

# welltower

*“Our commitment to helping people live and age well is paralleled through our dedicated leadership in environmental, social, governance (ESG)” - Welltower<sup>1</sup>*

<b>Ticker</b>	WELL (NYSE) <sup>2</sup>
<b>Headquarters</b>	Toledo, Ohio
<b>Market Cap</b>	USD \$40.2 billion
<b>Company History</b>	1970 Founded as a Health Care Fund 1985 Becomes Health Care REIT 2015 Changes name to Welltower
<b>Properties</b>	1,493 properties Over 50% Senior Homes Less than 50% Medical Offices
<b>Green Building Certifications</b>	6 properties are LEED certified 31 properties are ENERGY STAR certified 4 properties are BREEAM Certified



Belmont Village Senior Living Thousand Oaks, California  
Source: Welltower. www.welltower.com

\*Data as of December 31, 2021.

## Recent Awards



A- CDP Grade  
Climate Action Leader



Green Lease Leader  
Gold Level  
2020



ENERGY STAR  
Partner of the Year  
for 3rd consecutive year



Dow Jones Sustainability  
World Index  
for 6th consecutive year



2021 Bloomberg Gender  
Equality Index  
for 3rd consecutive year

## Who is Welltower?

The U.S. population is aging rapidly. The nation's 65-and-older population was 56.1 million in 2020, accounting for 17% of the entire US population. By 2060, it is projected that 94.7 million people will be over the age of 65, representing approximately one in four Americans.<sup>3</sup> With a focus on these demographic changes, Welltower aims to develop healthcare infrastructure through senior housing and medical offices to improve the health and wellness of an aging society.

Welltower is the largest health and wellness real estate investment trust in the US. Welltower has operated senior homes and medical offices successfully for over 40 years.<sup>4</sup> Welltower leads healthcare REITs with its well-performing triple bottom line initiatives and has been recognized with several awards including S&P Global in its 2021 Sustainability Yearbook and by Barron in its 10 Most Sustainable REITs list.

## Making Senior Housing Affordable

Welltower is interested in improving the quality of life for the aging population. The Pew Research Center found only 30% of 75+ year-olds reported their lives are better compared to a decade ago, a significant decrease compared to other age groups. The company's business initiative WelltowerLIVING makes housing and healthcare accessible to moderate-income residents. The program operates senior apartments aimed at younger seniors and to help seniors "age-in-place". The company leverages geographical location and relationships with healthcare operators to create housing that requires less staffing and significantly lower cost than traditional senior housing. Today, over 50% of retirees live on an annual income less than \$50,000.<sup>5</sup> WelltowerLIVING residential units have operating costs similar to multifamily housing, resulting in affordable housing for seniors with lower incomes.

Welltower addresses the growing need of affordable senior housing in its business strategy, and also in its philanthropic giving with the company's own Welltower Charitable Foundation. The foundation donates to regionally to United Way of Greater Toledo and nationally to the Alzheimer's Association.

## Championing Diversity, Equity, and Inclusion

There is growing evidence that diverse boards perform better.<sup>6</sup> The company has attained 80% women and minority representation on their Board of Directors. Welltower has been recognized by Bloomberg Gender-Equality Index for three consecutive years for its efforts in board diversity.<sup>7</sup>

## Executive Pay Linked to ESG Metrics

The World Economic Forum finds that incentives for board members and senior leadership can either impede or reinforce specific goals linked to long-term value creation for a company.<sup>8</sup> But only 45% of the FTSE 100 companies incorporate environmental, social, and governance (ESG) metrics into executive pay plans and long-term incentive packages.<sup>9</sup> Welltower is one of the leaders that aligns executive pay includes incentives aligned with ESG goals.

