



Top left and bottom right: WELL certification aims to create spaces that facilitates communication.

Top right and bottom left: WELL certification encourages to use stairs inside the project.

Utilization of WELL Certification for Environmental Social Governance (ESG) Management

Synergy of Corporate ESG Ratings and Real Estate ESG certifications

Overview of this study

For companies that are becoming more competitive in the global market, it is important to respond to both ESG certifications in the real estate sector (e.g., WELL certification) and scores and ratings from external ESG rating agencies. By linking multiple certification and evaluation systems and optimizing disclosure content, it is expected that ESG response will become more efficient and sophisticated. In this study, we used primary data to sort out the similarities and differences between real estate ESG certification and corporate ESG evaluation, and created an alignment table between the evaluation features of WELL certification items and FTSE Russel's ESG score (FTSE score). In addition, the FTSE scores of each company were compared with the acquisition item data of three listed companies that have obtained WELL certification. It was found that about 53% of the total 113 features of WELL certification corresponded to the FTSE evaluation items, and about 75% of the items actually obtained were also reflected in the FTSE score. However, there were also items that showed differences in the status of obtaining points. These analyses showed that strengthening the linkage between real estate ESG certification and external evaluations and optimizing disclosure content may lead to synergistic effects in ESG responses.

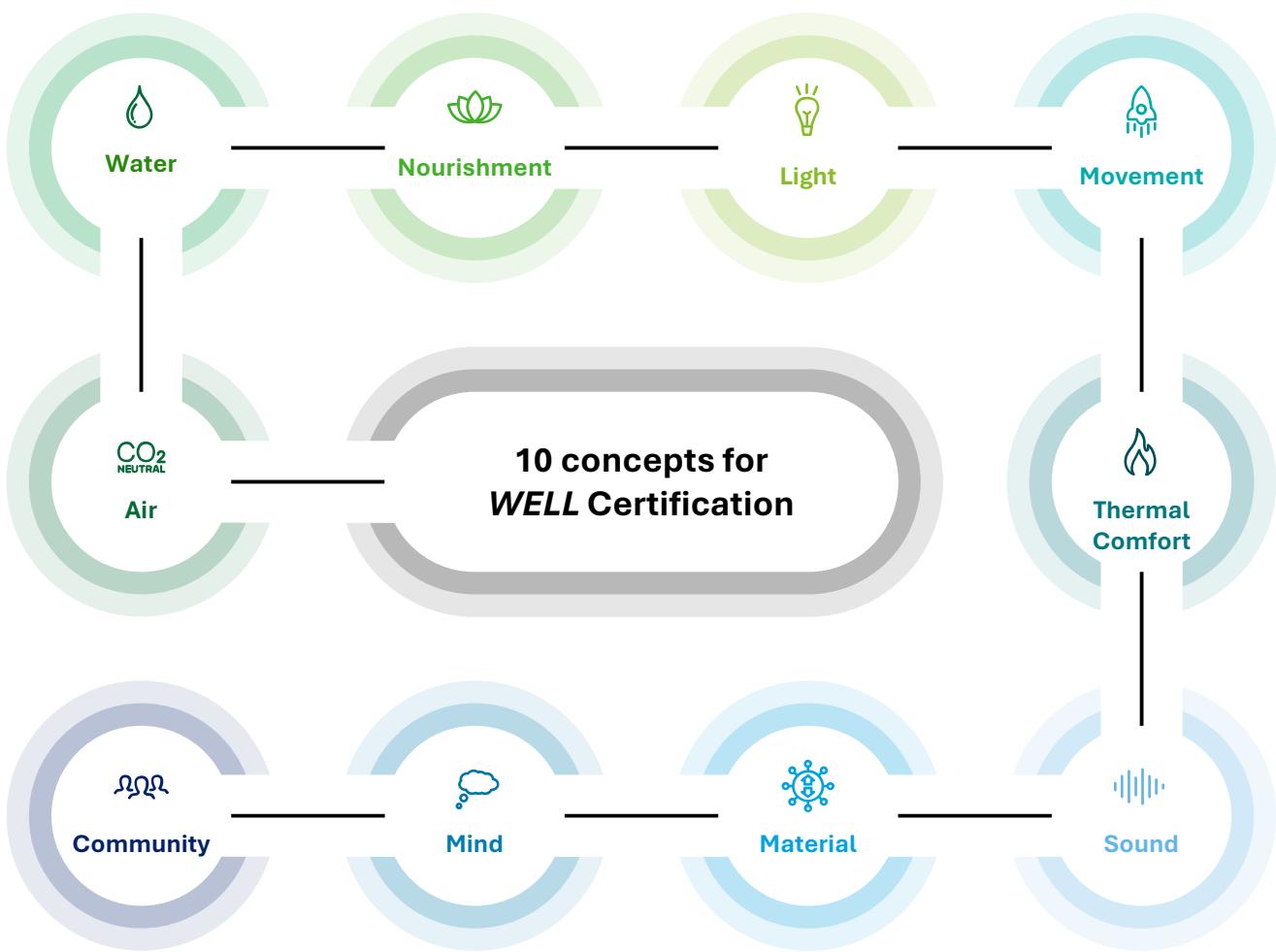
*This survey is based on a joint survey of WELL certification with Electric Works Company, Panasonic Corporation. On August 6, 2025, the company and Deloitte Tohmatsu jointly held a seminar on this topic.

