Welltower Inc. - Climate Change 2018

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Welltower Inc. (NYSE:HCN), an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. The company invests with leading seniors housing operators, post-acute providers and health systems to fund real estate and infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience. Welltower, a real estate investment trust ("REIT"), owns properties in major, high-growth markets in the United States, Canada and the United Kingdom, consisting of seniors housing, post-acute communities, and outpatient medical properties. Our capital programs, when combined with comprehensive planning, development and property management services, make us a single-source solution for acquiring, planning, developing, managing, repositioning and monetizing real estate assets. More information is available on the Internet at www.welltower.com.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board/Executive board	The Nominating and Governance Committee of Welltower's Board of Directors has ultimate oversight of Welltower's sustainability program, which includes the Company's efforts to mitigate negative impacts to manage the effects of climate change.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Monitoring implementation and performance of objectives	The Nominating and Governance Committee reviews the performance of the sustainability program, including climate change related elements. Scheduled sustainability updates are included in some of the Nominating and Governance Committee meetings.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee	Both assessing and managing climate-related risks and opportunities	As important matters arise
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	As important matters arise

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

The sustainability committee is a cross functional committee that consists of senior members from asset management, engineering and project management, real estate operations and procurement. This committee meets regularly to discuss progress to reduction goals, identified, in process and completed energy efficiency and carbon reduction projects, emerging regulations (such as energy benchmarking disclosures) and future planning. The sustainability manager heads up the committee and works with the other members to implement and execute against the identified strategy. Members of this committee were chosen due to their involvement and authority in activities that have impacts on Welltower's emissions and climate related impacts.

The sustainability manager sits within the asset management function and reports to the VP of Asset Management and regularly has meetings with the SVP of Asset Management, who reports directly to the CEO. The sustainability manager is directly responsible for defining, planning tand executing Welltower's sustainbility strategy, including as it relates to climate change. The Sustainability manager regularly works with the functional heads of diverse groups across the organization around sustainability topics. The sustainability manager monitors climate change issues by keeping track of emerging regulations and trends in the industry and larger sustainability space, tracking energy usage, identifying new technologies and strategies to reduce usage and emissions and by partnering with key individuals in related groups, such as risk management and operations, around climate related issues.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?
Environment/Sustainability manager

Types of incentives
Monetary reward

Activity incentivized
Energy reduction target

Comment
The performance indicator is development and implementation of an explicit sustainability program, which is tied to documenting comprehensively the Company's efforts to reduce environmental impact, to improve the communities where it owns real estate, and to adopt policies that demand the highest level of corporate accountability and governance. The sustainability framework helps the Company identify and prioritize opportunities to improve its processes and people.

Who is entitled to benefit from these incentives?
Facilities manager

Types of incentives
Recognition (non-monetary)

Activity incentivized
Behavior change related indicator

Comment
Property managers were incentivized to recruit medical facility tenants to participate in Welltower's Green Arrow program, which includes inter alia energy efficiency programs, energy reduction goal setting initiatives, renewable energy options, procurement policies, waste/recycling initiatives, and water conservation measures. Welltower rates performance by analyzing the number of tenants approached, commitments signed, processes completed, and total tenants certified in the program.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	10	
Long-term	10	30	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	3 to 6 years	Welltower's Enterprise Risk Management system ensures structured, consistent and continuous risk management processes are in place across the entire organization, which includes all of our global operations.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Asset level risks climate change risks are identified as part of our risk management program by our risk management team and third party insurance providers. Our providers assess properties for climate related risks including sea level rise flooding, extreme weather and extreme temperatures. Our providers recently completed a resiliency screening of properties as well. As a part of this process, recommendations are made to improve the climate resiliency of the property and the investment and property management teams evaluate the risk and mitigation recommendations based on the financial impact, impact to operations and likelihood of occurrence. Substantive financial impact is determined on a case by case basis depending on the asset affected. Organization level risks are evaluated by the corporate sustainability team in concert with the ERM function.

Risks and opportunities are identified through Welltower's Enterprise Risk Management (ERM) program, developed based on the COSO ERM framework. Welltower's ERM program encompasses the Company's strategic, financial, legal and regulatory, and operational risks and opportunities. Opportunities are channeled back to management's strategy or objective setting process. Risks are assessed on an inherent and a residual basis. Risks are analyzed, considering likelihood and impact as the basis for determining how they should be managed.