## Financing Carbon Reduction Goals

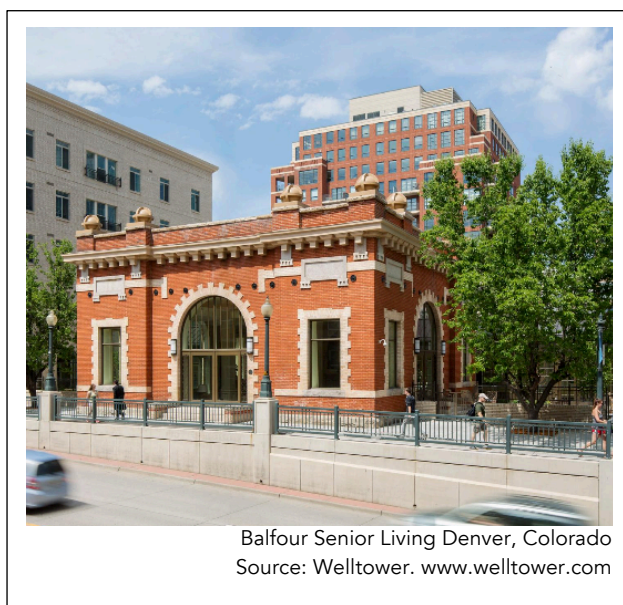
Welltower was the first U.S. healthcare REIT to issue Green Bonds in 2019. Proceeds go towards green buildings projects, energy efficiency improvements, and water efficiency savings.<sup>10</sup>

Welltower is also one of the few REITs to adopt science-based methodology to set the company's decarbonization targets. Welltower reduced greenhouse gas emissions by 8.5%, energy consumption by 2.1% and water usage by 5% towards a 2018 baseline.<sup>11</sup> MSCI public metric on net-zero pathways analysis suggests the company is on track to decrease emissions by a quarter percent each year.<sup>12</sup>

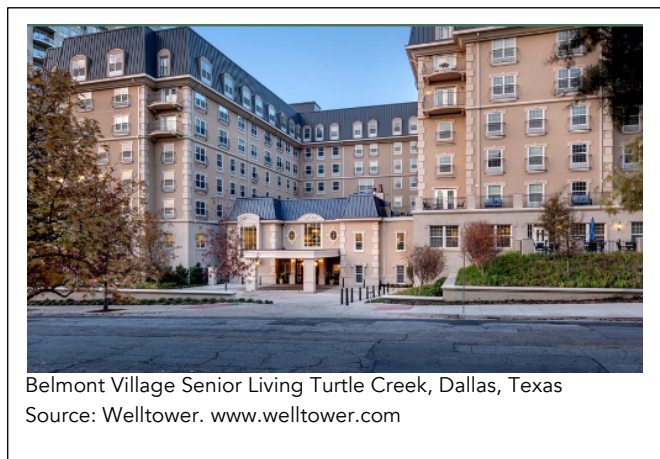
### Project Spotlight: The Balfour at Brookline

The Balfour at Brookline is a senior living facility currently under construction and estimated to debut in 2023.<sup>13</sup> Replacing the former Newberry College campus, the community will provide independent living, assisted living and memory caring programs to meet the different needs of the senior population.

The property is working to achieve LEED (Leadership in Energy and Environmental Design) Gold Certification. This will be obtained partially through adopting the passive house principles. Passive houses maintain energy efficiency by through design, high quality insulation, high-performance windows, airtight construction and balanced ventilation with heat recovery.<sup>14</sup>



Balfour Senior Living Denver, Colorado  
Source: Welltower. [www.welltower.com](http://www.welltower.com)



Belmont Village Senior Living Turtle Creek, Dallas, Texas  
Source: Welltower. [www.welltower.com](http://www.welltower.com)

### Project Spotlight: Belmont Village Senior Living

Belmont Village is an award-winning senior living community with multiple choices of programs and care, including financial assistance. The Village has received ENERGY STAR certification 5 times since 2011.<sup>15</sup> The communities in Lincoln Park and Albany have also received the LEED Gold Certification for quantifiable environmentally-friendly practices which have resulted in less emissions compared similar-sized buildings.<sup>16</sup>