Background of the study

Real estate ESG certification and various regulatory and disclosure requirements are frequently compiled, and this is expected to have a synergistic effect between obtaining WELL certification and sustainability disclosure. In particular, the WELL - ESRS Alignment Tool, which assesses the consistency between the European Sustainability Reporting Standard (ESRS) and the WELL v2 standard, is designed as a resource to clarify the connection between the two. For example, the alignment rate between ESRS and WELL is 51%*1, and the alignment rate with India's "Corporate Responsibility and Sustainability Report (BRSR)" is 42%*2. In line with these trends, this study examines the possibility of synergy by strengthening the linkage between real estate ESG certification and external evaluation and optimizing disclosure content by creating a alignment table between corporate ESG assessment and WELL certification.

What is WELL certification?

According to a study by the U.S. Environmental Protection Agency (US EPA), humans spend more than 90% of their lives indoors. *3 In 2014, the International WELL Building Institute (IWBI) developed the WELL Building Certification ("WELL")® as the first comprehensive third party certification system focused on human health in the built environment. There are 10 concepts, which each concept including required preconditions and non-required optimization features that relate to not only to the hardware of the building but also to the software side of building users and operators. Certifications can be met at multiple levels and requires onsite performance review.



Analytical methods

Referring to the existing alignment table, we created the “FTSE-WELL Alignment Table” and conducted a joint survey with Electric Works Company, Panasonic Corporation, which has a track record of supporting WELL certification acquisition. The purpose of the survey is to confirm the similarities and synergies between the evaluation items of ESG rating agencies and the evaluation features of WELL certification, and to compare the actual points earned and non-earned items of both evaluation items, so as to verify whether the efforts that link the two contribute to improving efficiency and results. As a survey method, we compared the data of three listed companies that have obtained WELL Platinum certification with each indicator of FTSE Russell's ESG score, and compared the points of both evaluation items by comparing the points of each company using a alignment table prepared by members of Deloitte Tohmatsu LLC.

Summary of the study overview

Category	Content
Purpose	<ul style="list-style-type: none">Confirm the similarities and differences between the corporate ESG rating (FTSE Russell's ESG score) and the evaluation features of WELL certification, and verify the efficiency and performance improvement across the two.
Methodology	<ul style="list-style-type: none">Created a alignment table of WELL Certification - FTSE Russell's ESG scores, and collated and analyzed data from the three WELL certified companies with FTSE endpoints.
Data used	<ul style="list-style-type: none">List of acquisition features for three companies that have obtained WELL certification (platinum rank)FTSE Russell's ESG score evaluation results for 2024-2025
Alignment Table	<ul style="list-style-type: none">Alignment Table prepared by members of Deloitte Tohmatsu LLC
Analysis Content	<ul style="list-style-type: none">Conducted analysis of the alignment rate between WELL certification features and FTSE evaluation items, acquisition status, and non-acquisition items in each company .



