Climate Change 2017 - Welltower Inc.

Module: Introduction

Page: Introduction

CC0.1

Introduction

Please 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.

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year. Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
United States of America
United Kingdom
Canada

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD($)

CC0.6

Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.
If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

i. Nominating and Governance Committee
ii. 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.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Environment/Sustainability managers	Monetary reward	Emissions reduction project Emissions reduction target Efficiency project Other: development of full sustainability report	The performance indicator is development and implementation of a comprehensive sustainability report and 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.
Facility managers	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Efficiency project Other: Number of tenants participating	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.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	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.	3 to 6 years	

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

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.

The ERM Team meets with business units leaders periodically throughout the year to consolidate business unit and asset level risks and opportunities managed by each business unit.

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.

CC2.1c

How do you prioritize the risks and opportunities identified?

Each risk is analyzed to determine the causes and sources of the risk, the positive and negative consequences/impacts, and the likelihood of each consequence. Welltower utilizes pre-defined materiality thresholds and risk rating criteria to score the impact and likelihood of each risk, these scores are used to calculate the inherent risk. If the inherent risk is significant, control measures are implemented to mitigate the impacts of the risk. The risks are then scored based on the impact and likelihood after the control to calculate the residual risk. Welltower prioritizes the risks from highest to lowest residual risk scoring.

Identified opportunities are channeled back to be incorporated in the management's strategy or objective setting process. Similar to risks, opportunities are also prioritized based on impact and likelihood.

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i. 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. All risks (and opportunities) are reported to the executive leadership and the Board to be used during strategic development.

Additionally, Welltower incorporated oversight of the overall sustainability program into the responsibility of

the Executive Vice President - Business and Relationship Management. The EVP-Business and Relationship Management is responsible for communicating environmental sustainability, corporate governance, and social responsibility to the executive team and the Board. Welltower's corporate sustainability team directly reports to the Senior Vice President of Asset Management who reports the progress of the program. The sustainability team works directly with property managers and collects usage data throughout the Company to influence Welltower's sustainability program as well as energy and emissions reductions.

ii. Example of how business strategy has been influenced: In an effort to further integrate climate change throughout the Company's business strategy, Welltower for the past two years has hosted a sustainability summit through which the company evaluates current sustainability strategy and sets goals to further align its corporate and sustainability strategies. As part of this process in the reporting year, Welltower updated its Corporate Sustainability Commitment statement and revitalized the Corporate Sustainability Strategy, which outlines key objectives and identifies a more formal process on how sustainability performance will be measured and reported to Welltower's senior management and the Company's Board of Directors.

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.

vi. How the Paris Agreement has influenced the business strategy: Welltower had a fully integrated and committed sustainability management program prior to the Paris Agreement which we intended to maintain regardless of the Agreement outcome; as such, the Agreement had minimal impact on the company's strategy.

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.

viii. Currently the company uses forward-looking scenario analyses in financial planning and our Enterprise Risk Management process. Welltower does not utilize a 2 degrees C scenario analyses at this time, but the Company is exploring utilizing the 2 degrees C scenario analysis to set science-based targets

CC2.2c

Does your company use an internal price on carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Trade associations

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

No

CC2.3f

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. Welltower is in the process of developing a more robust framework for influencing policy.

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Absolute target

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 2 (market-based)	99%	1%	2015	162274	2016	No, but we anticipate setting one in the next 2 years	Welltower evaluates each medical office building, and sets annual energy reduction goals for each based on the building's performance. Welltower sets annual reduction targets ranging from a 1-1.5% decrease in electricity for MOBs. High performing buildings have a 0% reduction target as the goal is to stay at the baseline. The figure reported in this table represents the combined energy reduction goals expressed as CO2e.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (market-based)	100%	5%	Other: Metric tonnes CO2e per 1,000 square feet	2015	13.26	2020	No, but we anticipate setting one in the next 2 years	

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	3	No change	0	The % change in absolute scope 1 + 2 emissions is an estimate that assumes minimal changes in square footage

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	100%	100%	Welltower's scope 2 market-based emissions decreased 2% between 2015 and 2016; meeting the 1% absolute reduction goal.
Int1	20%	0%	Scope 1 and 2 emissions decreased 2% but portfolio square footage also decreased 2% resulting in a slight increase from the 2015 baseline intensity figure.

