

Second-Party Opinion

Welltower Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Welltower Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The three eligible categories for the use of proceeds – (i) Green Buildings, (ii) Energy Efficiency, and (iii) Water Efficiency – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the eligible projects will lead to positive environmental impacts and advance the UN Sustainable Development Goals (SDG) 11, 7, and 6.



PROJECT EVALUATION / SELECTION Welltower's eligible projects are evaluated and selected by its dedicated Green Bond Committee based on the established eligibility criteria. The Green Bond Committee consists of members from cross-functional departments such as Welltower's sustainability, capital markets and treasury functions. The process is aligned with market practices.



MANAGEMENT OF PROCEEDS Welltower commits to record and track the green bond use of proceeds by Green Bond Register, which is managed by its Accounting Team. Pending full allocation, the unallocated proceeds will be invested in accordance with company's cash investment policy. Allocated proceeds will be verified by an external auditor which is in line with market best practice.



REPORTING Welltower intends to report allocation of proceeds on company's website on an annual basis until fully allocated. Welltower is committed to reporting environmental performance indicators including energy saving, water use savings, GHG emissions avoided, and level of green building certification achieved. Sustainalytics views Welltower's reporting as in line with market practice.

Evaluation date	December 6, 2019 ¹
Issuer Location	Toledo, OH, USA

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendices	7

For inquiries, contact the Sustainable Finance Solutions project team:

Ankita Shukla (New York)

Project Manager
ankita.shukla@sustainalytics.com
(+1) 617 603 3329

Begum Gursoy (Timisoara)

Project Support
begum.gursoy@sustainalytics.com
(+40) 0356 089 978

Melissa Menzies (Toronto)

Client Relations
susfinance.americas@sustainalytics.com
(+1) 647 317 3678

¹ This SPO was originally published in July 2019. It has been updated slightly in December 2019. None of the commentary has changed and the overall positive opinion of Sustainalytics regarding the Sustainability Bond Framework remains the same.

Introduction

Welltower Inc. is a health care infrastructure company headquartered in Toledo, Ohio which provides wide-range of healthcare infrastructure properties spanning the senior housing, medical office, and skilled nursing/post-acute care sectors globally.

Welltower Inc. has developed the Welltower Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance/refinance, in whole or in part, existing and future projects that mitigate greenhouse gas emission and advance efficient use of resources. The Framework defines eligibility criteria in three areas:

1. Green Buildings
2. Energy Efficiency
3. Water Efficiency

Welltower engaged Sustainalytics to review the Welltower Green Bond Framework, dated December 2019 and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).² This Framework has been published in a separate document.³

As part of this engagement, Sustainalytics held conversations with various members of Welltower’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of Welltower’s green bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Welltower Green Bond Framework and should be read in conjunction with that Framework.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

³ The Welltower Green Bond Framework is available on Welltower’s website at: <https://welltower.com/investors/>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Welltower Green Bond Framework

Summary

Sustainalytics is of the opinion that the Welltower Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of Welltower's green bond framework:

- Use of Proceeds:
 - The eligible use of proceed categories of the Welltower Green Bond Framework – (i) Green Buildings, (ii) Energy Efficiency, and (iii) Water Efficiency – are recognized as impactful by the Green Bond Principles 2018. Sustainalytics believes that investments in the eligible projects will lead to a reduction in the environmental footprint of Welltower's infrastructure services and enhance its energy and water resource management capacities.
 - Welltower's green building eligibility criterion includes third-party certification standards and labels, namely LEED gold or above, BREEAM very good or above, EPC B or above, and Energy Star 75 or above. Sustainalytics highlights that Welltower's focus on EPC labels, level A and B for UK, aligns with the most energy efficient buildings in the local context (within the top 15% most energy efficient buildings). Furthermore, Welltower is also committed to align with IREM Certified Sustainable Property Standards when Energy Star is unattainable for eligible properties,⁴ ensuring Welltower is aligned with sustainability standards across its entire portfolio. With regards to the certification schemes, Sustainalytics has conducted an evaluation of these standards and considers them to be robust and credible (see Appendix 1 for additional details on the certification schemes and Appendix 2 for the EPC levels).
 - Welltower has set a minimum threshold of 25% energy and water efficiency improvement compared to its baseline. Sustainalytics recognizes that by setting the minimum threshold for energy efficiency improvements, Welltower aligns with market practice.
 - Sustainalytics views Welltower's two-year look-back period for refinancing activities as aligned with market practices.
- Project Evaluation and Selection:
 - Welltower confirmed that the company's project evaluation and selection process will be executed by a dedicated Green Bond Committee consisting of members from cross-functional departments such sustainability, capital markets and treasury. The Green Bond Committee will evaluate and select eligible projects based on the established eligibility criteria. This process is in line with market practice.
- Management of Proceeds:
 - Welltower is committed to record the allocations and track the use of ongoing bond proceeds through the use of a Green Bond Register which is managed by Welltower's accounting department.
 - Pending full allocation, the unallocated proceeds will be invested in accordance with Welltower's cash investment policy. Allocated proceeds will be verified by an external auditor which is in line with the market best practice.
- Reporting:
 - Welltower is committed to reporting on the use of proceeds on the company's website on an annual basis until full allocation of proceeds. Welltower's allocation reporting will include relevant transaction information such as a list of eligible projects funded, total amount of proceeds allocated and the balance of unallocated proceeds.
 - Impact reporting will include level of certification and energy rating achieved, energy saved (kWh), water reduction (gallons), and GHG emissions avoided.
 - Sustainalytics considers Welltower's allocation and impact reporting processes to be aligned with market practices.