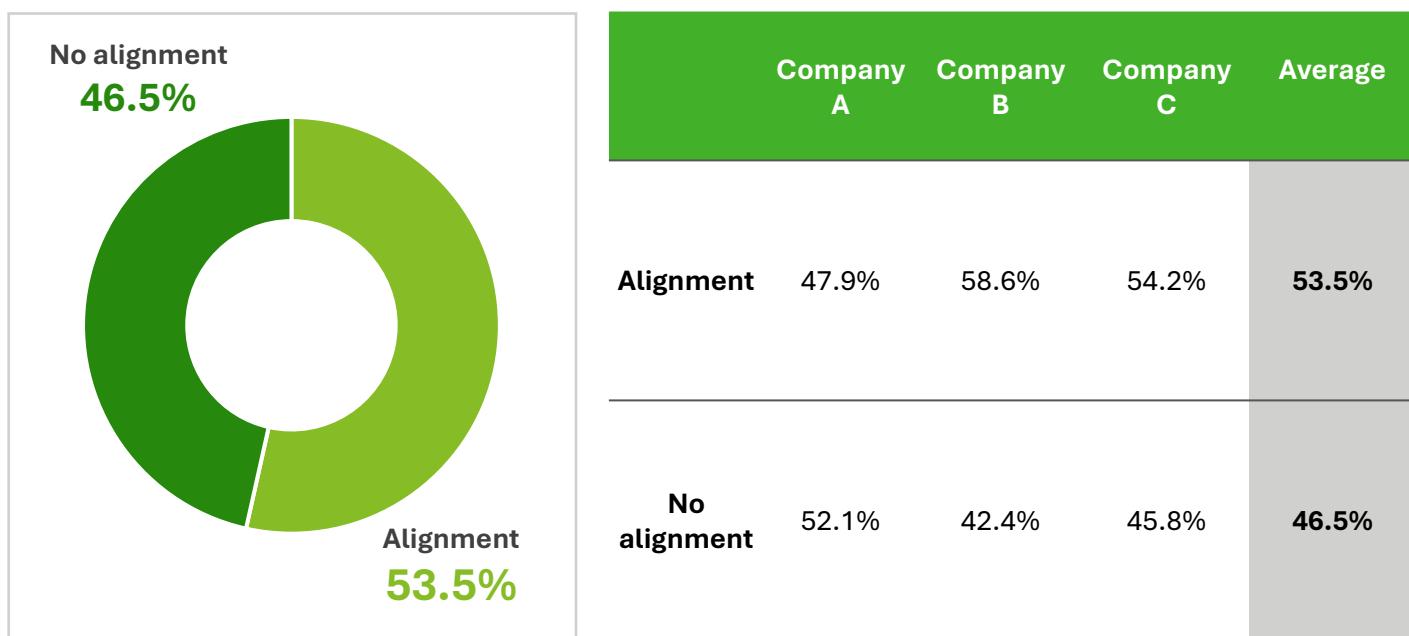
Left: WELL evaluates water spaces within buildings.

Right: WELL encourages projects to make water dispensers easily accessible for building users.

How many items are covered by WELL-FTSE Alignment Table?

As a result of the comparative analysis of each company's specific FTSE endpoints and the control tables of the three companies analyzed, it was found that the average alignment rate between all items (113 items) of WELL certification and each company's specific FTSE endpoints was 53.5%, and over half of the items were aligned.

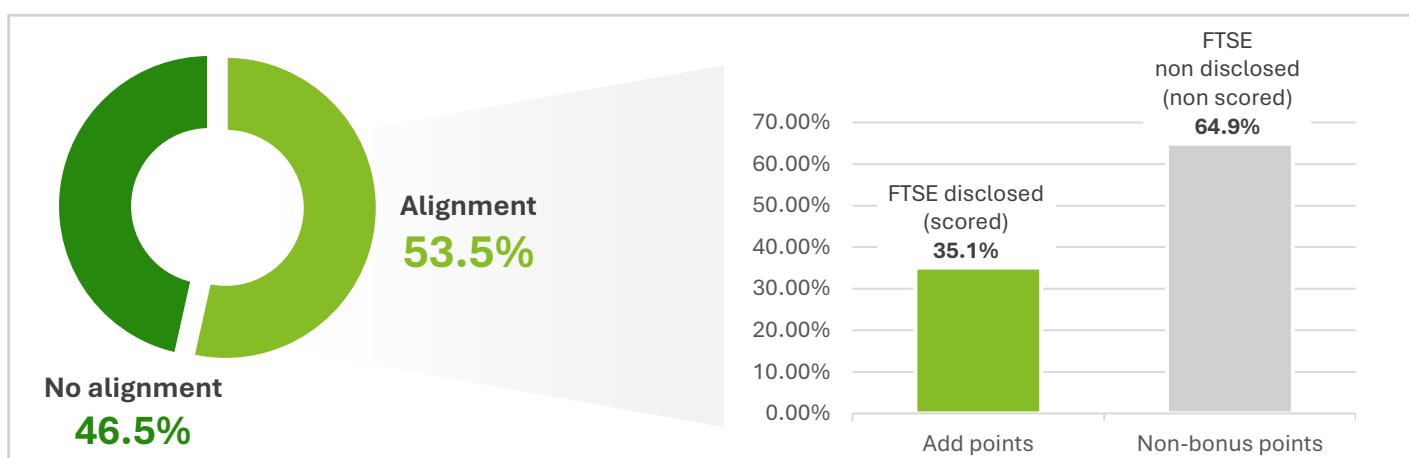
Percentage of all WELL certification items compared to company-specific FTSE items



Among the items with the FTSE-WELL alignment, how many FTSE ratings have been successfully obtained (achieved a score)?

We checked how much of the FTSE items that were being compared were actually scored in the FTSE evaluation. Although all three companies have advanced ESG management policies that proactively engage in ESG measures, such as obtaining the WELL platinum certification, there were variations among companies, ranging 20% to 45% in the items with alignments. Depending on the industry, there are differences in the perception and efforts on ESG scores, and whether ESG information disclosure measures are sufficiently implemented or not may have a significant impact on each corporate ESG score.

