

Making a Difference

Community, Collaboration, and Innovation

An Interview with Joel S. Marcus,
Chairman, Chief Executive Officer, and Founder, Alexandria Real Estate Equities, Inc.

EDITORS' NOTE Joel Marcus co-founded Alexandria in 1994 as a garage start-up and has led its growth into a publicly traded, investment-grade REIT with an approximately \$14 billion total market capitalization and significant market presence in leading AAA locations. Marcus founded Alexandria Venture Investments and the Alexandria Summit®. He serves on the boards of Accelerator and AgTech Accelerator Corporations, both of which he was one of the original architects and co-founders; Applied Therapeutics Inc.; Atara Biotherapeutics; Boragen; Intra-Cellular Therapies, Inc.; MeiraGTx Limited; Yumanity Therapeutics; 9/11 Memorial & Museum; BIO; FNIH; Friends of Cancer Research; NewYorkBIO; Partnership for New York City; the Robin Hood Foundation; NYU Schack Institute of Real Estate; and NAREIT's 2017 Executive Board. Marcus received the Ernst & Young Entrepreneur of the Year Award (Los Angeles – Real Estate). He completed his undergraduate and J.D. degrees at the University of California, Los Angeles.



Joel S. Marcus

COMPANY BRIEF Alexandria Real Estate Equities, Inc. (are.com) is an urban office REIT uniquely focused on collaborative life science and technology campuses in AAA innovation cluster locations. Founded in 1994, Alexandria pioneered this niche and has since established a significant market presence in key locations, including Greater Boston, San Francisco, New York City, San Diego, Seattle, Maryland, and Research Triangle Park. Alexandria has a longstanding and proven track record of developing Class-A properties clustered in urban life science and technology campuses that provide its innovative tenants with highly dynamic and collaborative environments that enhance their ability to successfully recruit and retain world-class talent and inspire productivity, efficiency, creativity, and success.

Alexandria has achieved strong growth on a consistent basis and is known for a culture of innovation. What has been the key to Alexandria's success and makes it an industry leader?

Consistent and effective execution of our differentiated and multifaceted business strategy focused on world-class science and technology campuses in AAA innovation cluster locations

has been key to our sustained success, and it has positively distinguished Alexandria from all other office REITs.

Our core business is our infrastructure and real estate platform, and as Alexandria has grown and evolved as a company, we have built our business around four core verticals – real estate, venture investments, thought leadership, and corporate social responsibility. Through these verticals, we create and support dynamic campuses and vibrant ecosystems that enable the world's most brilliant

minds and innovative companies to develop life-changing scientific and technological breakthroughs that will prevent, treat, and cure disease, end world hunger, and enhance quality of life in the communities in which we live and work.

If we take a step back and look at the trajectory of the company's growth, I feel a great sense of pride that Alexandria is a leader in both the real estate and life science industries. From a garage start-up with \$19 million in seed capital in 1994 to joining the S&P 500 on Monday, March 20, Alexandria remains in a unique and strong position in a niche that we created. In addition to joining the S&P 500, May 2017 marks a very important milestone for the company as we celebrate 20 years on the New York Stock Exchange.

Today, Alexandria is the only publicly traded pure-play office/laboratory REIT. Our high-quality asset base of Class-A properties leased to a REIT industry-leading tenant roster, our well-established position in key urban innovation cluster locations, our proven track record of on-time and on-budget development projects, and our top-notch team of passionate and seasoned professionals from across a range of sectors provide us with a significant competitive advantage in the office REIT sector.

Would you discuss Alexandria's cluster model?

When we started Alexandria, we identified four ingredients that are essential to creating a world-class cluster: location, innovation, talent, and capital. Alexandria was founded on the belief that life science entities are most successful when located in the epicenter of the world's top life science clusters, immediately adjacent to world-renowned academic and medical institutions, highly skilled scientific,

engineering, and managerial talent, and significant and strategic capital from the federal government, venture capitalists, and the biopharmaceutical industry.

This proven cluster model, which I believe holds even truer today, is critical to our business. Our collaborative life science and technology campuses powerfully complement these leading life science clusters, providing our innovative tenants with dynamic ecosystems to accelerate discovery and commercialization.

Alexandria places a major emphasis on diversity and inclusion. What makes this so important, and how critical is it to have a workforce with diversity of thought for the continued success of Alexandria?

Human capital is our most important asset, and diversity and inclusion are fundamental to our culture in attracting talented employees and in our ability to deliver inventive solutions to our tenants. We continually strive to create an inclusive environment that values people for their individual talents and contributions.