All identified risks and controls are aggregated in a corporate risk portfolio by the ERM Team, and reported to the Company's ERM Committee. The ERM Committee is led by members of senior leadership and reports the risk portfolio to the Board of Directors at least two times a year to ensure appropriate focus has been maintained across the Company.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Welltower strives to comply with regulations to which it is subject, including climate related regulations. An example of this includes compliance with energy benchmarking ordinances.
Emerging regulation	Relevant, always included	The sustainability manager considers emerging regulations and their impact on Welltower and its operations during the course of their work
Technology	Relevant, sometimes included	Welltower's sustainability manager stays up to date on the latest trends/emerging technologies as they relate to Welltower's operations.
Legal	Please select	
Market	Relevant, sometimes included	Tenants and partners continue to seek properties with strong energy management systems, environmental stewardship, and green practices. If Welltower was unable to meet these demands, it could negatively impact our business.
Reputation	Relevant, always included	Increasingly, clients and investors are looking to work with environmentally responsible companies. Negative perceptions of Welltower relative to the Company's response to environmental, social and corporate governance, including climate change, could negatively affect Welltower's access to capital, ability to deliver on being a thought leader within our industry, successful relationship-investing approaches with our partners, and the Company's ability to attract and retain the best talent and Board members
Acute physical	Relevant, always included	Welltower partners with our insurance provider to identify physical risks to our buildings, which includes extreme weather related risks arising from climate change
Chronic physical	Relevant, always included	Welltower partners with our insurance provider to identify physical risks to our buildings, which includes chronic physical risks such as flooding.
Upstream	Please select	
Downstream	Please select	

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Welltower's sustainability team is responsible for identifying, communicating and coordinating the management of climate related risks and opportunities. The team does this by partnering with other functional groups to enhance awareness of risks and opportunities and to discuss how to implement programs to take advantage of opportunities or to mitigate risk. Short term and medium term risks and opportunities re the focus of this process, however this process opportunities allows for the identification of long term risks/opportunities as well.

Where pursuing climate related opportunities shows an attractive return, Welltower will consider pursuing this opportunity. For example, Welltower recently upgraded lighting throughout its portfolio to reduce energy usage and emissions. This makes our services more attractive to tenants due to reduced utility costs and greener operations. Pursuing this opportunity was a coordinated effort by different groups across the organization. Welltower considers climate risks by likelihood, time horizon and impact. An example of a risk is regulatory. A number of jurisdictions are implementing mandatory energy benchmark and reporting programs that Welltower may be subject too. Welltower conducted an analysis of the impact and put a process in place to mitigate this risk. An example of a physical risk mitigation is that Welltower recently installed back up generation capabilities at sites that may face extreme temperatures in order to maintain climate control in the event of an outage. This will allow our properties to remain resilient when facing extreme weather and the effects of climate change.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact driver
Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

Company- specific description
Welltower is a REIT, and as such our portfolio consists of buildings and real estate. Weather extremes such as flooding and hurricanes could result in damage and/or loss of property and increases to insurance premiums in regions prone to increases in weather extremes

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Potential financial impact
2000000

Explanation of financial impact
Most costs associated with damage and/or lost property caused by extreme weather events would be covered through Welltower's insurance. However, it is likely that insurance premiums in regions prone to such events would increase. Welltower anticipates that these increases in costs to be anywhere between $2,000,000-$10,000,000 depending on the location, size and forecasted frequency of extreme events.

Management method
Welltower is using two explicit methods to manage risks associated with weather extremes: a) Disaster Recovery plans, which includes identifying critical business functions, holding stakeholder interviews and producing key policies and procedures. Plans are being rolled out to applicable locations and employees; b) ensuring Welltower's insurance policies substantively cover weather related events.

Cost of management
0

Comment
The costs associated with development of Disaster Recovery plans and insurance procurement are considered minimal.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver
Increased capital costs (e.g., damage to facilities)

Company- specific description
Welltower is a REIT, and as such our portfolio consists of buildings and real estate. Weather extremes such as flooding and hurricanes could result in loss of property and damage to properties

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Potential financial impact
2000000

Explanation of financial impact
Most costs associated with damage and/or lost property caused by extreme weather events would be covered through Welltower's insurance. However, it is likely that

insurance premiums in regions prone to such events would increase. Welltower anticipates that these minor increases in costs to be anywhere between $2,000,000-$10,000,000 depending on the location, size and forecasted frequency of extreme events.

Management method

Welltower is using two explicit methods to manage risks associated with weather extremes: a) Disaster Recovery plans, which includes identifying critical business functions, holding stakeholder interviews and producing key policies and procedures. Plans are being rolled out to applicable locations and employees; b) ensuring Welltower's insurance policies substantively cover weather related events.

Cost of management

0

Comment

The costs associated with development of Disaster Recovery plans and insurance procurement are considered minimal.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Rising sea levels

Type of financial impact driver

Increased capital costs (e.g., damage to facilities)

Company- specific description

Studies show that climate change may lead to sea level rise. Welltower has properties in the US and in the UK along the coast; sea level rise may result in damages or loss of property.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Low

Potential financial impact

2000000

Explanation of financial impact

Most costs associated with damage and/or lost property caused by sea level rise would be covered through Welltower's insurance. However, it is likely that insurance premiums in regions prone to such events would increase. Welltower anticipates that these minor increases in costs to be anywhere from $2,000,000-$5,000,000 depending on the location, size and forecasted rate of sea level rise.