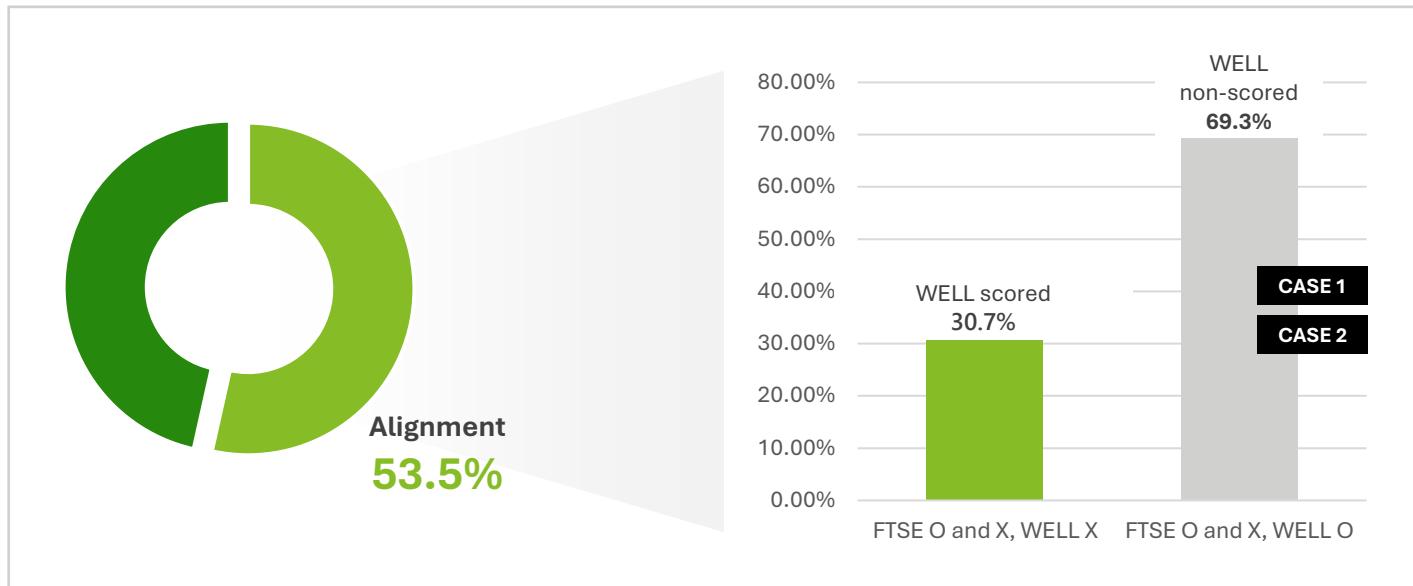
Percentage of FTSE scores on the items that align to WELL items



Among the items with the FTSE-WELL alignment, how many WELL features have been successfully obtained (achieved a score)?

On the other hand, the average percentage of WELL certification features that actually obtained scores was only 30.7%.

