



“Our steadfast commitment to smart, environmental, social and governance (ESG) practices has proven the mettle of our team, the value of our investments in our people, properties and communities and the power behind our principles and values. – Ventas¹

Ticker	VTR (NYSE) ²
Headquarters	Chicago, Illinois
Market Cap	USD \$22.42 billion
Company History	1998 founded as spin-off to Vencor 2015 acquired Ardent Health Services 2021 acquired New Senior Investment Group
Properties	1,200 properties in US, Canada, UK Over 65% Senior Homes Approx. 25% Medical Offices
Green Building Certifications	50 buildings are LEED certified 119 properties are Energy Star certified 21 million sq ft. Green Building Certified



Sunrise of Mission Viejo, California
Source: Sunrise. www.sunriseseniorliving.com

¹Data as of December 31, 2021.

Recent Awards



A- CDP (formerly the Carbon Disclosure Project) Grade Climate Action Leader



Global Real Estate Sustainability Benchmark GRESB Real Estate Sector Leader



ENERGY STAR Partner of the Year



Nareit (National Association for Real Estate Investment Trusts) Leader in the Light



2021 Bloomberg Gender Equality Index

Who is Ventas?

Ventas is a leading S&P 500 real estate investment trust with a diverse portfolio of around 1,200 properties. The healthcare REIT focuses on senior housing, medical office buildings, and life science centers. Ventas's mission statement is to provide quality of life for seniors in independent living, assisted living and memory care facilities.

A Focus on Senior Housing and Healthcare

Many developed countries are facing an increasingly aging population. The OECD (Organization for Economic Cooperation and Development) projects the share of population aged 65 and over will rise from 17% in 2017 to 27% in 2050.³ This translates to more seniors in need of specialized housing. The majority of Ventas's portfolio and 68% of the company's revenue comes from senior housing.⁴ As such Ventas has taken measures to improve the quality of these facilities and by extension residents' experience of senior housing. Ventas invests and develops senior living communities, life science, and research and innovation properties, medical office and outpatient facilities, and other healthcare real estate. Ventas leases the space to leading care providers, research, educational and medical institutions, innovators and healthcare organizations.

Ventas also supports life science, research, and innovation centers. Ventas leases spaces for businesses working on cutting edge research to advance treatments and cures for clinical conditions. Ventas has increased its Life Science Research and Innovation portfolio to approximately 10 million square feet of property in 2021.⁵ Within the context of a post-covid world, these goals are aligned with promoting the safety and well-being of the population providing more capacity for medical research.

Leading with Diversity

Recent studies have established a correlation between diversity and companies' financial performance. McKinsey has been collecting data on diversity and workplace development since 2014. McKinsey finds companies with diverse executive teams (gender, cultural, ethnic) are 25% more likely to have above average profitability than companies that are less diverse.⁶ In the company's own materiality assessment, the company identifies developing and retaining employees the most material impact to their business.⁷

Ventas has received recognition for integrating diversity, equity, and inclusion into its corporate culture. Ventas's board of directors is now 45% diverse. And for nearly 25 years, Ventas has been led by a woman CEO – Debra Carfaro. Only 32 companies or 6.4% of the S&P 500 are women CEOs.⁸ Carfaro was named one of the Top 100 Best Performing CEOs by Harvard Business Review for increasing the company's market capitalization and annual total shareholder return throughout her tenure.

Ventas is included in Bloomberg Gender Equality Index. Ventas is also a Founding Diversity Partner with the Real Estate Executive Council, a Gold winner Nareit's Diversity Equity & Inclusion Awards, and a signatory to the UN Women's Empowerment Principles.

Financial Benefits of Sustainability Initiatives

The real estate industry generates close to 40% of all global carbon emissions. As governments, markets, and civil society call for more action on climate change, investors increase calls for data transparency and consistent metrics for quantifying emissions.

Ventas has set goals to reduce emissions, energy, water, and waste, and to invest in energy efficiency upgrades. The company is focusing on data and decarbonization. Ventas recognizes that allocating resources to this is a process will require input from all stakeholders including tenants.

The company has committed to the Science-Based Targets Initiative to reduce its absolute carbon emissions by 30% by 2030. Ventas has invested more than \$60 million in energy efficiency upgrades since 2018, including LED lighting, building controls, and HVAC (heating, ventilation, and air conditioning) optimization. Ventas finds investment in energy efficiency projects result in meaningful energy cost savings, which in turn increases net operating income and improves the company's earnings.⁹ The company has reduced energy use per square foot by more than five percent for two consecutive years.¹⁰ The capital for these projects is allocated to the company's balance sheet as an asset and is not considered a cost.¹¹ In 2021, 100% of the company's 1200 properties are slated to pursue or have achieved LEED (Leadership in Energy and Environmental Design) certification.

Several of Ventas's buildings are in regions with energy benchmarking ordinances. For example, Local Law 97 in New York City is a municipal ordinance requiring buildings over 25,000 square feet to benchmark energy use and start to implement energy efficiency measures or face fines. In California, Ventas's projects comply with Building Energy Efficiency Standards – Title 24. These standards require energy efficiency, water efficiency, and indoor air quality requirements and are updated every three years.