Management method

Welltower is using two explicit methods to manage risks associated with weather extremes: a) Disaster Recovery plans, which includes identifying critical business functions, holding stakeholder interviews and producing key policies and procedures. Plans are being rolled out to applicable locations and employees; b) ensuring Welltower's insurance policies substantively cover weather related events.

Cost of management

0

Comment

The costs associated with development of Disaster Recovery plans and insurance procurement are considered minimal.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Other

Type of financial impact driver

Reputation: Reduction in capital availability

Company- specific description

Increasingly, clients and investors are looking to work with environmentally responsible companies. Negative perceptions of Welltower relative to the Company's response to environmental, social and corporate governance, including climate change, could negatively affect Welltower's access to capital, ability to deliver on being a thought leader within our industry, successful relationship-investing approaches with our partners, and the Company's ability to attract and retain the best talent and Board members

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Potential financial impact

Explanation of financial impact

If perceptions from Welltower's current or potential investors and / or our current or future partners and tenants erode due to the lack of transparent, robust policies around environmental, social, and corporate governance, we could see a significant decrease in share price. Welltower estimates that this decrease could be anywhere from $8,000,000-$10,000,000.

Management method

Welltower's response to manage these risks is a multifaceted approach which includes: - Development, Energy and Waste Management Programs: Systematic approaches to a sustainability built environment through programs such as LEED, deployment of capital towards energy efficiency and energy conservation projects, waste management and recycling efforts, and tenant options for renewable energy procurement. - Green Arrow: Investor, partner, and tenant outreach program named Green Arrow highlighting Welltower's dedication to environmentally conscious business practices - Reoccurring tenant satisfaction surveys, which specifically include questions regarding our Green Arrow program - Voluntary public disclosure through programs such as US EPA Energy Star and CDP.

Cost of management

Comment

The costs associated with these programs and disclosures are internal staff, software solutions, and consulting fees.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Customer

Risk type

Transition risk

Primary climate-related risk driver

Market: Changing customer behavior

Type of financial impact driver

Other, please specify

Reduced demand for goods/services

Company- specific description

Tenants and partners continue to seek properties with strong energy management systems, environmental stewardship, and green practices. If Welltower was unable to meet these demands, it could negatively impact our business.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Potential financial impact

Explanation of financial impact

If perceptions from Welltower's current or future partners and tenants erode due to the lack of transparent, robust policies around environmental, social, and corporate governance, we could see a significant reduction in revenue. Welltower estimates this reduction could be anywhere from $8,000,000-$10,000,000.

Management method

Welltower's response to manage these risks is a multifaceted approach which includes: - Development, Energy and Waste Management Programs: Systematic approaches to a sustainability built environment through programs such as LEED, deployment of capital towards energy efficiency and energy conservation projects, waste management and recycling efforts, and tenant options for renewable energy procurement. - Green Arrow: Investor, partner, and tenant outreach program named Green Arrow highlighting Welltower's dedication to environmentally conscious business practices - Reoccurring tenant satisfaction surveys, which specifically include questions regarding our Green Arrow program - Voluntary public disclosure through programs such as US EPA Energy Star and CDP.

Cost of management

Comment

The costs associated with these programs and disclosures are internal staff, software solutions, and consulting fees.

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Enhanced emissions-reporting obligations

Type of financial impact driver

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company- specific description

Various emission reporting regulations are being implemented around the globe, including Energy Benchmarking (such as those through EPA Energy Star). Reporting requires the use of both internal and external resources. If reporting obligations continued to increase it could increase Welltower's operational cost.

Time horizon

Short-term

Likelihood
More likely than not

Magnitude of impact
Low

Potential financial impact

Explanation of financial impact
Potential financial implications associated with Emissions Reporting, are considered to be the labor costs associated with preparing and submitting the mandatory reporting. Such increases in costs are projected to be minimal.

Management method
Welltower is an active participant in the US EPA Energy Star program. Therefore, as Energy Star Benchmarking legislation takes hold in cities around the nation (such as in Washington DC, Seattle, Chicago, and NYC), Welltower is well positioned to meet future regulatory mandates. Finally, by voluntarily identifying, tracking, and reporting carbon performance, Welltower has the systems in place to meet future emissions reporting obligations (such as those mandated in the UK).

Cost of management

Comment
Costs associated with managing regulatory risks: The costs associated with this proactive energy and carbon management and reporting include compensation for sustainability manager

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Reduced water usage and consumption

Type of financial impact driver
Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description
By upgrading our buildings to run more efficiently, we can reduce our operating costs which can attract tenants and also increase our cash flow.