## Notes and Sources:

- <sup>1</sup> Welltower. (2021, May 1). ESG – Welltower. Welltower. Available from <https://welltower.com/esg/>
- <sup>2</sup> Welltower, Inc is 3.25% of the Vert Global Sustainable Real Estate Fund (VGSRX) as of December 31, 2021.
- <sup>3</sup> Vespa, J., Medina, L., & Armstrong, D. M. (2020, February). Demographic Turning Points for the United States: Population Projections for 2020 to 2060. Census Bureau. Available from <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf>
- <sup>4</sup> Welltower. (2021, June 16). Environmental, Social and Governance. Welltower. Available from <https://welltower.com/wp-content/uploads/2021/07/Welltower-2020-ESG-Report-07072021.pdf>
- <sup>5</sup> Powell, R. (2016, July 14). Could you live on just \$32,000 per year? Most retirees do. USA Today. Available from <https://www.usatoday.com/story/money/columnist/powell/2016/07/14/retirees-low-income-social-security/83934392/>
- <sup>6</sup> Meyer, A.(nd.) "Companies with Diverse Boards Out Performed Their Peers During the Pandemic". ". Inc. Available from <https://www.inc.com/anna-meyer/diversity-board-directors-covid-pandemic.html#:~:text=Analysis%20of%20the%20companies%20on,financial%20performance%20during%20Covid%2D19.&text=While%20the%20economy%20took%20a,to%20succeed%20against%20all%20odds.>
- <sup>7</sup> Bloomberg. (2021, January 29). Welltower Included In 2021 Bloomberg Gender-Equality Index For 3rd Consecutive Year. Bloomberg. Available from <https://www.bloomberg.com/press-releases/2021-01-29/welltower-included-in-2021-bloomberg-gender-equality-index-for-3rd-consecutive-year>
- <sup>8</sup> World Economic Forum. (September 2020). *Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*. p53.
- <sup>9</sup> Naik, G., & Gosling, T. (2021, March 30). Nearly half of UK's 100 biggest companies link executive pay to ESG measures. S&P Global. Available from <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/nearly-half-of-uk-s-100-biggest-companies-link-executive-pay-to-esg-measures-63248983>
- <sup>10</sup> Welltower. (n.d.). Environment – Welltower. Welltower. Available from <https://welltower.com/esg/environment/>
- <sup>11</sup> ibid.
- <sup>12</sup> MSCI. (n.d.). ESG Ratings & Climate Search Tool. Available from <https://www.msci.com/research-and-insights/esg-ratings-corporate-search-tool/issuer/welltower-inc/IID000000002169080>
- <sup>13</sup> Mullaney, T. (2021, November 15). Balfour CEO: Pipeline With Welltower On Track To Bring Luxury Model To East Coast Metros. Senior Housing News. Available <https://seniorhousingnews.com/2021/11/15/balfour-ceo-pipeline-with-welltower-on-track-to-bring-luxury-model-to-east-coast-metros/>
- <sup>14</sup> Passive House Institute. (n.d.). Passivhaus Institut. Passivhaus Institut. Available from [https://passiv.de/en/02\\_informations/02\\_passive-house-requirements/02\\_passive-house-requirements.htm](https://passiv.de/en/02_informations/02_passive-house-requirements/02_passive-house-requirements.htm)
- <sup>15</sup> ENERGY STAR. (n.d.). BELMONT VILLAGE WEST U. | ENERGY STAR. Energy Star. Available from [https://www.energystar.gov/buildings/reference/find-energy-star-certified-buildings-and-plants/registry-energy-star-certified-buildings/b\\_1548783](https://www.energystar.gov/buildings/reference/find-energy-star-certified-buildings-and-plants/registry-energy-star-certified-buildings/b_1548783)
- <sup>16</sup> Belmont Village Senior Living. (2019, March 11). Belmont Village Albany Awarded Prestigious LEED Green Building Certification - Belmont Village. Belmont Village Senior Living. Available from [https://www.belmontvillage.com/news\\_events/belmont-village-albany-awarded-prestigious-leed-green-building-certification/](https://www.belmontvillage.com/news_events/belmont-village-albany-awarded-prestigious-leed-green-building-certification/)

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