Percentage of scored items that are aligned to the WELL features



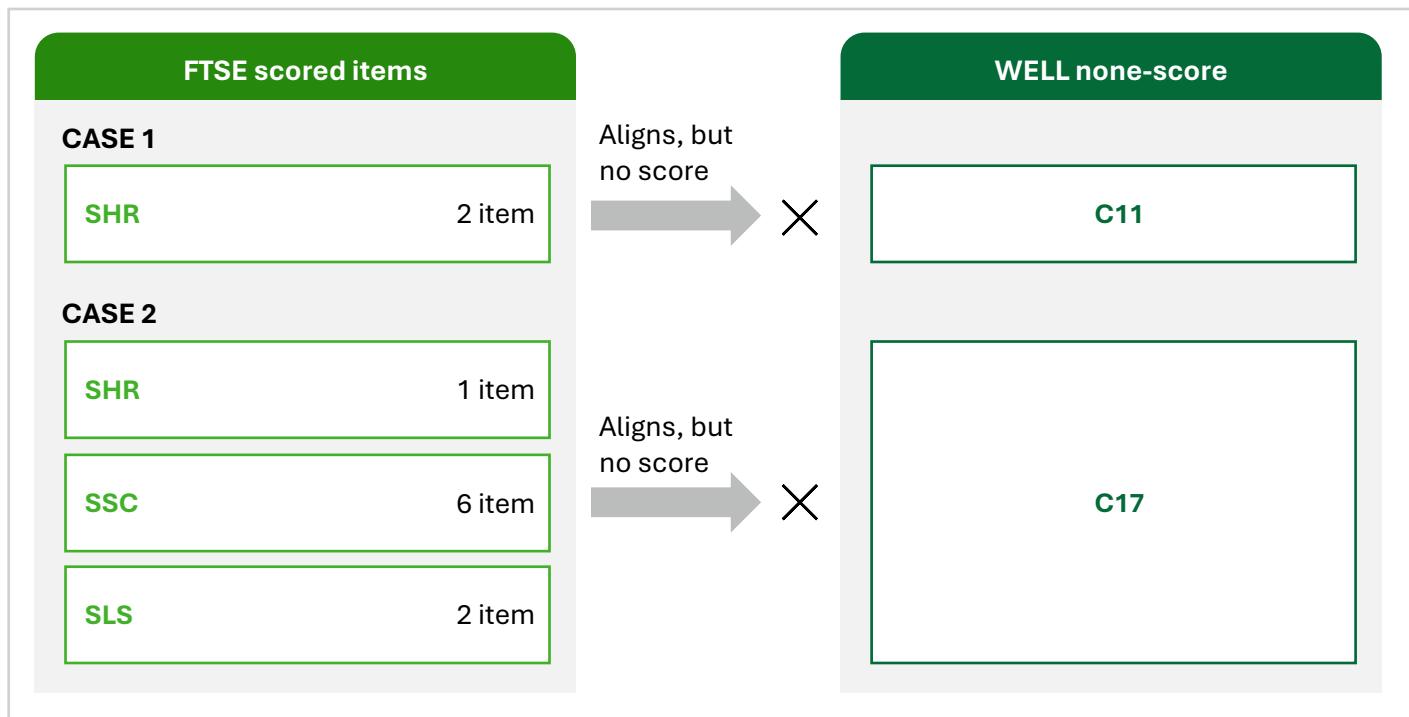
Company A	Company B	Company C	Average
25.0%	33.3%	33.7%	30.7%



Left: WELL certification recognizes encouraging active consumption of vegetables within the project
Right: WELL certification evaluates a business having a mindfulness program

What are the items that are aligned but not scored in the WELL certification?

Some of the items that were not scored in the WELL certification features were already added by the FTSE. For example, these are the C11 **Civic Participation** and C17 **Responsible Labor Management** in the WELL features, and they are added points in the FTSE evaluation. The figure below shows the image of these cases.



WELL certification promotes the provision of information about physical activity opportunities to building users

Specific examples when there is an alignment but the WELL certification does not add points

A WELL feature, Community 11 = C11 **Civic Engagement**, encourages individuals to actively participate and build connections in their communities through volunteer activities, public spaces, and community programs. This corresponds to the FTSE's SHR (Human Rights and Communities) section. The C17 **Responsible Labour Management** calls for promoting an organisational commitment to responsible labour practices to address modern slavery in supply chains and support human rights. This corresponds to the FTSE's SHR (Human Rights and Community), SLS (Labor Standards), and SSC (Supply Chain) items. From the following section, specific examples of alignment are shown in cases 1 and 2.

CASE 1

WELL feature not counted



Civic Engagement:

C11 Encourage individuals to become actively involved in and connected to the surrounding community through volunteerism, public spaces and community programming

Summary

This WELL feature requires a commitment to civic engagement through charitable activities, designated public spaces and community engagement programs.

(Full: 2PT)

Parts

- Part 1 Promote Community Engagement (Max: 1 PT)
- Part 2 Provide Community space (max : 1 PT)

Requirements

Part 1

- Employees may take at least 2 working days of paid leave per year and participate in volunteer activities.
- Provide a list of opportunities for community volunteer activities. Employers provide appropriate opportunities for 8 hours per month for NPOs and others
- The employer shall contribute an amount equal to the amount of the employee's contribution to the NPO, etc., **up to the maximum annual amount set by the employer.**  **It should be a point, but...**  **NO POINTS**
- Make at least one community activity available **to the public quarterly on/off-site.**  **It should be a point, but...**  **NO POINTS**

Part 2

I. Option 1: Public Space

Designate outdoor or indoor space for public use free of charge.

① At least 2,000 square feet (approximately 200 square meters) ② Principled always-on openness ③ Signage clearly indicates space opening hours and public use designations ④ Quality seating

II. Option 2: Community event space

One or more indoor or outdoor spaces within the project boundary are open to public gatherings free of charge for public gatherings that meet the following requirements (e.g., local community groups, student clubs, non-profit organizations ① Must accommodate 10 or more people). ② Be available for meetings and events (e.g., temporary medical services, community gatherings) at least once a week.

Scored FTSE items*

SHR item

- Human Rights & Communities
- Performance or profit deliverables of community investments



Already disclosed how much they have already spent

SHR item

- Human Rights and Communities
- Amount of donation to NPOs/amount of investment in the community



Already disclosed qualitative and quantitative results

*The theme title of FTSE Russell's ESG score is translated by Deloitte Thomatsu LLC from the original words. The requirements are Deloitte Thomatsu's summary from the original text.