⁴ On January 1, 2014, EPA stopped offering ENERGY STAR certification for medical office buildings. Welltower has informed Sustainalytics that it may continue following ENERGY STAR certification once scores are updated for medical office buildings.

Energy Star: <https://portfoliomanager.zendesk.com/hc/en-us/articles/211698067-Can-I-apply-for-certification-for-medical-offices-and-dormitories->

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Welltower Green Bond Framework aligns to the four core components of the Green Bond Principles 2018. For detailed information please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of Green Bond Framework to Welltower's sustainability strategy

Sustainalytics is of the opinion that Welltower articulates a commitment towards a comprehensive approach to sustainability and demonstrates a robust governance structure supporting these commitments. Welltower has demonstrated its commitment to mitigate climate change and GHG emissions while promoting a positive social impact in its Sustainability Report 2017 through the following efforts⁵:

- Welltower's environmental sustainability programs consist of an extensive approach that focuses on specific energy, water, GHG emission, waste and recycling, green building, collective impact and environmental supply chain strategies. In accordance with its strategy, Welltower set long term energy, emission and water reduction goals to achieve its commitment towards reducing the company's negative environmental impact. To meet these goals, the company has implemented several initiatives such as benchmarking the energy and water consumption within EPA Energy Star Portfolio Manager, engaging in energy efficiency solution projects⁶ and integrating detection software for water leaks.
- Welltower has developed the Green Arrow Building Certification as a multi-pronged in-house building certification program for the company's medical office portfolio to assess properties based on energy efficiency, water efficiency, waste management, indoor air quality and sustainability. Furthermore, Welltower has established a property management team to conduct sustainability audits and identify additional improvement opportunities.
- Welltower provides disclosure on its progress. In 2017, the company reduced the intensity of water consumption by 9% and GHG emissions by 11% compared to 2016, while avoiding 20,966 tons of GHG emissions by recycling. Additionally, Welltower has accomplished the following sustainability related performance in 2018: (i) achieved Global Real Estate Sustainability Benchmark (GRESB) Green Star designation for the fourth consecutive year, (ii) received Institute of Real Estate Management (IREM) Certified Sustainable Property certification at eleven medical office buildings, (iii) included in the Dow Jones Sustainability World Index for the first time and to the Dow Jones Sustainability North America Index for the third consecutive year.⁷

Well positioned to address common environmental and social risks associated with the projects

While the eligible categories are recognized as impactful by Green Bond Principles 2018, Sustainalytics also recognizes that the related eligible categories may lead to unintentional negative environmental and social outcomes such as workers' health and safety, environmental impacts related to construction processes such as air, water, and soil pollution, biodiversity loss and land use change.