CC3.2

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?

No

CC3.3

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

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	70	3180
Implementation commenced*	0	0
Implemented*	46	5690
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative
Energy efficiency: Building fabric	During the reporting year Welltower implemented various building upgrade projects to improve efficiency including: installing solar shades and electric blinds, and replacing roofs for more efficient temperature control.	70	Scope 1 Scope 2 (market-based)	Voluntary	3500	2034180	>25 years	21-30 years

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative
Energy efficiency: Building services	Welltower is continuously working to improve the efficiency of our buildings. During the reporting year Welltower implemented a number of projects to improve efficiency, including: installing energy efficient lighting, boiler upgrades, installing energy efficient water heaters and converters, installing building automation software, and we repaired, upgraded and replaced a number of our HVAC units.	1600	Scope 1 Scope 2 (market-based)	Voluntary	218800	6054724	16-20 years	16-20 years

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative
Energy efficiency: Processes	Welltower is continuously working to improve how the data is being monitored and tracked. As part of this effort some of our buildings implemented the following: upgraded building automation systems, updated EMS software and installed new meter systems	10	Scope 1 Scope 2 (market-based)	Voluntary	35117	800875	11-15 years	11-15 years
Low carbon energy purchase	Every year Welltower purchases RECs. In 2016 we purchased 8035 MWh of RECs which was significantly more than the 4277 MWh purchased in 2015.	4280	Scope 2 (market-based)	Voluntary	0		<1 year	<1 year

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative
Behavioral change	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.		Scope 1 Scope 2 (market-based)	Voluntary				

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment

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.

Further Information

Page: CC4. Communication

CC4.1

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	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	2015 Corporate Sustainability Report - Whole document; Emissions data on p. 36	2015-CSR-REPORT-Final-File.pdf	Corporate Sustainability Report - Whole document; Emissions data on p. 36
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	2017 Proxy Statement; Corporate Governance:Corporate Sustainability; pg 15	Welltower-2017-Proxy-Statement.pdf	2017 Proxy Statement; Corporate Governance:Corporate Sustainability; pg 15

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Mana me

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Mana me
Carbon taxes	Proposals to put a price on carbon continue to be considered or implemented in regions we conduct our business. Such increases in the cost of carbon could negatively impact Welltower's operational expenses and financial results.	Increased operational cost	3 to 6 years	Direct	About as likely as not	Medium	Relative to putting a price on carbon (taxes or a cap and trade scheme), Welltower could see a significant increase in operational cost associated with our associated energy spend estimated to be approximately $14,000,000.	Metho Wellto using manag risks: Wellto proact manag future regula risks t our en manag and ca invent proces proact manag energy consu within Wellto portfol Comp hedgir agains energy escala well as fulfillin fiducia respor

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Mana me
Cap and trade schemes	Proposals to implement cap and trade schemes continue to be considered or implemented in regions we conduct our business. Such increases in the cost of carbon could negatively impact Welltower's operational expenses and financial results.	Increased operational cost	3 to 6 years	Direct	About as likely as not	Medium	Relative to putting a price on carbon (taxes or a cap and trade scheme), Welltower could see a significant increase in operational cost associated with our associated energy spend estimated to be approximately $14,000,000.	Metho Wellto using manag risks: Wellto proact manag future regula risks t our en manag and ca invent proces proact manag energy consu within Wellto portfol Comp hedgir agains energy escala well as fulfillin fiducia respor