WELL certification evaluates systems that allow you to spend time with your family.

CASE 2

No WELL Counts

C17

Responsible Labor Practices:

Promote organizational commitment to responsible labor practices in order to address modern slavery in the supply chain and support human rights.

Summary

This WELL feature requires projects to evaluate and disclose unfair labor practices associated with modern slavery in their operations and supply chain, specifically in the areas of construction, cleaning and catering, and to take steps to address modern slavery in the supply chain.

(Full: 3PT)

Parts

- Part 1 Disclosure of Labor Practices (Max: 1 PT)
- Part 2: Implementing Responsible Labor Practices (Max : 2 PT)

Requirements

Part 1 The project or organization meets the following requirements:

a. A comprehensive mapping of the project's or organization's structure, operations and supply chains is conducted annually for Tier 1 suppliers in the following sectors (as applicable):
• ① Construction, ② Cleaning, ③ Catering, ④ Security, ⑤ Maintenance.

b. A risk assessment is conducted annually that **evaluates risks in the project's or organization's operations and Tier 1 suppliers (at a minimum) in the above sectors for the following practices associated with modern slavery:**  **It should be a point, but...** 

- ① Worst forms of child labor, ② Forced labor, ③ Traditional slavery, ④ Bonded labor, ⑤ Human trafficking.

c. A report is completed annually that discloses the following information, is reviewed by executives in the C-Suite, board of directors and/or equivalent high-level stakeholders, and published on the project or organization's website:
• ① Processes of evaluation and risk assessment, ② Results of 1, ③ Statement of commitment Part 2 will be performed when Part 1 is met. **Established annual targets for the prevention and/or reduction of modern slavery in supply chains, including construction, cleaning, catering, safety, and maintenance operations.**

Explain how the effectiveness of the strategies implemented is evaluated annually and update the goals and strategies accordingly.  **It should be a point, but...** 

Scored FTSE items

FTSE SSC item	SSC item
<ul style="list-style-type: none">Supply ChainSupply Chain CommunicationRules translated and communicated to suppliers worldwide <div> Already disclosed that the English translation (or local translation) of the rule was made</div>	<ul style="list-style-type: none">Supply ChainSupply Chain Policy on Social Issues was made <div> Already been disclosed that such a system is being built</div>

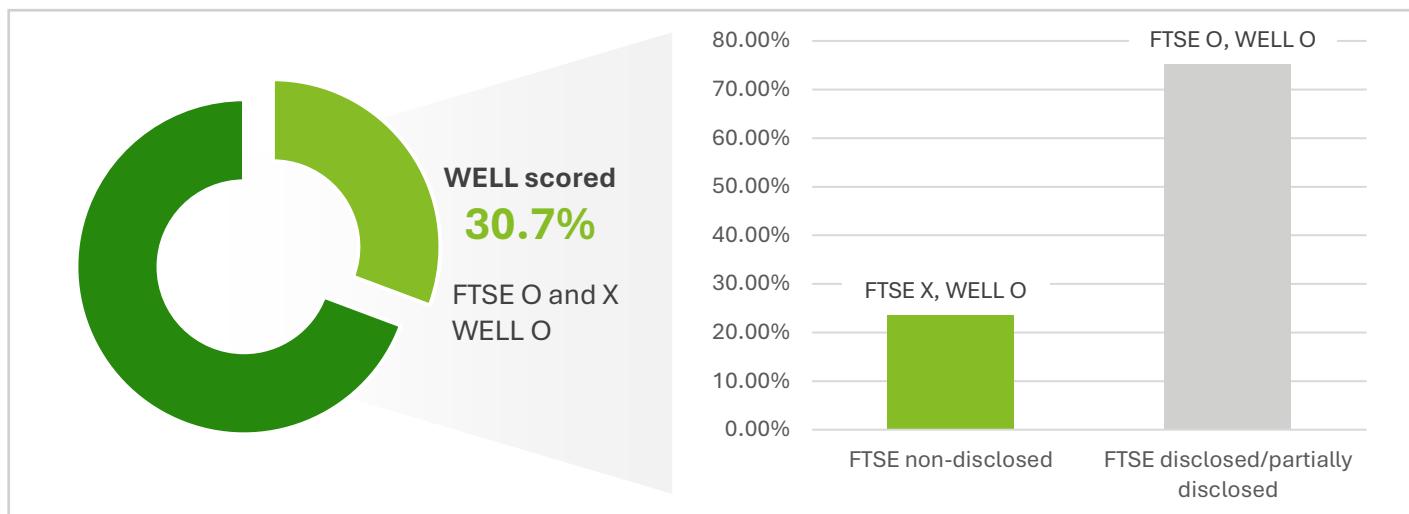


WELL certification evaluates indoor exercise facilities within the project.