As a publicly traded company, Ventas recognizes an opportunity to access more capital as they see investors increasingly factor in climate change impacts. Ventas states that they "are starting to see increased creation of 'sustainable' and 'ESG' (environmental, social, governance) mutual and index funds based on company performance against various ESG frameworks such as CDP (Carbon Disclosure Project), GRESB (Global Real Estate Sustainability Benchmark), MSCI, etc.; they believe that increased equity investment will drive up their share price."¹²

Tenant Engagement Features in Sustainability Initiatives

Ventas engages tenants in sustainability goals by collecting data to address environmental impact and to identify cost saving opportunities. Less than half of Ventas's properties are under the company's direct operational control. Many properties are either managed by third-party managers or leased by third-party tenants. Ventas relies on tenant engagement with their operators to make energy-conscious decisions and cost-effective improvements.

Sunrise Senior Housing is a large operator of many Ventas owned senior housing facilities in the US. More than 30 Sunrise communities have received the Environmental Protection Agency's Energy Star award. The award recognizes energy efficient practices in lighting, heating, ventilation, air conditioning and refrigeration. Sunrise was the first to get a senior living community Energy Star certified. These properties are in the top 25% of building efficiency compared to similar buildings.¹³

Ventas is proactive in assessing and mitigating physical climate risks. Less than 10% of the net operating income come from properties in high flood risk areas.¹⁴ Additionally, Ventas works to mitigate increasing insurance premiums in response to more extreme weather at specific locations. Ventas employs one simple (and often overlooked strategy) to develop emergency preparedness plans in collaboration with operators and tenants. Costs are often minimal and can easily make use of existing internal resources.¹⁵

Notes and Sources:

¹ Ventas. (2022). Corporate Sustainability Report. Available from <https://www.ventasreit.com/sites/default/files/flipbooks/csr-2021/index.html>

² Ventas, Inc is 2.10% of the Vert Global Sustainable Real Estate Fund (VGSRX) as of December 31, 2021.

³ OECDLibrary. (2019). Health at a Glance 2019: OECD Indicators. OECD. Available from <https://www.oecd-ilibrary.org/sites/c05578aa-en/index.html?itemId=%2Fcontent%2Fcomponent%2Fc05578aa-en>

⁴ Ventas. (2022). 2021 Annual Report for Ventas. Available from https://s27.q4cdn.com/892858739/files/doc_financials/2021/ar/2021_VTR_AnnualReport.pdf

⁵ Ventas. (2022, February 17). 2021 fourth quarter and full year results. Available from <https://ir.ventasreit.com/press-releases/news-details/2022/Ventas-Reports-2021-Fourth-Quarter-and-Full-Year-Results/default.aspx>

⁶ McKinsey. (2020, May 19). Diversity Wins: Inclusion Matters. McKinsey. Available from <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

⁷ Ventas. (2022). ESG Approach. Ventas. Available from <https://www.ventasreit.com/corporate-responsibility/esg-approach>

⁸ Catalyst. (2022, March 25). Women CEOs of the S&P 500. *Catalyst*. Accessed at [https://www.catalyst.org/research/women-ceos-of-the-sp-500/#:~:text=%20Women%20currently%20hold%2032%20\(6.4,at%20those%20S%26P%20500%20companies.&text=Corie%20Barry%2C%20Best%20Buy%20Co,Boudreaux%2C%20Anthem%2C%20Inc](https://www.catalyst.org/research/women-ceos-of-the-sp-500/#:~:text=%20Women%20currently%20hold%2032%20(6.4,at%20those%20S%26P%20500%20companies.&text=Corie%20Barry%2C%20Best%20Buy%20Co,Boudreaux%2C%20Anthem%2C%20Inc)

⁹ Ventas. (2021). Ventas Inc – Climate Change 2020. CDP. Available https://www.ventasreit.com/sites/default/files/pdf/CDP_2020_Report.pdf

¹⁰ Ventas. (2022). 2021 Annual Report for Ventas. Available from https://s27.q4cdn.com/892858739/files/doc_financials/2021/ar/2021_VTR_AnnualReport.pdf

¹¹ Ventas. (2021). Ventas Inc – Climate Change 2020. CDP. Available https://www.ventasreit.com/sites/default/files/pdf/CDP_2020_Report.pdf

¹² *ibid*.

¹³ Sunrise Senior Living. (n.d.). Energy Star Certified Communities. Available from <https://www.sunriseseniorliving.com/about/mission-ethics/energy-star-certified.aspx>

¹⁴ Ventas. (2022). Corporate Sustainability Report. Available from <https://www.ventasreit.com/sites/default/files/flipbooks/csr-2021/index.html>

¹⁵ Ventas. (2021). Ventas Inc – Climate Change 2020. CDP. Available https://www.ventasreit.com/sites/default/files/pdf/CDP_2020_Report.pdf

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Mutual fund investments involve risk. Principal loss is possible. Investors should be aware of the risks involved with investing in a fund concentrating in REITs and real estate securities, such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. A REIT's share price may decline because of adverse developments affecting the real estate industry. REITs may be subject to special tax rules and may not qualify for favorable federal tax treatment which could have adverse tax consequences. The Fund's focus on sustainability may limit the number of investment opportunities available to the fund and at time the fund may under perform funds that are not subject to similar investment considerations.

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