Sustainalytics believes that Welltower is well positioned to mitigate such risks through the following systems and processes: (i) Welltower's enterprise risk management program which supports its internal Risk Management Steering Committee to identify, monitor and control risks such as operational, strategic, financial, legal, environmental and regulatory;⁸ (ii) engagement of the Board and the Nominating/Corporate Governance Committee to review the management of risks related with compliance, environmental sustainability and company's corporate governance policies; (iii) Welltower's Code of Business Ethics which states the company's commitment to protect the health and safety of its employees, the public, customers, suppliers and environment; (iv) Welltower's Supplier Code of Conduct guiding supplier's operations in compliance with applicable federal, state and local laws and regulations under environmental, social and

⁵ Welltower Corporate Sustainability Report 2017: https://welltower.com/wp-content/uploads/2018/06/Welltower_CSRreport_GRI_2017_final-1.pdf

⁶ This solution combines fan speed controls, sensors and building intelligence to adjust HVAC settings in a way that optimizes energy use and protects the equipment. Sites in the pilot have seen a 30% or greater reduction in their HVAC energy usage.

⁷ Welltower Named to 2018 Dow Jones Sustainability World Index: <https://welltower.com/investors/press-release-details/?id=2368224>

⁸ Welltower Corporate Governance Guidelines: <https://welltower.com/wp-content/uploads/2018/02/Welltower-Corporate-Governance-Guidelines-FINAL-02.08.2018.pdf>

governance standards;⁹ and (v) establishment of safety committee to support Welltower's safety program as well as the safety inspections which assess a wide-range of the company's operations for potential risk.¹⁰

Based on the systems and processes outlined above, as well as the alignment with recognized standards and market practices, Sustainalytics is of the opinion that Welltower has sufficient processes to mitigate environmental and social risks associated with the projects funded by the green bonds.

Section 3: Impact of Use of Proceeds

Importance of green healthcare buildings for energy efficiency

According to the latest report of the World Green Building Council, the building sector is a significant contributor to both global energy use and total CO₂ emissions, contributing nearly 40% of emissions globally.¹¹ In the United States alone, residential and commercial buildings account for 39% of total U.S. energy consumption¹² and 72% of national electricity consumption.¹³

Healthcare infrastructure is particularly energy intensive consuming more energy than nearly all other building types due to their continuous operations providing lighting, hot water, and heating and air conditioning, as well as powering medical equipment. They also produce a wide-range of wastes, from single-use disposables to wastewater. Hospitals are the second largest commercial energy consumer after the food service industry, emitting about 8% of the energy demand to treat, pump and heat water.¹⁴ Hospitals play a significant role in achieving targeted energy efficiency goals as the building sector has the potential to produce energy savings of 50% or more by 2050, supporting a 2°C scenario.¹⁵

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. The Welltower Green Bond Framework advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	1.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Water Efficiency	6. Clean water and sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

⁹ Welltower Supplier Code of Conduct: https://welltower.com/wp-content/uploads/2018/08/Supplier_Code_of_Conduct_v2.pdf

¹⁰ Welltower Corporate Social Responsibility Report 2017, pg. 36: https://welltower.com/wp-content/uploads/2018/06/Welltower_CSRReport_GRI_2017_final-1.pdf

¹¹ World Green Building Council, 2018 Global Status Report: <https://www.worldgbc.org/sites/default/files/2018%20GlobalABC%20Global%20Status%20Report.pdf>

¹² U.S. Energy Information Administration FAQ: <https://www.eia.gov/tools/faqs/faq.php?id=86&t=1>

¹³ EPA Energy and Environment, Electricity Customers: <https://www.epa.gov/energy/electricity-customers#industrial>

¹⁴ Information on Leaner Energy: <https://practicegreenhealth.org/topics/leaner-energy>

¹⁵ World GBC Global Status Report 2016 : https://www.worldgbc.org/sites/default/files/GABC_Global_Status_Report_V09_november_FINAL.pdf

Welltower Green Bond Framework

Conclusion

Welltower has developed the Welltower Green Bond Framework to finance/refinance projects in three eligible categories – (i) Green Buildings, (ii) Energy Efficiency, and (iii) Water Efficiency. The eligible categories are aligned with the Green Bond Principles 2018 and Sustainalytics believes that Welltower's green bond will contribute to financing green healthcare buildings and creating a positive environmental impact while supporting the UN Sustainable Development Goals, specifically 11, 7, and 6.

Welltower's processes for project selection, evaluation and management of proceeds are aligned with market practice. Based on the above, Sustainalytics is of the opinion that the Welltower Green Bond Framework is robust, credible and impactful.