I am a big fan of Eric Schmidt and the book he co-wrote, *How Google Works*, which includes a chapter devoted to Google's unique hiring process, noting that companies should aim to hire "learning animals." These are passionate people with a growth mindset, diverse people who see things differently, and these different perspectives drive greater insight and big picture thinking.

By embracing our collective diversity and differences, we aim to encourage our people to be open-minded in all of their pursuits – from decision making and debates to undertaking new projects or proposing alternative options, diversity of thought is key to fueling the company's vision, flexibility, and steady growth.

At Alexandria, we promote and practice acceptance, equality, and respect every day. We pride ourselves on fostering an environment where each member of our Alexandria family feels safe, welcome, and dignified.

Corporate philanthropy and community engagement are at the core of Alexandria's culture. Would you highlight these efforts, and how they are engrained in Alexandria's culture?

Being part of the Alexandria family means being part of a dedicated culture with a strong commitment to our society. As a company that truly embodies community, collaboration, and

innovation, we believe it is important to devote time, effort, and financial contributions toward making a positive impact on the world. Our commitment to philanthropy and good citizenship drives the company's efforts in all aspects of our business, as well as in our pursuit to advance human health.

What are the key programs that Alexandria supports in regard to its philanthropic efforts?

Our strategic corporate giving and community volunteerism efforts support impactful medical research organizations that promise the next generation of treatments for some of the world's most challenging diseases, science education programs that cultivate future scientific leaders, and military support services that ensure the health and safety of the brave men and women who defend our nation.

In addition to our significant corporate financial contributions and annual team fundraising efforts, Alexandria team members lend their time, expertise, and manpower to local nonprofit organizations throughout the year, making use of Alexandria's eight paid hours of annual volunteer time and working as a team on the annual team days when our employees dedicate pro-bono service hours to benefit nonprofit organizations in our local communities.

How do you decide the areas of need to support, and do your philanthropic efforts align with your business?

All of the organizations we support align with our broader mission to help end disease and hunger and to improve the quality of people's lives.

How important is it to have metrics in place to evaluate and track your philanthropic work?

Metrics are important because they not only allow us to track our monetary and volunteer contributions but enable us to understand and communicate the impact of our various efforts, as well as set ambitious goals to further the impact of philanthropic partnerships and our community engagement.

Alexandria has strong employee engagement for its CSR efforts. How do you communicate this work throughout the organization to ensure the employees are engaged in this regard?

We encourage all of our employees to be culture carriers, and we communicate our CSR efforts through a variety of mediums, including company-wide e-mails, company workshops and retreats, and region-specific initiatives. We've also found that direct interaction between Alexandria team members and the organizations we support and the communities they serve is critical in driving team engagement with these critical causes.

A spirit of friendly competition and collaboration runs throughout the entire organization and drives the entire Alexandria team to come together to make a difference in our communities.



Alexandria Center for Life Science – New York City

Young people are interested in working for companies that have a purpose and are making a difference. Do you feel that this corporate culture is necessary to attract the next generation of Alexandria's leaders?

To uphold and advance our mission, Alexandria maintains a culture defined by professionalism, humility, and teamwork. We are making investments in our employees, at all levels of the organization, to build a culture that expects excellence, and we believe this to be in line with the key criteria "young people" are looking for from current and prospective employers. Employees want to take pride in the company they work for, and as a mission-driven company, Alexandria provides all of its employees the opportunity to work for an organization that has a greater purpose, enabling leading-edge life science and technology companies to develop breakthrough technologies to improve human health and the way we live.

Across the organization, our colleagues are fully aligned in purpose, and our leadership team is positioned to inspire and train the next generation of Alexandria leaders. We engage our team members in workshops to educate them on why organizations and leaders succeed and continue to develop opportunities to create a leadership development program.

As we look toward the future, what will set us apart will be our people, enabled by our

unique culture. By embodying our principles of caring deeply and working passionately in everything we do, we expect to drive innovation and to attract the best and the brightest.

What are the keys to effective corporate philanthropy?

At Alexandria, we've built an organization made up of selfless individuals who are committed to making a difference for those in need. These people, with their incredible passion, generosity, and hard work are the backbone to an effective corporate philanthropy initiative. Our efforts would not be possible without the contributions of each and every one of Alexandria's employees.

As a company, do you take the time to reflect and celebrate the impact that Alexandria has had with its philanthropic work?

We take the time to reflect on the impact and key accomplishments of our philanthropic efforts around the holidays as well as year-round. As part of this reflection, we continue to deepen our commitment to our philanthropic efforts and to set end-of-year philanthropic goals in support of impactful organizations both company-wide and within each of our regional offices.

Our team makes it a priority to continually improve our corporate philanthropy and volunteerism program, providing more significant opportunities to engage with our critically important philanthropic initiatives. ●