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Mana me
Fuel/energy taxes and regulations	Proposals to implement fuel/energy taxes and regulations continue to be considered or implemented in regions we conduct our business. Such increases in the cost of energy could negatively impact Welltower's operational expenses and financial results.	Increased operational cost	3 to 6 years	Direct	About as likely as not	Medium	Relative to putting a price on carbon (taxes or a cap and trade scheme), Welltower could see a significant increase in operational cost associated with our associated energy spend estimated to be approximately $14,000,000.	Metho Wellto using manag risks: Wellto proact manag future regula risks t our en manag and ca invent proces proact manag energy consu within Wellto portfol Comp hedgir agains energy escala well as fulfillin fiducia respor

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Mana me
Emission reporting obligations	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.	Increased operational cost	1 to 3 years	Direct	About as likely as not	Low	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.	Wellto an act partici the US Energ progra There Energ Bench legisla takes cities the na (such Washi DC, S Chicag NYC), Wellto well positic meet f regula manda Finally volunt identif trackir report carbor perfor Wellto the sy place future emissi report obliga (such those manda the UK

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications
Change in precipitation extremes and droughts	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	Inability to do business	Up to 1 year	Direct	More likely than not	Low-medium	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.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications
Tropical cyclones (hurricanes and typhoons)	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 increases to insurance premiums in regions prone to increases in weather extremes.	Inability to do business	>6 years	Direct	More likely than not	Medium-high	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.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications
Sea level rise	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.	Increased operational cost	Up to 1 year	Direct	Very likely	Low	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.

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated finar implications
Reputation	Increasingly, clients and investors are looking to work with environmentally responsible	Reduction in capital availability	1 to 3 years	Direct	More likely than not	Medium	If perceptions from Welltower's curren potential investors or our current or fu partners and tenar erode due to the la transparent, robus

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated finar implication
	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						policies around environmental and and corporate governance, we co see a significant decrease in share Welltower estimate this decrease coul anywhere from $8,000,000-$10,00

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated finar implications
Changing consumer behavior	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.	Reduced demand for goods/services	1 to 3 years	Direct	More likely than not	Medium	If perceptions from Welltower's curren future partners and tenants erode due lack of transparent robust policies aro environmental, soc and corporate governance, we co see a significant reduction in revenu Welltower estimate reduction could be anywhere from $8,000,000-$10,00

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated finar implications

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estima im

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estima im
Carbon taxes	Proposals to put a tax on carbon continue to be considered or implemented in regions we conduct our business. Properties without carbon management programs will likely need to increase rent to cover the costs. Welltower is proactively managing carbon, thus we believe we are well positioned to absorb future price escalation and maintain rent. Our favorable rent prices may provide an opportunity for increased demand.	Increased demand for existing products/services	3 to 6 years	Direct	About as likely as not	Medium	Welltowe managin the Com positione favorabl a carbor impleme increase our prop significa revenue estimate increase could be from $6,000,0

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estima im
Cap and trade schemes	Proposals to implement a cap and trade scheme continue to be considered or implemented in regions we conduct our business. Properties without carbon management programs will likely need to increase rent to cover the costs. Welltower is proactively managing carbon, thus we believe we are well positioned to absorb future price escalation and maintain rent. Welltower's favorable rent prices may provide an opportunity for increased demand.	Increased demand for existing products/services	3 to 6 years	Direct	About as likely as not	Medium	Welltowe managin the Com positione favorabl a cap ar scheme impleme increase Welltowe would si increase Welltowe that this revenue anywher $6,000,(

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estima im
Fuel/energy taxes and regulations	Proposals to increase fuel/energy taxes and regulations continue to be considered or implemented in regions we conduct our business. Properties without energy management programs will likely need to increase rent to cover the costs. Welltower is proactively managing our energy use, thus we believe we are well positioned to absorb future price escalation and maintain rent.	Increased demand for existing products/services	3 to 6 years	Direct	About as likely as not	Medium	Welltowe managin thus the well pos maintain prices if taxes an were to impleme increase Welltowe would si increase Welltowe that this revenue anywher $6,000,0

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estima im
Emission reporting obligations	Various emission reporting regulations are being implemented around the globe, including Energy Benchmarking (such as those through EPA Energy Star). Welltower is committed to publicly reporting our sustainability progress, thus we are well positioned to meet these obligations without incurring additional costs.	Increased demand for existing products/services	1 to 3 years	Direct	About as likely as not	Low	Welltowe to public Compan sustaina thus We positione reportin with little in costs.

CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated fina implicatior
Change in precipitation extremes	Many regions throughout the US are	Increased demand for existing products/services	1 to 3 years	Direct	Virtually certain	Medium	Welltower is proa managing water thus the Compan well positioned to

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated fina implication
and droughts	experiencing severe droughts, especially in California. These extreme conditions are likely to increase the cost of water. Welltower is proactively managing our water use, and installing water efficient appliances throughout our buildings, thus we believe we are well positioned to absorb future price escalation and reduce water expenses for our tenants. Welltower's favorable water efficient facilities may provide an opportunity for cost savings and increased demand.						experience incre demand for our efficient facilities water prices were increase as a res extreme drought. increased demar our properties wo significantly incre revenue. Welltow estimates this inc in revenue to be anywhere from $6,000,000-$8,0

CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated fi implicati
Reputation	Positive perceptions of Welltower relative to our response to environmental, social and corporate governance, including climate change, could provide an opportunity to increase our access to capital, our ability to deliver on being a thought leader within our industry, our successful relationship-investing approach with our partners, and our ability to attract and retain the best talent and Board members.	Increased demand for existing products/services	1 to 3 years	Direct	More likely than not	Medium	Positive percep from Welltower or potential inv and / or curren partners and te to transparent, policies around environmental, and corporate governance, cc in a significant in revenue. We estimates that revenue increa be anywhere fr $8,000,000-$1(

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated fi implicati
Changing consumer behavior	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.	Increased demand for existing products/services	1 to 3 years	Direct	More likely than not	Medium	Positive percep from Welltower or future partne tenants due to transparent, ro policies around environmental, and corporate governance, co in a significatio increase in rev Welltower estin this revenue in could be anywh $8,000,000 - $10,000,000.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated fi implicati

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Sun 01 Jan 2012 - Mon 31 Dec 2012	5665
Scope 2 (location-based)	Sun 01 Jan 2012 - Mon 31 Dec 2012	118372
Scope 2 (market-based)	Sun 01 Jan 2012 - Mon 31 Dec 2012	118372

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Energy Information Administration 1605B
The Climate Registry: General Reporting Protocol

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Climate Leaders: Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment
US EPA Climate Leaders: Direct Emissions from Mobile Combustion Sources

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
			See the attached emissions factor report

Further Information

Please find the emissions factors Welltower applied, along with their origins attached.

Attachments

Welltower CY2016 GHG Invenory Emission Factors.pdf

Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

7690

CC8.3

Please describe your approach to reporting Scope 2 emissions

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

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
166353	158798	

CC8.4

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?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Fugitive emissions from HVAC	Emissions are not relevant	No emissions excluded	No emissions excluded	No emissions excluded. HFC emissions from HVAC were determined to be de minimus (estimates based on 1.225 lbs. CO2e emitted due to leakage per square foot result in approximately 4% of overall emissions) and not relevant.
Natural gas emissions from the Canada and UK sites	Emissions are not relevant	No emissions excluded	No emissions excluded	We do not receive raw natural gas data from our two international locations. However, these sites are very small. Combined, the two sites account for ~0.02% of our total portfolio square footage and natural gas only accounts for 4% of our scope 1 and 2 emission. As such we consider this data to be de minimus and not relevant