Time horizon
Current

Likelihood
Very likely

Magnitude of impact
Medium-high

Potential financial impact
4000000

Explanation of financial impact
The potential financial impact reflects the savings realized by upgrading to more energy efficient equipment.

Strategy to realize opportunity
We are implementing strategies and technologies throughout our portfolio that will reduce our energy consumption and ghg emissions. We conduct audits of our facilities and consider energy efficiency ratings when replacing end of life equipment. We also consider technologies such as EMS/BAS in our properties and evaluate the feasibility of emerging technology to our portfolio as well.

Cost to realize opportunity
20000000

Comment
The cost to realize the opportunity is the initial investment in new technology and equipment to allow our buildings to run more efficiently.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Customer

Opportunity type

Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
Tenants and partners continue to seek properties with strong energy management systems, environmental stewardship, and green practices. By meeting these demands there is an opportunity for Welltower to increase business.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Potential financial impact

Explanation of financial impact
Positive perceptions from Welltower's current or future partners and tenants due to transparent, robust policies around environmental, social and corporate governance, could result in a signification increase in revenue. Welltower estimates that this revenue increase could be anywhere from $8,000,000 - $10,000,000.

Strategy to realize opportunity
Welltower's response to manage these opportunities is a multifaceted approach which includes:- Development, Energy and Waste Management Programs: Systematic approaches to a sustainable built environment through programs such as LEED, deployment of capital towards energy efficiency and energy conservation projects, waste management and recycling efforts, and tenant options for renewable energy procurement. -Green Arrow: Investor, partner and tenant outreach program named Green Arrow highlighting Welltower's dedication to environmentally conscious business practices. -Reoccurring tenant satisfaction surveys, which specifically include questions regarding our Green Arrow program. -Voluntary public disclosure through programs such as US EPA Energy Star and CDP.

Cost to realize opportunity

Comment
The costs associated with these programs and disclosures are internal staff, software solutions, and consulting fees.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of recycling

Type of financial impact driver
Other, please specify (Increased employee/tenant satisfaction)

Company- specific description
Welltower offers recycling for employees and tenants through out our facilities. Welltower also holds e-recycling events and recycles light bulbs throughout the year. By reducing the amount of waste sent to landfill, Welltower reduces our ghg emissions from landfilled waste.

Time horizon
Current

Likelihood
Virtually certain

Magnitude of impact
Low

Potential financial impact

Explanation of financial impact
The financial impact would be related to increases in employee and tenant satisfaction which can lead to increased retention rates for both groups , lowering costs associated with replacing tenants and employees.

Strategy to realize opportunity
Welltower has partnered with waste providers to implement recycling programs where available. In addition, Welltower holds e-waste recycling events throughout the year and trains facilities personnel to recycle light bulbs upon replacement.

Cost to realize opportunity

Comment
This is related to Welltower employees day to day work and the additional costs are minimal.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
Tenants and partners continue to seek properties with strong energy management systems, environmental stewardship, and green practices. If Welltower was unable to meet these demands, it could negatively impact our business.

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Potential financial impact

Explanation of financial impact
Positive perceptions from Welltower's current or potential investors and / or current or future partners and tenants due to transparent, robust policies around environmental, social, and corporate governance, could result in a significant increase in revenue. Welltower estimates that this revenue increase could be anywhere from $8,000,000-$10,000,000.

Strategy to realize opportunity
Welltower is an active participant in the US EPA Energy Star program. Therefore, as Energy Star benchmarking legislation takes hold in cities around the nation (such as in Washington DC, Seattle, Chicago, and NYC), Welltower is well positioned to meet future regulatory mandates. Finally, by voluntarily identifying, tracking, and reporting our carbon performance, we have the systems in place to meet future emissions reporting obligations (such as those mandated in the UK).

Cost to realize opportunity

Comment
The costs associated with these programs and disclosures are internal staff, software solutions, and consulting fees.

Identifier
Opp5

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resilience

Primary climate-related opportunity driver
Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact driver
Other, please specify (Increased reputation/leadership)

Company- specific description
Welltower purchases RECs and renewable energy where possible across its portfolio. This allows the organization to reduce its carbon impact and remain a leader in environmental sustainability

Time horizon
Short-term

Likelihood
Please select

Magnitude of impact
Medium-low

Potential financial impact

Explanation of financial impact
Positive perceptions from Welltower's current or potential investors and / or current or future partners and tenants due to transparent, robust policies around environmental, social, and corporate governance, could result in a significant increase in revenue. Welltower estimates that this revenue increase could be anywhere from $8,000,000-$10,000,000.

Strategy to realize opportunity
Welltower routinely assesses its portfolio for renewable energy opportunities and works with third parties to purchase RECs where possible.

