – July 1, 2021 (comparisons are made to prior years and that reported in historical annual meetings). The data was collected and analyzed by Ferguson Partners Consulting as well as supplemented, particularly for the broader marketplace, by BoardEx, Equilar®, and the NACD within various publications.

Contacts



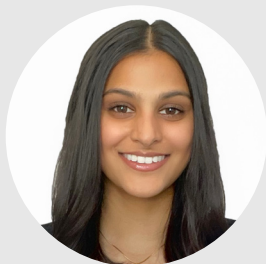
Jeremy I. Banoff
Vice Chairman
Compensation Consulting

Ferguson Partners
123 North Wacker Drive, Suite 2500, Chicago, Illinois 60606
E: jbanoff@fergusonpartners.com



Joanna Hinkel
Vice President
Compensation Consulting

Ferguson Partners
123 North Wacker Drive, Suite 2500, Chicago, Illinois 60606
E: jhinkel@fergusonpartners.com



Rina Patel
Analyst

Ferguson Partners
123 North Wacker Drive, Suite 2500, Chicago, Illinois 60606
E: rpatel@fergusonpartners.com



Ferguson Partners

As a global talent management boutique serving all industries and with a strong concentration of real assets, healthcare, hospitality, and private equity clients, Ferguson Partners orchestrates the essential disciplines impacting human capital — Executive and Board Recruitment, Compensation Consulting, Diversity, Equity & Inclusion, Leadership Consulting, and Management Consulting — to deliver trustworthy solutions that help clients capitalize on the advantages of great leadership.