Are the features scored in WELL certification consistently disclosed in the FTSE?

Among the features available in the WELL certification, the average percentage of points obtained in the FTSE evaluation was 75.9%, and the remaining 24.1% were not obtained in the FTSE evaluation. In other words, it became clear that about one-quarter of the features that have been successfully obtained through WELL certification are not awarded in the FTSE evaluation.

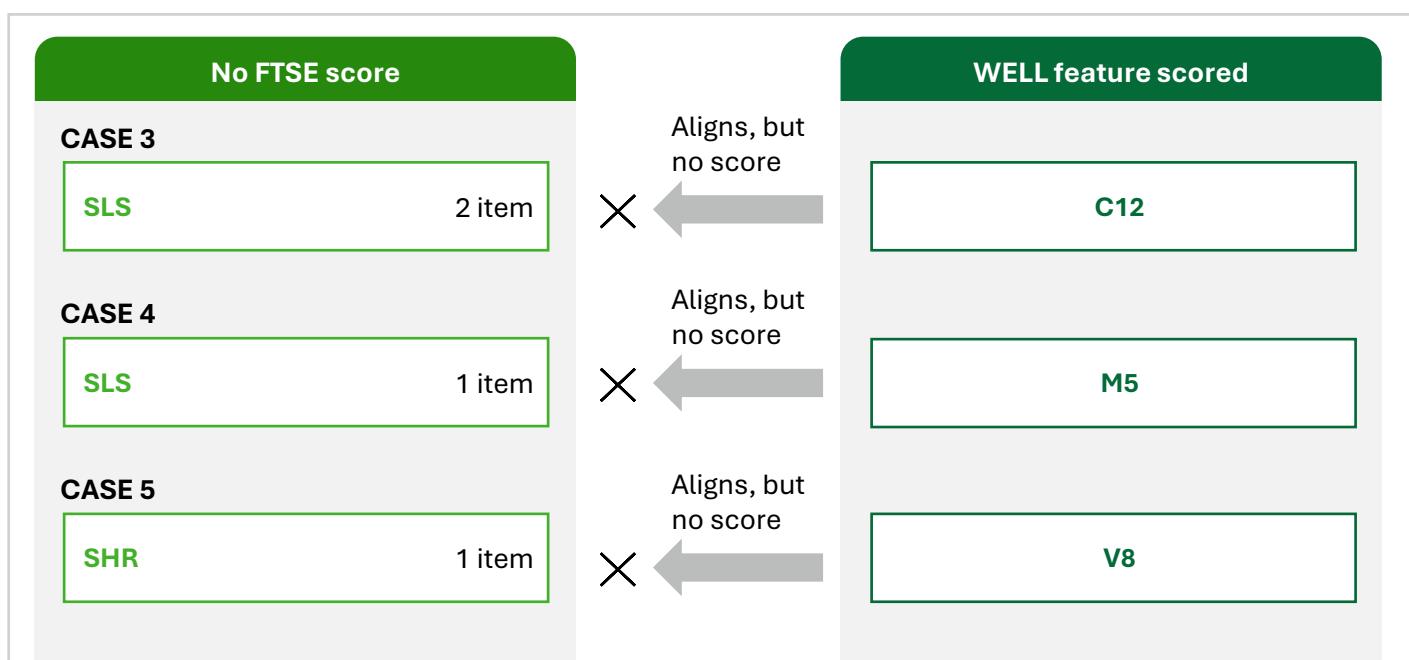
Percentage of items scored in the WELL feature scored on the FTSE



	Company A	Company B	Company C	Average
Score	71.5%	84.8%	71.4%	75.9%
No Score	28.5%	15.2%	28.6%	24.1%

What are the cases where items scored in WELL certification do not score in the FTSE assessment?

Community 12 = C12 **Recruitment and Workforce Action Plans** and Minds 5 = M5 **Stress Management** and Movement 8 = V8 **Exercise Space** etc. The figure below shows the image of these cases. The key to obtaining these items is the disclosure of measures related to employee engagement, diversity, stress management, and exercise promotion. In order to obtain a score in the FTSE assessment, disclosures must be made in accordance with the requirements, and simply disclosing the relevant items does not necessarily lead to achieving an additional point.



Specific examples of when the features scored in WELL certification do not score in the FTSE

A WELL feature, C12 = Diversity and Inclusion for WELL Certified Communities promotes employee engagement and belonging through demographic assessments, development of action plans to increase engagement and belonging, implementation of employee support systems, and implementation of fair recruitment and compensation systems. This corresponds to the "SLS-Labor Standards" of the FTSE evaluation, and there are several items that require opening the door to the socially disadvantaged, activities to support the upskilling of these groups, and disclosing the percentage of minorities. In this way, the alignment between the two is high, so if a company scores in the WELL feature, then the possibility of achieving a point on the FTSE side is extremely high if it is disclose it carefully.