Cost to realize opportunity

Comment
The costs are related to the purchasing of RECs and are considered minimal

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C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	Some of our facilities are in jurisdictions that are introducing climate change and energy related ordinances, such as energy benchmarking and disclosure ordinances. Additionally, in some markets we expect tenants to seek "green" buildings.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	During extreme weather events, some vendors may be unable to provide goods/services Welltower needs. In this case, Welltower has identified alternative providers in the event that the primary provider is unavailable.
Adaptation and mitigation activities	Impacted for some suppliers, facilities, or product lines	Welltower has implemented adaption and mitigation measures at some facilities across the portfolio to address climate changed related risks, such as extreme weather and extreme heat.
Investment in R&D	We have not identified any risks or opportunities	Welltower is a real estate investment trust that owns/operates real estate and does not sell consumer goods and products.
Operations	Impacted for some suppliers, facilities, or product lines	A small part of our portfolio has been impacted by extreme weather events, which can disrupt operations. Our properties have measures and procedures in place to ensure operations return to normal quickly after disruptive events.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted for some suppliers, facilities, or product lines	Welltower has introduced green leases at some properties across its portfolio. Green leasing allows the organization to align incentives for energy efficiency and reduced ghg emissions with tenants.
Operating costs	Impacted for some suppliers, facilities, or product lines	At facilities where energy efficiency measures have been implemented, Welltowers operating expenses have gone down.
Capital expenditures / capital allocation	Impacted for some suppliers, facilities, or product lines	Welltower evaluates properties across its portfolio for efficiency improvement measures, such as those that reduce electricity consumption or reduce water consumption. Where opportunities are attractive, Welltower will allocate capital to pursue these opportunities.
Acquisitions and divestments	Impacted for some suppliers, facilities, or product lines	Welltower completes a property sustainability checklist as part of the acquisition process. This allows Welltower to understand the sustainability attributes of a property, including energy and water efficiency technologies and the presence of onsite renewables
Access to capital	Not yet impacted	It is expected that investors will start to expect more climate change disclosure and will consider this in their decisions. Additionally, employees increasingly are interested in working for a responsible and sustainable organization and might choose not to work for an organization that does not have a sustainability strategy. To remain resilient as attitudes shift, Welltower has a comprehensive sustainability program which includes climate change aspects.
Assets	Impacted for some suppliers, facilities, or product lines	Some assets are present in areas that were affected by extreme weather, therefore there has been a small impact in this regard
Liabilities	We have not identified any risks or opportunities	
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Sustainability, and therefore climate change by extension, is incorporated throughout Welltower's business strategy. During the reporting year, Welltower hosted our second sustainability summit through which the company evaluated its current sustainability strategy and set goals to further align its corporate and sustainability strategies. Welltower's business strategy is focused on delivering consistent, resilient returns to shareholders. This strategy depends in significant part on operating safe, secure, and highly efficient buildings that serve residents and patient needs. The Company's robust Enterprise Risk Management (ERM) program is designed to identify potential internal and external events that may affect the achievement of Welltower's objectives. Each business unit, including the Company's sustainability team, is responsible for conducting this initial step. The sustainability team considers all climate related risks, and in addition each business unit is also instructed to consider external environmental risks as part of the identification process.

iii. The Company's business strategy as it relates to sustainability and thus climate change has been influenced by: (i) the growing importance and discipline of sustainability within the marketplace, and through the Company's engagement of stakeholders, including shareholders, tenants, partners, and employees; (ii) the benefits of sustainable practices including portfolio growth, operational cost management (through implementing emissions/energy reduction projects that meet the company's emissions reduction goals), the services provided by the company's operating partners, and the professional development of its people; (iii) the risks/opportunities associated with increasing frequency and intensity of natural disasters; (iv) we believe that sustainability enhances the physical quality of the real estate and plays a role in improving healthcare outcomes.

iv. Important components of Welltower's short term strategy that have been influenced by climate change: (i) develop a more comprehensive partner engagement strategy and 'package' including certifications, ESG targets, monitoring and incentives; (ii) enhance our Supplier Code of Conduct (with written procedures) and further integrate into our supplier contracts; (iii) expand/improve data collection for ESG data beyond our control boundary; (iv) explore philanthropic/giving donations to align with sustainability strategy; (v) implement system/incentives for continual identification and development of energy efficiency and emissions reduction projects; (vi) meet energy and emissions reduction goals/targets; (vii) expand Welltower's Green Arrow Program (through our Green teams) within the control boundary; (viii) explore developing and implementing a science based emissions reduction target; (ix) expand Welltower's energy benchmarking program, Green Arrow Building Certification Program; (x) increase waste stream diversion; (xi) further engage employees and business partners in sustainability efforts.