Appendices

Appendix 1: Overview and Comparison of Real Estate Certification Schemes

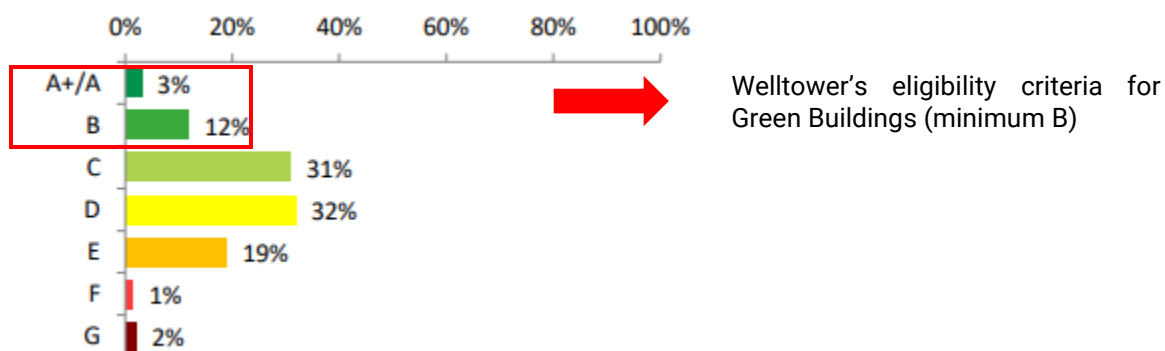
	BREEAM	LEED	Energy Star	IREM (Certified Sustainable Property)
Background	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	ENERGY STAR is a U.S Environmental Protection Agency voluntary program that helps businesses and individuals save money and protect our climate through superior energy efficiency. Every ENERGY STAR label is independently certified, whether on a product, a home, a building, or a manufacturing plant.	Certified Sustainable Property is a voluntary third-party building certification program administered by the Institute of Real Estate Management (IREM) to recognize high-performing sustainable buildings that might not be eligible for other building certification types. Used for existing office properties, multifamily communities and shopping centres.
Certification levels	Pass Good Very Good Excellent Outstanding	Certified Silver Gold Platinum	1-100 ENERGY STAR score	Minimum 62 points to achieve the certification
Areas of Assessment: Environmental Performance of the Building	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation	Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority	•Energy efficient products •Energy savings at home •Energy efficient new homes and apartments •Energy strategies for buildings and plants	Energy Efficiency Water Efficiency Health Recycling Purchasing
Requirements	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item ¹⁶ and gives a BREEAM level of certification, which is based on	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different rating	To be eligible for ENERGY STAR certification, a building must earn an ENERGY STAR score of 75 or higher, indicating that it performs better than at least 75 percent of similar buildings nationwide. Through Portfolio Manager, EPA delivers 1 – 100 ENERGY STAR scores	To be certified from IREM Sustainable Property, a building must complete 15 baseline requirements and earn 62 points across five categories. Building must also earn at least 2 points in each category which differs according to property type.

¹⁶ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

	the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	for many types of buildings. The ENERGY STAR score accounts for differences in operating conditions, regional weather data, and other important considerations.	All eligible properties must be aligned with environmental laws and commit to respond to an annual IREM survey on sustainability.
Performance display				
Accreditation	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	LEED AP BD+C LEED AP O+M	Licensed Professional Engineer (PE) Registered Architect (RA)	Not Applicable
Qualitative considerations	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	Widely recognised internationally, and strong assurance of overall quality.	Recognised internationally, and strong assurance of overall quality.	Recognised internationally, since the certification is applicable for the buildings which are out of scope of LEED certification it has less strict requirements and narrow scoped assessments than LEED, BREEAM and Energy Star

Appendix 2: Overview of the Energy Performance Certificate Levels

UK Energy Performance Certificates Asset Ratings – Non-Domestic Properties¹⁷



¹⁷ Energy Performance of Buildings Certificates Statistical Release: Q4 2018: England and Wales available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/792413/EPB_Cert_Statistics_Release_Qtr_4_2018_NB7_corr.pdf

Appendix 3: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Welltower Inc.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Welltower Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 6, 2019
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| ☒ Use of Proceeds | ☒ Process for Project Evaluation and Selection |
| ☒ Management of Proceeds | ☒ Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The three eligible categories for the use of proceeds – (i) Green Buildings, (ii) Energy Efficiency, and (iii) Water Efficiency – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the eligible projects will lead to positive environmental impacts and advance the UN Sustainable Development Goals (SDG) 11, 7, and 6.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| ☐ Renewable energy | ☒ Energy efficiency |
| ☐ Pollution prevention and control | ☐ Environmentally sustainable management of living natural resources and land use |
| ☐ Terrestrial and aquatic biodiversity conservation | ☐ Clean transportation |
| ☒ Sustainable water and wastewater management | ☐ Climate change adaptation |
| ☐ Eco-efficient and/or circular economy adapted products, production technologies and processes | ☒ Green buildings |
| ☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | ☐ Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

Welltower's eligible projects are evaluated and selected by its dedicated Green Bond Committee based on the established eligibility criteria. The Green Bond Committee will consist of cross-functional departments such as Welltower's sustainability, capital markets and treasury functions. The process is aligned with the market practices.