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Data Management	Due to the flux of our portfolio and given our energy data sources exist in three different systems, there may be some minor loss of fidelity.
Scope 2 (location-based)	Less than or equal to 2%	Data Management	Due to the flux of our portfolio and given our energy data sources exist in three different systems, there may be some minor loss of fidelity.
Scope 2 (market-based)	More than 2% but less than or equal to 5%	Data Gaps	Vetted supplier/utility emissions factors were utilized in a number of cases. While these factors are publicly available and were determined to represent the entire delivered energy product (not solely the supplier/utilities owned assets), supplier/utility emission rates are often reported in lb. CO2/MWh. This excludes CH4 and N2O emission from the applied factors. We are unaware of a methodological practice whereby CH4 and N2O emissions can be estimated based on CO2 emission rates given the diverse nature of supplier/utility generation assets.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	GHGVerificationStatement Welltower 2016 - FINAL.pdf	Verification Statement – Findings, Page II	ISO14064-3	100

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Propc o repo Scoı emiss verit (%
Location-based	Annual process	Complete	Limited assurance	GHGVerificationStatement Welltower 2016 - FINAL.pdf	Verification Statement – Findings, Page II	ISO14064-3	100
Market-based	Annual process	Complete	Limited assurance	GHGVerificationStatement Welltower 2016 - FINAL.pdf	Verification Statement – Findings, Page II	ISO14064-3	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	
Year on year change in emissions (Scope 3)	

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

No

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
Corporate Operations	290
Medical Office Buildings	7073
Fleet	327

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes 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	166336	158776	320259	8035
United Kingdom	14	19	34	0
Canada	3	3	34	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Corporate Operations	1381	22
Medical Office Buildings	164972	158776

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

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

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0

Energy type	MWh
Steam	0
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

41817

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	39848
Propane	619
Motor gasoline	638
Jet kerosene	712

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Energy attribute certificates, Renewable Energy Certificates (RECs)	8035	0	In total, Welltower purchased 8035 MWh of zero emission RECs. A bulk purchase of 4510 MWh was made from a wind farm in Oklahoma. The remaining RECs were acquired through various supplier/utility load following contracts which were bundled with REC purchases. All RECs are Green-e certified.

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
321119	320327	1166	1166	792	Welltower operates solar panel arrays at 8 locations. For 792 MWh of produced electricity environmental attributes were retained and these MWh were accounted for with a zero emissions factor in Scope 1. For 374 MWh of produced solar electricity contractual instruments were sold to a third party. This quantity of electricity was added to site total consumption in CY2016 and accounted for as grid-connected electricity in Scope 2.

Further Information

Page: CC12. Emissions Performance

CC12.1

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

Decreased

CC12.1a

Please 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

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	3.29	Decrease	Welltower's purchase of low carbon energy RECs nearly doubled from CY2015 to CY2016 (from 4277 MWh to 8035 MWh). Accounting for the difference in quantity of RECs purchased YOY (i.e. additional RECs) resulted in an emission decrease of approximately 3,760 MTCO2e. Welltower's total scope 1 and 2 (market based) emissions in CY2015 were 169,204 MTCO2e. Percent emission reduction contribution from additional REC purchases is calculated as (3760/169204)*100= -2.22%. Furthermore, during the reporting year Welltower implemented many emissions reduction initiatives focused on improving building efficiency. Utilizing consumption data we attribute an approximate 3,236 MWh decrease in energy consumption to these initiatives. Energy saved was then multiplied per location by a corresponding eGRID emission factor to estimate MTCO2e savings. We estimate these efficiency upgrades reduced 1800 MTCO2e of Scope 1 and 2 emissions in CY2016. Percent emissions contribution is calculated as (~1800/169204)*100=-1.06%.Total percent change from emission reduction activities is thus 2.22%+1.06%=3.29% or ((3760+1800)/169204)*100=3.29%.
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology	2.5	Decrease	The CY2015 market-based figure was calculated using a mix of energy attribute, supplier/utility and Green-e residual mix emission factors. The CY2016 market-based figure utilizes a mix of energy attribute, supplier/utility and eGRID emission factors. Residual Mix emission factors for 2016 were not viable, and therefore eGRID emission factors were applied per the hierarchy. The net impact of the difference between 2015 and 2016 emission factors was calculated by applying 2015 supplier/utility and residual mix grid average emission factors to the quantity of CY2016 electricity consumption accounted for with energy attribute and supplier/utility emission factors. Net impact was found to be 4,239 MTCO2e. The percent impact on change in emissions was calculated as: (-4,239/169,204)*100=-2.51%
Change in boundary			
Change in physical operating conditions			
Unidentified			

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Other	4.1	Increase	In CY2016 Welltower experienced a decrease in square footage due to sale of real estate. However, energy use intensity for remaining properties increased approximately 6% from CY2015. Additionally, Welltower saw increases in jet fuel, natural gas and propane use compared to CY2015. Combined, these resulted in an approximate increase by 4.1% in emissions.

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.0000389	metric tonnes CO2e	4281160000	Market-based	11	Decrease	This decrease is primarily due to our emissions reduction actives and methodological impacts of the scope 2 market-based figure. Our emissions reduction activities focused on efficiency and renewable energy procurement, thus lowering emissions despite significant gains in revenue. Revenue increased 11% YOY, while emissions decreased 1.6% YOY.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
13.30	metric tonnes CO2e	Other: per 1000 square feet	12520	Market-based	0.30	Increase	This change stems primarily from the decline in our real estate portfolio. While absolute Scope 1 and 2 emissions declined 1.6% from CY2015, this reduction was not enough to lower this intensity metric because portfolio square footage also fell 2% year on year. The decline in absolute emissions stems primarily from our emissions reduction activities including efficiency programs and energy procurement decisions.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, explanation provided				Given the nature of Welltower's business (i.e. a REIT), any emissions from purchased goods and services are considered insignificant.
Capital goods	Not relevant, explanation provided				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.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	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)	Not relevant, explanation provided				Welltower does not have any fuel and energy related activities that are not accounted for elsewhere.
Upstream transportation and distribution	Not relevant, explanation provided				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.
Waste generated in operations	Relevant, calculated	10763	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.	100.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Business travel	Relevant, calculated	1460	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 (2016). The air emissions factors selected incorporate RFI and uplift and were recalculated to employ IPCC SAR 100-year GWPs.	100.00%	
Employee commuting	Relevant, calculated	1395	Welltower calculated this figure last year using the following assumptions: 477 FTE, 32.5 miles roundtrip, 5 days a week, 49 weeks a year, average MPG of 24 using a combined gasoline/diesel lbs. per CO2e intensity factor. We arrived at 1394.7 MTCO2e annually.	0.00%	
Upstream leased assets	Not relevant, explanation provided				Welltower has no upstream leased assets.
Downstream transportation and distribution	Not relevant, explanation provided				Given Welltower's business (i.e., a REIT), there are no relevant downstream transportation and distribution.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Processing of sold products	Not relevant, explanation provided				Given Welltower's business (i.e., a REIT), our sold products (i.e., buildings) are not processed
Use of sold products	Not relevant, explanation provided				Given Welltower's business (i.e., a REIT), our sold products (i.e., buildings) are leased, not sold.
End of life treatment of sold products	Not relevant, explanation provided				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.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Downstream leased assets	Relevant, not yet calculated				Welltower is continuing to develop greater insight into the data. As we gain a more holistic view of the energy use in the portfolio our expectation is that we will be able report on downstream leased assets.
Franchises	Not relevant, explanation provided				Welltower does not operate any franchises. Therefore, this category is not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Investments	Relevant, not yet calculated				Welltower is continuing to develop greater insight into the data. As we gain a more holistic view of the energy use in the portfolio our expectation is that we will be able report on investments.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	GHGVerificationStatement Welltower 2016 - FINAL.pdf	Verification Statement – Findings, Page II	ISO14064-3	11

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in output	1.07	Increase	Welltower's total business travel passenger miles flown increased 1.07% from CY2015.
Business travel	Change in methodology	1.86	Decrease	Defra 2016 air emissions factors were utilized to estimate air business travel emissions. On average, these factors decreased approximately 2.8% from CY2015.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

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.

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Scott A. Estes	Executive Vice President - Chief Financial Officer	Chief Financial Officer (CFO)

Further Information

CDP: [X][-,-][P2]

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