v. Important components of Welltower's long term strategy that have been influenced by climate change include: (i) increasing the Company's number of Energy Star, GABC, and LEED certified properties; (ii) broadening stakeholder engagement initiatives through proactive communication programs; (iii) incorporating additional sustainability metrics into Welltower's process; (iv) ensuring the Company's compensation plan, in general and specifically executive compensation, to better align management and shareholder interest; (v) strengthening the Company's response program with respect to natural disasters.(vi) enhancing our biodiversity assessment to better mitigate potential risks; (vii) enhancing the company's engagement with its supply chain to further influence their sustainability performance; (viii) continue to implement sustainable building practices with the company's partners.

vii. Welltower gains strategic advantage over our competitors who do not have a comprehensive sustainability program by: (i) delivering long-term, consistent profitability that is inextricably linked with the fair, ethical and honorable treatment of business colleagues and partners, (ii) its commitment to best practices in care, design, and resource efficiency, (iii) continually improving its governance practices to ensure accountability and deliver shareholder value.

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details
2DS	Welltower's ghg reduction target was set using science based methods aimed at preventing global sea temperatures from rising more than 2 C

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Scope
Scope 1+2 (location-based)

% emissions in Scope
100

% reduction from base year
25

Base year
2014

Start year
2017

Base year emissions covered by target (metric tons CO2e)
131986.45

Target year
2025

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% achieved (emissions)
88

Target status
Underway

Please explain
Welltower recently set new climate related targets as they achieved their previous targets. These targets were set using the science based targets calculator sector decarbonization calculator. Welltower is progressing towards the target from reductions of brown power consumption and increases in efficiency.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Scope
Scope 1 +2 (market-based)

% emissions in Scope
100

% reduction from baseline year
25

Metric
Other, please specify (metric tons CO2e/1000 sq ft)

Base year
2014

Start year
2017

Normalized baseline year emissions covered by target (metric tons CO2e)
14.77

Target year
2025

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

% achieved (emissions)
88

Target status
Underway

Please explain
Welltower recently set new climate related targets as they achieved their previous targets. These targets were set using the science based targets calculator sector decarbonization calculator. Welltower is progressing towards the target from reductions of brown power consumption and increases in efficiency.

% change anticipated in absolute Scope 1+2 emissions
25

% change anticipated in absolute Scope 3 emissions
0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target
Energy usage

KPI – Metric numerator
Energy usage (kbtu)

KPI – Metric denominator (intensity targets only)

Base year
2014

Start year
2017

Target year
2025

KPI in baseline year
819965970.34

KPI in target year
737969373.31

% achieved in reporting year
35

Target Status
Underway

Please explain

Part of emissions target

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	33	1843
Implementation commenced*	11	500
Implemented*	44	2000
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type
Energy efficiency: Building services

Description of activity
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
7442

Scope
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
1196000

Investment required (unit currency – as specified in CC0.4)
6500000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
In 2017, Welltower upgraded the lighting to high efficiency LED lighting from conventional lighting at 55 properties across its portfolio. Through these upgrades, the properties will reduce annual electricity consumption by over 10,000,000 kWh per year, allowing them to avoid 7442 metric tons of CO2 a year. $6.5 million were invested to complete the upgrades, and the projects have an average ROI of 20%. Avoided emissions were calculated using eGrid factors.

Activity type
Energy efficiency: Building fabric

Description of activity
Other, please specify (Roof and window upgrades)

Estimated annual CO2e savings (metric tonnes CO2e)
1300

Scope
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
174700

Investment required (unit currency – as specified in CC0.4)
4600000

Payback period
4 - 10 years

Estimated lifetime of the initiative
16-20 years

Comment
During the reporting year, Welltower replaced/upgraded the roofs at 19 properties to cool roofs. This allows properties to better control temperature and reduce the amount of HVAC needed to maintain a comfortable indoor environment. Avoided emissions were calculated using eGrid factors.

Activity type
Low-carbon energy purchase

Description of activity
Other, please specify (Wind Green-e RECs)

Estimated annual CO2e savings (metric tonnes CO2e)
19694

Scope
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
0

Investment required (unit currency – as specified in CC0.4)
20000

Payback period
<1 year

Estimated lifetime of the initiative
<1 year

Comment
Every year Welltower purchases RECs. In 2017 we purchased 26,463,1240 kWh of RECs which was significantly more than the 8035MWh purchased in 2015. Avoid emissions were calculated using eGrid factors.