Evaluation and selection

- | | |
|--|--|
| ☐ Credentials on the issuer's environmental sustainability objectives | ☒ Documented process to determine that projects fit within defined categories |
| ☒ Defined and transparent criteria for projects eligible for Green Bond proceeds | ☐ Documented process to identify and manage potential ESG risks associated with the project |
| ☒ Summary criteria for project evaluation and selection publicly available | ☐ Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| ☐ Evaluation / Selection criteria subject to external advice or verification | ☒ In-house assessment |
| ☐ Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Welltower commits to record and track the green bond use of proceeds by Green Bond Register, which is managed by its Accounting Team. Pending full allocation, the unallocated proceeds will be invested in accordance with company's cash investment policy. Allocated proceeds will be verified by an external auditor which is in line with the market best practice.

Tracking of proceeds:

- | |
|---|
| ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| ☐ Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|---|
| ☐ Allocations to future investments only | ☒ Allocations to both existing and future investments |
| ☐ Allocation to individual disbursements | ☒ Allocation to a portfolio of disbursements |
| ☐ Disclosure of portfolio balance of unallocated proceeds | ☐ Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

Welltower intends to report on allocation of proceeds on the company's website on an annual basis until fully allocated. Welltower is committed to reporting environmental performance indicators including energy saving, water use savings, GHG emission avoided, and level of green building certification achieved. Sustainalytics views Welltower's reporting as in line with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| ☐ Project-by-project | ☒ On a project portfolio basis |
| ☐ Linkage to individual bond(s) | ☐ Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| ☒ Allocated amounts | ☐ Green Bond financed share of total investment |
| ☐ Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| ☒ Annual | ☐ Semi-annual |
| ☐ Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| ☐ Project-by-project | ☒ On a project portfolio basis |
| ☐ Linkage to individual bond(s) | ☐ Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| ☒ Annual | ☐ Semi-annual |
| ☐ Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| ☒ GHG Emissions / Savings | ☒ Energy Savings |
| ☒ Decrease in water use | ☐ Other ESG indicators (<i>please specify</i>): green building certification achieved |

Means of Disclosure

- | | |
|--|---|
| ☐ Information published in financial report | ☐ Information published in sustainability report |
|--|---|

Welltower Green Bond Framework

- ☐ Information published in ad hoc documents
 ☐ Other (please specify):
☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- ☐ Consultancy (incl. 2nd opinion)
 ☐ Certification
☐ Verification / Audit
 ☐ Rating
☐ Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

© Sustainalytics 2019. All rights reserved.

The intellectual property rights to this Second-Party Opinion (the “Opinion”) are vested exclusively in Sustainalytics. Unless otherwise expressly agreed in writing by Sustainalytics, no part of this Opinion may be reproduced, disseminated, comingled, used to create derivative works, furnished in any manner, made available to third parties or published, parts hereof or the information contained herein in any form or in any manner, be it electronically, mechanically, through photocopies or recordings, nor publicly released without the “Green Bond Framework” in conjunction with which this Opinion has been developed.

The Opinion was drawn up with the aim to provide objective information on why the analyzed bond is considered sustainable and responsible, and is intended for investors in general, and not for a specific investor in particular. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

As the Opinion is based on information made available by the client, the information is provided “as is” and, therefore Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date, nor assumes any responsibility for errors or omissions. Any reference to third party names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner.

Nothing contained in this Opinion shall be construed as to make a representation or warranty, express or implied, regarding the advisability to invest in or include companies in investable universes and/or portfolios. Furthermore, nothing contained in this Opinion shall be construed as an investment advice (as defined in the applicable jurisdiction), nor be interpreted and construed as an assessment of the economic performance and credit worthiness of the bond, nor to have focused on the effective allocation of the funds’ use of proceeds.

The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider." The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com