CASE 3

Scored WELL feature

Diversity and Inclusion:

C12 Promote an equitable culture through the implementation and disclosure of diversity and inclusion policies and initiatives.

Summary

This WELL feature requires projects to implement and report on internal policies and programs that promote diversity and inclusion, such as anti-discrimination and wage equity policies, anti-bias training and employee resources groups.

(Full: 3PT)

Parts

- Part 1: Employee appraisal, engagement, and belonging plan development (max: 1 PT)
- Part 2: Implementing an Employee Assistance System (Max: 1 PT)
- Part 3: Implementing Fair Recruitment and Payroll Practices (Max: 1PT)

Requirements

PART 1: Create DEI Assessment and Action Plan (Max: 1 Point)

- Conduct a comprehensive assessment of current diversity representation using at least four metrics (e.g., **gender**, **sexual orientation**, race/ethnicity, age, socioeconomic status, **disability**, etc.).
- Establish a DEI (Diversity, Equity, and Inclusion) policy connected to organizational goals, set improvement targets, track progress annually, and publicly share annual progress summaries.

PART 2: Implement DEI Support Systems (Max: 1 Point)

- Enact a thorough non-discrimination policy with an anonymous reporting system and anti-retaliation measures.
- Provide annual DEI training for all employees (covering the value of diversity, preventing and addressing discrimination and bias).
- Offer employee resource groups or sponsorship programs for diverse populations.
- Appoint at least one senior-level staff member (e.g., Chief Diversity Officer) responsible for DEI strategy, with a dedicated budget and executive-level authority.

PART 3: Implement DEI Hiring Practices and Wage Equity (Max: 1 Point)

- Apply hiring policies that: ban salary history requests, use blind resume reviews, establish transparent and fair evaluation standards, set and review DEI hiring goals, and define diversity targets for leadership/board roles.
- Enforce a wage equity policy available to all employees, including at least three of the following: pay set independently of identity factors, provision of living wages, wage transparency/published salary ranges, and annual blind wage equity assessments.

Unscored FTSE items

SLS item

- Labor standards
- Percentage of women in all employees



Score is earned by counting and disclosing every year

SLS item

- Labor standards
- Percentage of people with disabilities in all employees



Score is earned by counting and disclosing every year

SLS item

- Labor standards
- Policy to support local Communities
- Employ the socially vulnerable
- unemployment measures for the young



Earn points by disclosing this information

Conclusions

In summary, the survey showed:

- In the case of the three companies that obtained the WELL Platinum certification, about half of the FTSE evaluation items - WELL certification features overlapped regardless of industry (FTSE items are different in each industry/company)
- Considering the three companies that obtained WELL Platinum certification, only about 30% of the WELL features that align with FTSE were scored within the company's WELL certification.
- In the case of the three companies that achieved WELL Platinum certification, the average percentage of features that scored in the WELL certification was 75.9% in the FTSE evaluation. In other words, it was found that although it is highly likely that it can be obtained in the FTSE evaluation because they are the features that have already been scored in WELL, about one-quarter of them were not successfully scored at the FTSE evaluation.
- In order to obtain an FTSE score, disclosure must be made in accordance with the requirements, and simply disclosing the relevant items does not necessarily mean that the score can be obtained.
- Although it is necessary to analyze the requirements of the aligning items of the certification and the evaluation system in more detail, it was shown that sustainability measures can be enhanced and non-financial information disclosure can be enhanced in a complementary manner.

Acknowledgments

We would like to express our sincere gratitude to Electric Works Company, Panasonic Corporation. for providing the data used in this survey. Their contribution played a pivotal role in our analysis of WELL certification and was essential to the success of this study.

We are also deeply grateful to Dr. Whitney Austin Gray of IWBI for her valuable assistance in reviewing and refining the English text of this brochure. Her expertise and support greatly enhanced the quality of the content.



WELL certification encourages the presence of art and plants in the projects

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Footnote

- <https://www.gbj.or.jp/iwbi-releases-alignment-tool-mapping-well-v2-to-esrs-empowering-global-organizations-sustainability-reporting/>
- <https://www.gbj.or.jp/iwbi-launches-tool-aligning-well-v2-to-brsr-supercharging-indian-companies-ability-to-identify-measure-and-report-on-social-sustainability-strategies/>
- https://www.researchgate.net/publication/252988142_The_National_Human_Activity_Pattern_Survey_NHA_PS_A_Resource_for_Assessing_Exposure_to_Environmental_Pollutants

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