Activity type
Other, please specify (Behaviorial Engagement Campaigns)

Description of activity
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)

Scope
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)
Scope 3

Voluntary/Mandatory
Please select

Annual monetary savings (unit currency – as specified in CC0.4)

Investment required (unit currency – as specified in CC0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment
Welltower launched the Green Arrow Building Certification program across all Welltower managed MOB buildings. This program builds on the ENERGY STAR certification program and expands the sustainability benchmarking process to include energy use, water use, waste management, indoor environmental quality, and sustainable innovation. The program encourages energy efficient practices and behavior. This emission reduction initiative focuses on behavior change, so it is difficult to accurately estimate reductions.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	As part of a deliberate effort during the lifecycle planning process, Welltower identifies opportunities to implement energy reduction measures that would impact emissions reduction measures. Welltower utilizes financial optimization calculations to determine the viability of energy / emission reduction initiatives.
Internal incentives/recognition programs	Welltower's Green Arrow program promotes and rewards the environmentally conscious business practices of Welltower's partners.
Employee engagement	Welltower conducted employee engagement campaigns throughout the reporting year aimed at educating and encouraging employees to reduce their energy consumption and carbon footprint.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

In 2017, Welltower implemented a green lease for new and renewal tenants. This lease contains requirements around utility data sharing, benchmarking, energy efficiency upgrades and energy usage. Since the majority of energy usage on our sites are from tenant related activities, the green lease allows Welltower to align the incentives from increased efficiency along with our tenants incentives and reduce energy consumption and emissions, allowing both Welltower and our tenants to reduce energy consumption and carbon emissions.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

By aligning incentives between tenants and owners we are able to pursue energy efficiency upgrades which will allow us to reduce emissions compared to the conventional lease

% revenue from low carbon product(s) in the reporting year

2

Comment

Level of aggregation

Product

Description of product/Group of products

Welltower installs and purchases green energy at some sites across our control boundary, which then allows our tenants to use this energy in their tenant space for their operations. This low carbon energy allows our tenants to run their operations in a greener fashion than if they used brown power. In 2017, we purchased/generated over 26,000,000 kWh hours of renewable energy across 15 facilities, allowing Welltower and our tenants at these facilities to avoid the associated emissions of this power.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

We calculate avoided emissions from the consumption of renewable energy as compared to conventional power

% revenue from low carbon product(s) in the reporting year

5

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2014

Base year end
December 31 2014

Base year emissions (metric tons CO2e)
5850

Comment

Scope 2 (location-based)

Base year start
January 1 2014

Base year end
December 31 2014

Base year emissions (metric tons CO2e)
126133

Comment

Scope 2 (market-based)

Base year start
January 1 2014

Base year end
December 31 2014

Base year emissions (metric tons CO2e)
126133

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
Energy Information Administration 1605B
The Climate Registry: General Reporting Protocol
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)
7683

End-year of reporting period
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based
171805

Scope 2, market-based (if applicable)
155550

End-year of reporting period
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Given the nature of Welltower’s business (i.e. a REIT), any emissions from purchased goods and services are considered insignificant.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Given the nature of Welltower’s business (i.e. a REIT), the Company does not own equipment or machinery and thus emissions from capital goods are not relevant.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Welltower does not have any fuel and energy related activities that are not accounted for elsewhere.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Given the nature of Welltower’s business (i.e., a REIT), all upstream transportation and distribution emissions are assumed to be included in Category 1 and 3.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
12493

Emissions calculation methodology
Welltower employs a third-party vendor to compile data on actual waste streams from locations serviced by waste haulers directly. We then calculate waste emissions utilizing EPA's Waste Reduction Model (WARM) tool (Version 14, updated March 2016). WARM calculates emissions based on a lifecycle approach. Avoided emissions from recycling and composting are quantified through the WARM tool's baseline alternative scenario comparison, but are not included in this Scope 3 emissions figure.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1352

Emissions calculation methodology
Air travel mileage data was collected from a third-party vendor. Emissions were calculated according to the Greenhouse Gas Protocol (Revised Edition) utilizing air travel emissions factors for short, medium and long-haul flights from Defra (2017). The air emissions factors selected incorporate RFI and uplift and were recalculated to employ IPCC SAR 100-year GWPs.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
945

Emissions calculation methodology
Welltower calculated round trip commuting mileage for

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Welltower has no upstream leased assets.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Given Welltower's business (i.e., a REIT), there are no relevant downstream transportation and distribution.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Given Welltower's business (i.e., a REIT), our sold products (i.e., buildings) are not processed

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Given Welltower's business (i.e., a REIT), our sold products (i.e., buildings) are leased, not sold.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Given the nature of Welltower's business, our sold products are buildings, and thus the end of life treatment of sold products is not relevant.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Downstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
541589

Emissions calculation methodology
Welltower gathers energy usage data from our operating partners to calculate greenhouse gas emissions from downstream leased assets. Welltower uses the GHG Protocol standards to calculate the emissions from electricity consumption and fuel burning at these sites, using EPA egrid emissions factors and the Climate Registry emissions factors, where appropriate. Where data is not available, Welltower uses a portfolio average energy intensity factor to estimate usage and greenhouse gas emissions from these sites.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
68

Explanation
Welltower receives utility data from a about 68% of the downstream leased assets portfolio, and where data is not available, a portfolio average intensity factor calculated using available data is used

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Welltower does not operate any franchises. Therefore, this category is not relevant.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology
Welltower invests in real estate assets and these emissions have been accounted for

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (upstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (downstream)

Evaluation status

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000378

Metric numerator (Gross global combined Scope 1 and 2 emissions)

163233

Metric denominator

square foot

Metric denominator: Unit total

13289072

Scope 2 figure used

Market-based

% change from previous year

3

Direction of change

Decreased

Reason for change

This decrease is primarily due to our emissions reduction activities and procurement of lower carbon energy. Our emissions reduction activities focused on efficiency and renewable energy procurement, thus lowering emissions despite significant gains in revenue. Revenue increased 1% YOY, while emissions decreased 1.9% YOY.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	7663.51	IPCC Second Assessment Report (SAR - 100 year)
CH4	14.49	IPCC Second Assessment Report (SAR - 100 year)
N2O	4.86	IPCC Second Assessment Report (SAR - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	7683

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Medical Office- West	3420.43
Medical Office- Central	2674.32
Medical Office- East	1588.13

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	171805	155550	307087	26463.12

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Medical Office- West	49833	45390
Medical Office- Central	72858	66883
Medical Office- East	49114	43276

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	8340	Decreased	5.01	Welltower's purchase of low carbon RECs increased from 8025 MWh in 2016 to 26,463 MWh in 2017. Accounting for the difference in RECs purchsed YOY (i.e additional RECs) resulted in an emissions decrease of approximately 8340 MT CO2e. Welltower's total Scope 1 and Scope 2 (market based) emissions in CY2016 were 166,488 MTCO2e. Percent emission reduction contribution from addition REC purchases is calculated as (8340/166488)*100=-5.01%
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 15% but less than or equal to 20%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	42266	42266
Consumption of purchased or acquired electricity	<Not Applicable>	26463	307087	333551
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	718	<Not Applicable>	718
Total energy consumption	<Not Applicable>	27181	349265	376445

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
41420

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Fuels (excluding feedstocks)
Propane Liquid

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
758

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Natural Gas

Emission factor
400.2156

Unit
lb CO2e per MWh

Emission factor source
2017 Climate Registry Default Emissions Factors Table 12.1 (US Weighted Average) and Table 12.9 .2

Comment

Propane Liquid

Emission factor
0.21592

Unit
metric tons CO2e per MWh

Emission factor source
2017 Climate Registry Default Emissions Factors Table 12.1 and Table 12.9 .2

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1118	718	1118	718
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type
Wind

MWh consumed associated with low-carbon electricity, heat, steam or cooling
26463

Emission factor (in units of metric tons CO2e per MWh)
0

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
35991

Metric numerator
metric tons of waste generated

Metric denominator (intensity metric only)

% change from previous year
16

Direction of change
Increased

Please explain
Welltower's waste generation figure increased due to an increase in data capture. We were able to gather waste and recycling data for additional sites thus causing our total generation to increase.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CY17 Welltower Verification AS April 26-TR05042018-rev.1-May8-ASRauthorized final.pdf

Page/ section reference
Table 1. Summary of Welltower GHG Emissions Inventory, Environmental data and Human Capital data CY 2017, Page 3

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- at least one applicable category

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
CY17 Welltower Verification AS April 26-TR05042018-rev.1-May8-ASRauthorized final.pdf

Page/section reference
Table 1. Summary of Welltower GHG Emissions Inventory, Environmental data and Human Capital data CY 2017, Page 3

Relevant standard
ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, other partners in the value chain

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

i. Through Welltower's Green Arrow program, property managers are incentivized to communicate with tenants through the Company's proprietary stakeholder engagement program. Welltower's Green Arrow Program evaluates tenants on internal energy efficiency programs, energy reduction goal setting initiatives, renewable energy options, procurement policies, waste/recycling initiatives, and water conservation measures. Tenants that score high are recognized for their sustainability efforts. During the reporting year we enhanced our Green Arrow program to include Green Arrow Building Certification which further promotes our initiative to improve healthcare outcomes. This program builds on the ENERGY STAR certification program and expands the sustainability benchmarking process to include energy use, water use, waste management, indoor environmental quality, and sustainable innovation.

Additionally, Welltower has partnered with our largest flooring provider to only install flooring made from recycled materials and recycle all replaced flooring.

ii. Welltower has prioritized our engagement by identifying a vital part of our value chain - our partners and tenants.

iii. Success is measured by the quantity of: tenants approached, commitments signed, processes completed, and total number certified through our Program.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Currently, all relevant communications and activities flow through Welltower's sustainability team thus ensuring a consistent voice.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
Welltower_CSRreport_GRI_2017_full3.pdf

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify (Emissions reduction activities)

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Manager, Sustainability	Environment/Sustainability manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms