Welltower Inc. - Climate Change 2019

C0. Introduction

C0.1

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

Welltower is a real estate investment trust that drives the transformation of healthcare real estate. We invest with leading seniors housing operators, post-acute providers and health systems to fund the real estate infrastructure needed to scale innovative care delivery models and improve people's wellness and overall health care experience.

Welltower's real estate portfolio includes a medical office building portfolio and a seniors housing portfolio. In our medical office portfolio, Welltower owns the real estate and manages the property operations. With operational control, Welltower directly implements various programmes and upgrades focused on energy efficiency. In our seniors housing portfolio, Welltower owns the real estate and partners with third party operators for building management. However, we work to influence our operating partners to run their facilities in an efficient and sustainable manner and have tools and resources available for them to do so.

Welltower has implemented an award-winning environmental, social, and governance ("ESG") programme that aims to promote wellness for our employees, tenants and resident communities through excellence in a full range of initiatives. These range from an emphasis on sustainability and a core focus on Diversity & Inclusion to espousal of diverse Independent Director leadership on our Board of Directors. 2018 was a year of strategic transformation and growth at Welltower, as is reflected in our representative ESG accomplishments such as being listed in the RobecoSAM 2018 Sustainability Yearbook and recognised as an industry mover of the greatest improvement in performance over the previous year. Welltower also earned the US EPA's prestigious recognition of Energy Star Partner of the Year for our ongoing efforts to promote energy efficiency across our portfolio and to our tenants and operating partners and has been honoured as an EPA Green Power Partner for renewable energy usage.

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 2018	December 31 2018	No	<Not Applicable>

C0.3

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

Canada
United Kingdom of Great Britain and Northern Ireland
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.

Financial 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) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Ultimate responsibility for Welltower's corporate sustainability program is with the CEO of the company, who sits on the Board of Directors. The CEO meets with other Board members at least every quarter. The CEO is kept up-to-date on sustainability topics by the Senior Vice President (SVP) - Asset Management, who meets regularly with the sustainability manager. The strong relationship between the most senior decision makers and those with responsibility for sustainability allows action points to be implemented into company operations effectively. Most recently, Welltower was listed to the 2018 Dow Jones Sustainability World Index and named an industry mover for highest corporate sustainability assessment score increase by sustainable investment specialists RobecoSAM.
Board-level committee	The Nominating/Governance Committee of Welltower's Board of Directors has ultimate oversight of Welltower's sustainability program, which includes the Company's efforts to implement sustainability-related goals and targets, mitigate the impacts of climate change on the business and manage overall corporate governance and the social impacts of the company's operations.

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/Corporate Governance Committee of the Welltower Board of Directors reviews the performance of the sustainability program, including climate change related elements. Scheduled sustainability updates are regularly included in Nominating and Governance Committee meetings.
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies	The Board and the Nominating/Corporate Governance Committee review the management of risks relating to compliance, environmental sustainability and Welltower's corporate governance policies. Management is responsible for identifying Welltower's significant risks, developing risk management strategies and policies and integrating risk management into Welltower's decision-making process. To that end, Welltower has implemented an enterprise risk management program (based on the COSO Enterprise Risk Management Framework) and created an internal risk management steering committee charged with identifying, monitoring and controlling such risks and exposures. The Enterprise Risk Management (ERM) Committee- working collaboratively at meetings at least twice annually with all business units - identifies and evaluates the sustainability-related enterprise risks that may affect all facets of the Company's business functions. Opportunities are channelled back to management's strategy setting process and risks are inputted into the central ERM system (excel based) where a qualitative description and mitigation measure for each risk is detailed and a correlation analysis is undertaken. A report detailing the risks identified and the results of mitigation efforts are reported to the Board regularly. Mitigation measures take a multi-faceted approach: the Company has implemented energy and waste management programs both inside and outside the boundary of control, including the Green Arrow Building Certification program to improve the efficiency of the portfolio (minimising CO_2 production and thus its exposure to potential carbon taxes). In addition, the implementation of disaster recovery plans and adequate insurance policies has helped to reduce risks associated with extreme weather events. This risk management structure helps ensure that necessary information regarding significant risks and exposures is transmitted to Welltower's leadership, including management, the appropriate Board committees and the Board.

C1.2

(C1.2) Provide the highest management-level 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
President	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

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 (do not include the names of individuals).

Ultimate responsibility for Welltower's corporate sustainability program lies with the CEO, who sits on the Board of Directors. The CEO has final approval for programs and major initiatives and receives regular progress reports from the Senior Vice President, Asset Management and works closely with the Nominating/Corporate Governance Committee.

The Nominating/Corporate Governance Committee is a cross-functional committee consisting of senior members from asset management, engineering and project management, real estate operations and procurement. Members of the committee were chosen due to their involvement and authority in activities that have impacts on Welltower's emissions and climate-related impacts. The committee meets regularly to discuss progress against reduction goals identified, energy efficiency and carbon reduction projects, emerging regulations (such as energy benchmarking disclosures) and future planning.

The committee engages in succession planning for the Board and key leadership roles on the Board and its committees; identifies potential candidates to fill Board positions; makes recommendations to the Board concerning the size and composition of the Board and its committees; oversees and makes recommendations regarding corporate governance matters, including an annual review of Welltower's Corporate Governance Guidelines; oversees the annual evaluation of the performance of the Board and its committees; and reviews environmental sustainability issues and Welltower's environmental sustainability practices. The committee also reviews the management of risks relating to compliance, environmental sustainability and Welltower's corporate governance policies.

The committee met eleven times during the year ended December 31, 2018. Most recently, Welltower was listed to the 2018 Dow Jones Sustainability World Index and named an industry mover for highest corporate sustainability assessment score increase by sustainable investment specialists RobecoSAM.

The SVP-Asset Management chairs the Nominating/Governance Committee and is kept up-to-date on sustainability topics through regular meetings with the sustainability manager. The strong relationship between the most senior decision makers; Board level Nominating/Governance Committee Chair and those with responsibility for sustainability allows action points to be implemented into company operations effectively.

The Sustainability Manager sits within the asset management department and reports to the VP of Asset Management and regularly has meetings with the SVP of Asset Management, who reports directly to the CEO. They work closely with the CEO and Nominating/Governance Committee to implement and execute against the identified strategy. The sustainability manager is directly responsible for defining, planning and executing Welltower's sustainability strategy, which relates to climate change. The Sustainability Manager regularly works with the functional heads of diverse groups across the organisation around sustainability topics. They monitor 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 (do not include the names of individuals).

Who is entitled to benefit from these incentives?

President

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Strategy, certification and operations)

Comment

Welltower's senior management team, including the SVP-Asset Management, includes sustainability objectives in their annual performance goals. Inability to achieve these performance objectives results in a negative performance review and potentially reduced opportunities for financial rewards. The performance indicator is development and implementation of an explicit sustainability program, which is tied to documenting Welltower's efforts to reduce its 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.

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 are incentivised to recruit medical facility (MOB) tenants to participate in Welltower's Green Arrow program, which includes energy efficiency programs, energy reduction goal setting initiatives, renewable energy options, procurement policies, waste/recycling initiatives, and water conservation measures. Welltower rates performance by analysing the number of tenants approached, commitments signed, processes completed, and total tenants certified in the program. The facilities managers are responsible for ensuring MOB properties maintain high scores against the Green Arrow Performance Benchmarking program which awards properties with achievement levels depending on their score.

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 organisation, which includes all of our global operations. The Board, as a whole and at the committee level, plays an important role in overseeing the management of Welltower's risks. The Board regularly reviews Welltower's material risks and exposures, including operational, strategic, financial, legal, environmental sustainability and regulatory risks. The Board and the Nominating/Corporate Governance Committee review the management of risks relating to compliance, environmental sustainability and Welltower's corporate governance policies.

C2.2b

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

- How climate-related risks are identified and assessed at a company level:
Risks and opportunities are identified through Welltower's Enterprise Risk Management (ERM) program, developed based on the COSO ERM framework. The ERM program encompasses the Company's strategic, financial, legal and regulatory, and operational risks and opportunities. It is managed by the Enterprise Risk Management Committee whose responsibility is to identify, evaluate and mitigate risks that could materially adversely affect the ability of the Company to achieve its strategic objectives and (ii) assist the Board in fulfilling its oversight responsibilities with regard to the identification, evaluation and management of such risks. The committee meet at least twice annually with all business units and identify and evaluate the sustainability-related enterprise risks that may affect all facets of the Company's business functions. Opportunities are channelled back to management's strategy setting process and risks are inputted into the central ERM system where a qualitative description and mitigation measure for each risk is detailed and a correlation analysis is undertaken. 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 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.

- How climate-related risks are identified and assessed at an asset level;
Asset level climate-related 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.

- The process you have in place for assessing the potential size and scope of identified risks;
Different processes are in place to assess magnitudes of impact and scope depending on the type of risk being assessed. For example, for our Outpatient Medical and Senior Housing partners that participate in our property insurance program, we utilise catastrophe loss modelling to estimate potential losses from natural hazards. Catastrophe modelling looks at events, hazards, vulnerability and financial loss. The modelling results provide a strategic measure to estimate the potential loss to our program portfolio from a hypothetical loss. This allow us to ensure that we have enough insurance coverage in place. Additionally, yearly during insurance renewals and as we bring new acquisitions into the program, a search is performed to determine whether the property is located in any catastrophe zone (earthquake, named windstorm (hurricane), flood). For locations within high flood hazard zones, we obtain additional flood insurance coverage through the National Flood Insurance Plan.

- The process by which your organization determines the relative significance of climate-related risks in relation to other risks;
All risks are assessed on an inherent and residual basis. The inherent risk is determined using different processes depending on the risk type. These can take the form of annual audits, risk modelling, etc. Welltower then calculated a residual risk rating which into account how the risk is currently being managed and mechanisms already in place to control it. For example, if there are no management mechanisms on place then the residual risk rating will be the same as the inherent risk rating.

- The definitions of risk terminologies used (or references to existing risk classification frameworks utilized by your company);
Welltower defines risks as low, medium or high depending on the residual impact they are likely to have on the business.

- How your organization defines substantive financial or strategic impact on your business (risk register uses qualitative labels for each risk - How were these determined):
Substantive financial impact is determined on a case by case basis depending on the asset affected. Organization level risks are evaluated by the corporate Nominating/Corporate Governance Committee in concert with the ERM function.

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	Under various laws, owners or operators of real estate like Welltower may be required to respond to the presence or release of hazardous substances on the property and may be held liable for property damage, personal injuries or penalties that result from environmental contamination or exposure to hazardous substances. Welltower may become liable to reimburse the government for damages and costs it incurs in connection with the contamination. Environmental liabilities may be present in our properties and we may incur costs to remediate contamination, which could have a material adverse effect on our business or financial condition or the business or financial condition of our obligors. The audit committee oversees Welltower's compliance program with respect to legal and regulatory requirements including, Welltower's Code of Business Conduct and Ethics and its policies and procedures for monitoring compliance.
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. For example, increase in fossil fuel energy fees due to regulation/ market shifts towards renewables. Welltower also considers the prospects of legislation requiring companies to pay a carbon tax or enter into trading schemes. For example, the ending of the CRC Scheme in the UK in 2019 means that lost revenue will be collected by the Government by increasing the current climate change levy rates. 3.8% of Welltower's operational spend is on energy, the cost of which is likely to be impacted by these tax increases in the UK.
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. Welltower considers the risk of not being able to give a competitive offering means so emerging technology is considered when completing assessments of properties across the portfolio, As part of the sustainability strategy one of the ways in which the key objectives will be reached is through technological efficiencies, innovation and performance certification. As part of this Welltower undertakes operational energy and water efficiency assessments at properties across the portfolio and supports tenants to implement upgrades that provide improved environmental performance. For example, Welltower earned the ENERGY STAR® certification for superior energy performance at 27 buildings across the portfolio in 2018, which brings the total number of buildings that have received this certification to 78. Welltower also partnered with STEM, a company that provides artificial-intelligent battery storage technology that efficiently manages energy demand automatically through predictive energy analytics, to pilot the technology at its Santa Anita Medical office building. Welltower has gained real-time insight into their medical office building's energy use and since its installation has saved 274.77 MWh and $19,298.
Legal	Relevant, always included	From time to time, we may be directly involved in a number of legal proceedings, lawsuits and other claims. We may also be named as defendants in lawsuits allegedly arising out of our actions or the actions of our operators/tenants or managers in which such operators/tenants or managers have agreed to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with their respective businesses. An unfavourable resolution of pending or future litigation or legal proceedings may have a material adverse effect on our business, results of operations and financial condition. Regardless of its outcome, litigation may result in substantial costs and expenses and significantly divert the attention of management. There can be no assurance that we will be able to prevail in, or achieve a favourable settlement of, pending or future litigation. In addition, pending litigation or future litigation, government proceedings or environmental matters could lead to increased costs or interruption of our normal business operations
Market	Relevant, sometimes included	Tenants and partners continue to seek properties with strong energy management systems, environmental stewardship, and green practices. So Welltower conducts assessments including reporting, CSR awards and ESG approaches of its main competitors to make sure Welltower keeps up to date with market trends and meets the changing expectations of its key stakeholders.
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. To manage this, Welltower has comprehensive employee, tenant and vendor engagement programs in place focused on operational strategies to drive energy and water efficiency. In our medical office building portfolio, we have transitioned to a standard green lease, which aligns tenant and landlord interests on energy and water efficiency.
Acute physical	Relevant, always included	We maintain or require our tenants to maintain comprehensive insurance coverage on our properties with terms, conditions, limits and deductibles that we believe are appropriate given the relative risk and costs of such coverage, and we frequently review our insurance programs and requirements. However, a large number of our properties are located in areas particularly susceptible to revenue loss, cost increase or damage caused by severe weather conditions or natural disasters such as hurricanes, earthquakes, tornadoes and floods. We believe, given current industry practice and analysis prepared by outside consultants, that our and our tenants' insurance coverage is appropriate to cover reasonably anticipated losses that may be caused by hurricanes, earthquakes, tornadoes, floods and other severe weather conditions and natural disasters, including the effects of climate change. Nevertheless, we are always subject to the risk that such insurance will not fully cover all losses and, depending on the severity of the event and the impact on our properties, such insurance may not cover a significant portion of the losses. These losses may lead to an increase of our and our tenants' cost of insurance, a decrease in our anticipated revenues from an affected property and a loss of all or a portion of the capital we have invested in an affected property.
Chronic physical	Relevant, always included	We maintain or require our tenants to maintain comprehensive insurance coverage on our properties with terms, conditions, limits and deductibles that we believe are appropriate given the relative risk and costs of such coverage, and we frequently review our insurance programs and requirements. However, a large number of our properties are located in areas particularly susceptible to revenue loss, cost increase or damage caused by severe weather conditions or natural disasters such as hurricanes, earthquakes, tornadoes and floods. We believe, given current industry practice and analysis prepared by outside consultants, that our and our tenants' insurance coverage is appropriate to cover reasonably anticipated losses that may be caused by hurricanes, earthquakes, tornadoes, floods and other severe weather conditions and natural disasters, including the effects of climate change. Nevertheless, we are always subject to the risk that such insurance will not fully cover all losses and, depending on the severity of the event and the impact on our properties, such insurance may not cover a significant portion of the losses. These losses may lead to an increase of our and our tenants' cost of insurance, a decrease in our anticipated revenues from an affected property and a loss of all or a portion of the capital we have invested in an affected property.
Upstream	Relevant, always included	Upstream risks are relevant, as should an upstream supplier be unable to supply Welltower due to environmental risk then Welltower faces risk of loss of supplies. Therefore, Welltower completed a supplier sustainability survey to understand what sustainability practices are taking place and whether they meet Welltower's supplier code of conduct.
Downstream	Not relevant, explanation provided	As a service provider to health it is unlikely that environmental risks will cause a change in our users behaviour therefore this risk is not relevant when considering our risk factors.

C2.2d

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

The Board and the Nominating/Corporate Governance Committee specifically review the management of risks relating to compliance, environmental sustainability and Welltower's corporate governance policies. Management is responsible for identifying Welltower's significant risks, developing risk management strategies and policies and integrating risk management into Welltower's decision-making process. To that end, Welltower has implemented an enterprise risk management program and created an internal risk management steering committee charged with identifying, monitoring and controlling such risks and exposures. This risk management structure helps ensure that necessary information regarding significant risks and exposures is transmitted to Welltower's leadership, including management, the appropriate Board committees and the Board.

Welltower's Enterprise Risk Management (ERM) program, developed based on the COSO ERM framework, encompasses the company's strategic, financial, legal and regulatory, and operational risks and opportunities. It is managed by the Enterprise Risk Management Committee whose responsibility is to identify, evaluate and mitigate risks that could materially adversely affect the ability of the Company to achieve its strategic objectives and assist the Board in fulfilling its oversight responsibilities with regard to the identification, evaluation and management of such risks. The committee meet no less than four times annually.

Risks are assessed on an inherent and a residual basis. Risks are analysed, 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- working collaboratively at meetings at least twice annually with all business units - identifies and evaluates the sustainability-related enterprise risks that may affect all facets of the Company's business functions. Opportunities are channelled back to management's strategy setting process and risks are inputted into the central ERM system (excel based) where a qualitative description and mitigation measure for each risk is detailed and a correlation analysis is undertaken. A report detailing the risks identified and the results of mitigation efforts are reported to the Board regularly. Mitigation measures take a multi-faceted approach: the company has implemented energy and waste management programs both inside and outside the boundary

of control, including the Green Arrow Building Certification program to improve the efficiency of the portfolio (minimizing CO2 production and thus our exposure to potential carbon taxes). In addition, the implementation of disaster recovery plans and adequate insurance policies has helped to reduce risks associated with

extreme weather events.

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.

Example of physical risk management method

An example of 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. Welltower also have a portfolio-wide emergency response plan which includes processes to minimise the potential damage to properties from extreme weather events such as tornados, hurricanes, high winds and flooding.

Example of transitional risk management method

Energy costs constitute 3.8% of Welltower's operational spend and rising costs for conventional, non-renewable energy driven potentially by emerging regulation are a considerable risk. So, to manage this in 2018, Welltower completed its 200th LED lighting retrofit. These upgrades will save over $5 million in utility costs annually and reduce Welltower's energy usage and greenhouse gas emissions. Welltower's electricity load across its Medical office Building portfolio is 18% renewable which minimises its dependence on non-renewable fuels.

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

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

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2000000

Potential financial impact figure – maximum (currency)
10000000

Explanation of financial impact figure
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. The costs associated with development of Disaster Recovery plans and insurance procurement are covered by Welltower internal staff therefore any extra costs associated are considered minimal.

Cost of management
0

Comment

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
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

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2000000

Potential financial impact figure – maximum (currency)
10000000

Explanation of financial impact figure
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. The costs associated with development of Disaster Recovery plans and insurance procurement are covered by Welltower internal staff therefore any extra costs associated are considered minimal.

Cost of management
0

Comment

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
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

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2000000

Potential financial impact figure – maximum (currency)
5000000

Explanation of financial impact figure
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. The costs associated with development of Disaster Recovery plans and insurance procurement are covered by Welltower internal staff therefore any extra costs associated are considered minimal.

Cost of management
0

Comment

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
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

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
8000000

Potential financial impact figure – maximum (currency)
10000000

Explanation of financial impact figure
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. The costs associated with these programs and disclosures are internal staff and consulting fees, and capital deployed to implement efficiency measures.

Cost of management
7700000

Comment

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
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

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
8000000

Potential financial impact figure – maximum (currency)
10000000

Explanation of financial impact figure
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 which is an Investor, partner, and tenant outreach program highlighting Welltower's dedication to environmentally conscious business practices. Feedback is collected through recurring tenant satisfaction surveys, which specifically include questions regarding our Green Arrow program and reported through voluntary public disclosure platforms such as US EPA Energy Star and CDP. The costs associated with these programs and disclosures are internal staff and consulting fees, and capital deployed to implement efficiency measures.

Cost of management
7700000

Comment

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
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

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
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. The cost to realize the opportunity is the initial investment in new technology and equipment to allow our buildings to run more efficiently.

Cost to realize opportunity
20000000

Comment

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
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

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
8000000

Potential financial impact figure – maximum (currency)
10000000

Explanation of financial impact figure
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. The costs associated with these programs and disclosures are internal staff, software solutions, consulting fees and capital expenditures for efficiency measures.

Cost to realize opportunity
7700000

Comment

Identifier
Opp3

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

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Move to more efficient buildings

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

Company-specific description
Rising temperatures due to climate change can lead to increased heat transfer into buildings that have dark-coloured roofs, thereby increasing operating times for HVAC units and increasing energy usage and costs. Therefore, Welltower seeks to minimise this impact by installing cool roofing systems across applicable climate impacted assets to reduce the heat transfer, keep HVAC run times optimised, improve occupant comfort, and also reduce heat island effect. Welltower identified sites where these factors most came into play and has already made installations at the following properties: West Boca II, Palms West, Charer Professional Center, University of Miami Cancer Center, Henry Mayo Buildings, Bedford, John Hopkins Columbia, and the Kelsey Seybold Main Campus.

Time horizon
Current

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
39116

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial impact reflects the savings from upgrading buildings with cool roofing systems.

Strategy to realize opportunity
Welltower is using the following methods to identify opportunities 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. Cost incorporates contractor fees and cost of materials for the installations across the portfolio.

Cost to realize opportunity
1839693

Comment

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 Welltower's facilities are in jurisdictions that are introducing climate change and energy related ordinances, such as energy benchmarking and disclosure ordinances. 175 Welltower owned properties are impacted by these ordinances, which represents up to $79,400 per year of fines for non-compliance. 21 of these properties have additional mandated energy audit requirements, which carry additional fines associated with non-compliance. In addition to fines, the energy performance information is often made publicly available, which creates a reputational risk for buildings that might be poor performers and impede occupancy in those markets. Consequently, in these compliance markets, as well as other major markets across the country, we expect tenants to seek ""green"" and/or efficient 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. This creates a significant risk if Welltower is not able to have buildings back up and running quickly so tenant downtime is minimized. In addition to financial liability, there is inherent risk of losing the tenant(s). To mitigate this risk, Welltower has identified alternative providers in the event that the primary provider is unavailable. In the reporting period, some of Welltower's properties which reside in low-lying coastal areas in the Southern United States were impacted by extreme weather events such as rising temperatures and hurricanes that caused some power-outs, but this had minimal impact on operations during the reporting year.
Adaptation and mitigation activities	Impacted for some suppliers, facilities, or product lines	Welltower operates in various countries that have been subject to extreme weather events in the past. As a result, Welltower has had to implement robust adaption and mitigation measures at some facilities across the portfolio to address these climate-related risks, For example, Medical Office properties in California adapted/mitigated water usage due to drought conditions through investment and implementation of reduction strategies such as high efficiency fixtures and smart irrigation controllers. Welltower has also rolled out Disaster Recovery plans, which include identifying critical business functions, holding stakeholder interviews and producing key policies and procedures to minimise the impacts of extreme weather events on its portfolio. Extreme weather events had a minimal impact on the business in the reporting period.
Investment in R&D	We have not identified any risks or opportunities	Welltower's R&D activities are centered around piloting new and emerging technologies that reduce energy and water use and greenhouse gas emissions, while creating value for the asset and it's occupants. These activities are at risk if discretionary funds are not available due to reduced occupancy, or must be diverted to other unexpected expenses due to climate-related events. This however, did not impact the business during the reporting period.
Operations	Impacted for some suppliers, facilities, or product lines	Extreme weather events can disrupt operations. Welltower's properties have measures and procedures in place to ensure operations return to normal quickly after disruptive events. In the reporting period, some of Welltower's properties which reside in low-lying coastal areas in the Southern United States were impacted by extreme weather events such as rising temperatures and hurricanes that caused some power-outs, but this had minimal impact on operations during the reporting year.
Other, please specify	Please select	

C2.6

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

	Relevance	Description
Revenues	Impacted for some suppliers, facilities, or product lines	Revenues may be impacted over time due to significant increases in property insurance costs from the physical impacts of climate change and/or requirements to implement energy-efficiency measures from local jurisdictions that are outside of the general Welltower capital investment process. As a result, Welltower offers a green lease at some properties across its portfolio to minimise the risk from insurance costs by setting out requirements for energy efficiency measures and ways to reduce the environmental impact of the buildings for the tenants occupying them.
Operating costs	Impacted for some suppliers, facilities, or product lines	Welltower has considered the increase in operating costs in its financial planning by procuring energy in deregulated markets to hedge against increasing energy costs. Welltower also invests capital each year in measures that reduce consumption and costs across its portfolio, such as the LED retrofit project mentioned in C2.2d, which will save an estimated $5 million in utility costs.
Capital expenditures / capital allocation	Impacted for some suppliers, facilities, or product lines	Welltower dedicates capital investment in their portfolio year after year to reduce consumption, greenhouse gas emissions, and costs. For example, over $5 million in capital has been spent on the portfolio LED retrofit projects to date. Over the last two years, capital expenditure has been consistent and climate change has only had a minimal impact.
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. The checklist enables Welltower to plan for any climate-related risk the acquisition may be more vulnerable to. However, impacts of climate-related issues have had a minimal impact on this process in the reporting period.
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. Impacts of climate-related issues have had a minimal impact on this process in the reporting period.
Assets	Impacted for some suppliers, facilities, or product lines	Some assets are geographically more at risk than others from the effects of climate change, therefore they adhere to annual property insurance modeling to assess natural disaster risk which may increase premiums. Additionally the assets located in mandatory compliance jurisdictions may have to include compliance process and implementation costs of required/voluntary measures in financial plans to increase efficiency where this information is publicly available. Impacts of climate-related issues have had a minimal impact on this process in the reporting period.
Liabilities	Impacted	Some of our facilities are in jurisdictions that are introducing climate change and energy related ordinances, such as energy benchmarking and disclosure ordinances. 141 Welltower owned properties are impacted by these ordinances, which represents a minimum of $50,000 per year of fines for non-compliance. 22 of these properties have additional mandated energy audit requirements, which carry additional fines associated with non-compliance. In addition to fines, the energy performance information is often made publicly available, which creates a reputational risk for buildings that might be poor performers and impede occupancy in those markets. Therefore, an allotment for consulting services for meeting these requirements has been allocated in the sustainability budget.
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?

No, but we anticipate doing so in the next two years

C3.1c

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

i. How business objectives and strategy have been influenced by climate-related issues;
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.

ii. Explanation of whether your business strategy is linked to an emissions reduction target or energy reduction target:
Welltower has committed to the UN Sustainable Development Goal for Climate Action (SDG 13) by setting emissions, energy and water reduction targets which drive Welltower's overall business strategy which is to promote Wellness for employees, tenants and resident communities.

iii. What has been the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy;
This year, Welltower consciously worked to further its strategy on addressing climate change aspects of its strategy through multiple projects at its properties. As a representative example, it made the decision to partner with STEM, a company that provides artificial-intelligent battery storage technology that efficiently manages energy demand automatically through predictive energy analytics, to pilot the technology at its Santa Anita Medical office building. Welltower has gained real-time insight into their medical office building's energy use and in total has saved 272690 MWh and $18,655 annually. This decision was driven by Welltower's ESG Program, in which is has committed to improving energy efficiency across its portfolio. Projects like these have resulted in Welltower being awarded the Energy Star Partner of the Year for our ongoing efforts to promote energy efficiency.

iv. What aspects of climate change have influenced the strategy:
Welltower has successfully integrated sustainable practices throughout its operations by implementing various policies that ensure Welltower operates with minimal impact on the environment and with minimal risk from the impacts of climate change. For example, Welltower has a portfolio-wide emergency response plan which includes processes to minimise the potential damage to properties from extreme weather events such as tornados, hurricanes, high winds and flooding. Welltower also sets goals and tracks the performance of 24.8 million square feet of its portfolio as part of the Energy Star certification programme and has invested in retrofit projects to reduce energy usage and greenhouse gas emissions across the portfolio.

v. How the short-term strategy has been influenced by climate change;
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.

vi. How the long-term strategy has been influenced by climate change;
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) continuing to implement sustainable building practices with the company's partners.

vii. How this is gaining a strategic advantage over competitors;
Welltower gains strategic advantage over 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 honourable 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.

Short-and long-term horizons are consistent with the time horizons used in C2.1.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

Due to the nature of our business as a Real Estate Investment Trust (REIT), Welltower has ownership over all the assets but does not have operational control over a large portion of these owned assets. Therefore, over the last two years Welltower has been working to extend the boundary for data collection across the entire portfolio to improve and better understand its greenhouse gas inventory by partnering with tenants and operators to collect their data. Because of the importance of this exercise, it has been the primary focus of resources. While Welltower does not yet use climate-related scenario analysis to inform the strategy, it is striving to establish a robust and accurate baseline in the next couple of years. Once this has been established, Welltower will then be able to assess the capacity and the use of best practice guidelines such as TCFD to utilize scenario analysis to inform the business strategy. For now, Welltower incorporates forward-thinking assessments into its Enterprise Risk Management (ERM) program, developed based on the COSO ERM framework, which encompasses the company's strategic, financial, legal and regulatory, and operational risks and opportunities. It is managed by the Enterprise Risk Management Committee, whose responsibility is to identify, evaluate and mitigate risks that could materially adversely affect the ability of the Company to achieve its strategic objectives.

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

Targeted % reduction from base year
10

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?
No, but we anticipate setting one in the next 2 years

% of target achieved
0

Target status
Underway

Please explain
This target covers areas of the real estate portfolio where Welltower can directly influence operational behaviour. This includes all directly managed Medical office buildings (MOB). Medical office buildings across all geographies where Welltower operates are included. Since setting the target, Welltower's portfolio of assets has grown intrinsically over time and they have yet to re-baseline the target baseline to reflect this, hence the why Welltower has not currently made progress against this target.

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

Targeted % reduction from base year
25

Metric
Other, please specify (tCO2e/1000 sq ft)

Base year
2014

Start year
2017

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

Target year
2025

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

% of target achieved
85

Target status
Underway

Please explain
Target covers all Medical Office Buildings that are directly managed by Welltower since this is where Welltower has operational control. As such, Welltower has been able to drive emission reductions through an ongoing combination of best practices, capital improvements, and stakeholder engagement activities. The target is in line with the calendar year.

% change anticipated in absolute Scope 1+2 emissions
42

% 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
Please select

KPI – Metric numerator

KPI – Metric denominator (intensity targets only)

Base year

Start year

Target year

KPI in baseline year

KPI in target year

% achieved in reporting year

Target Status

Please explain

Part of emissions target

Is this target part of an overarching initiative?
Please select

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 initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	66	19479
Not to be implemented	0	0

C4.3b

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

Initiative type
Energy efficiency: Building services

Description of initiative
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
6650

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1095249

Investment required (unit currency – as specified in C0.4)
5202777

Payback period
4 - 10 years

Estimated lifetime of the initiative
6-10 years

Comment

Initiative type
Energy efficiency: Processes

Description of initiative
Other, please specify (Cool Roofing)

Estimated annual CO2e savings (metric tonnes CO2e)
251

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
39116

Investment required (unit currency – as specified in C0.4)
1839693

Payback period
>25 years

Estimated lifetime of the initiative
11-15 years

Comment
Cool Roofing

Initiative type
Low-carbon energy purchase

Description of initiative
Wind

Estimated annual CO2e savings (metric tonnes CO2e)
12019

Scope
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
<1 year

Comment
Purchased RECs

Initiative type
Process emissions reductions

Description of initiative
Behavioral change

Estimated annual CO2e savings (metric tonnes CO2e)
262

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
300 employees taking the ENERGY STAR Pledge to reduce energy usage.

Initiative type
Energy efficiency: Building services

Description of initiative
Combined heat and power

Estimated annual CO2e savings (metric tonnes CO2e)
297

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
42312

Investment required (unit currency – as specified in C0.4)
374000

Payback period
4 - 10 years

Estimated lifetime of the initiative
21-30 years

Comment

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 and capital budget planning process, Welltower identifies opportunities to implement energy reduction measures that would impact emissions reduction. Welltower utilises financial optimization calculations to determine the viability of energy / emission reduction initiatives.
Internal incentives/recognition programs	Recognition programs such as Welltower's Green Arrow program promotes and rewards the environmentally conscious business practices of Welltower's partners, through means such as tracking and reporting on adherence to the program's standards.
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, such as the ENERGY STAR Pledge taken by 300 employees on Earth Day.

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. Ways in which this is supported include our Green Arrow Program and renewable energy generation at site.

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 (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.)

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

0.4

Comment

Green leases allow us to work together with our tenants to reduce utility costs and increase building efficiency. The Green Arrow Program helps ensure that facilities run efficiently in terms of emissions and energy. The 0.4% of revenue from low-carbon products was calculated based on the percentage revenue from green leases executed.

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 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
119859

Comment

Scope 2 (location-based)

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
350901

Comment

Scope 2 (market-based)

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
336943

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?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
119859

Start date
January 1 2018

End date
December 31 2018

Comment
Welltower is committed to accurately representing emissions associated with its operations and as such, has modelled for energy consumption (natural gas and electricity) by applying an average consumption per unit floor area. For electricity, average consumption is calculated based on building type and for natural gas it is calculate regionally. Normalised consumption is based on existing data received across the portfolio for the reporting period. Approximately 32% of energy use is estimated.

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?

Reporting year

Scope 2, location-based
350901

Scope 2, market-based (if applicable)
336943

Start date
January 1 2018

End date
December 31 2018

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
Relevant, calculated

Metric tonnes CO2e
2146

Emissions calculation methodology
Emissions associated with the supply of water to properties within Welltower's financial control boundary was collected from sites where data was available. Emissions were calculated by multiplying the water supplied by the water supply emission factor published by DEFRA in 2018.

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

Explanation
100% of data used to calculate emissions from purchased goods and services was collected from supplier invoices.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Given the nature of Welltower’s business (i.e. a REIT), the material emissions are accounted for in Scope 1 & 2 since our assets are the service we provide/lease. Any emissions from capital goods are considered immaterial.

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

Evaluation status
Relevant, calculated

Metric tonnes CO2e
65457

Emissions calculation methodology
Emissions associated with electricity transmission and distribution (T&D) losses and well-to-tank generation and T&D are calculated using emission factors from DEFRA 2018 for the UK and IEA 2017 for Canada and the United States.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
42

Explanation
58% of emissions from downstream leased assets are estimated using asset-specific benchmarks calculated from actual data received from other properties.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Given the nature of Welltower's business (i.e., a REIT) is to lease assets, any upstream transportation/distribution emissions are di minimis and considered immaterial.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
11708

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 utilising 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. Only emissions generated from waste that is sent to landfill have been included in this category.

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

Explanation
Emissions cover waste generated by all medical office buildings under Welltower's financial control and 87% of US senior housing properties.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1490

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 (2018).

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

Explanation

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
952

Emissions calculation methodology
Emissions from commuting were calculated by modelling commuting distances of employees based on distances between home and work addresses. The DOT average fuel efficiency of US light duty vehicles was then applied to estimate the total gallons consumed through employee commuting. The Climate Registry 2018 emissions factor was then applied to estimate emissions associated with commuting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
95

Explanation
There is a small percentage of employees that work out of the NYC office that are not included since it is assumed they use mass transit. So they are considered, just not calculated for the mass transit emissions individually. In which case the calculations cover 95%.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Welltower has no upstream leased assets. All assets are considered downstream due to the nature of the business.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Given Welltower's business (i.e., a REIT), there are no relevant emissions from downstream transportation and distribution.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
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

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
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.

Downstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
419468

Emissions calculation methodology
Welltower gathers energy usage data from our operating partners to calculate greenhouse gas emissions from downstream leased assets that fall outside of Welltower's financial control boundary. 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 average energy intensity factors based on portfolio type and region to estimate usage and greenhouse gas emissions from these sites.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
53

Explanation
Welltower receives utility data that covers approximately 47% of calculated emissions for its downstream leased assets portfolio. Portfolio average intensity factors based on portfolio type and region are calculated and applied to sites where data was unavailable.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Welltower does not operate any franchises. Therefore, this category is not relevant.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Welltower only invests in real estate assets and these emissions have been accounted for in downstream leased assets.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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
0.0001

Metric numerator (Gross global combined Scope 1 and 2 emissions)
470760

Metric denominator
unit total revenue

Metric denominator: Unit total
4700000000

Scope 2 figure used
Market-based

% change from previous year
147

Direction of change
Increased

Reason for change
Welltower has diligently worked to collect data across the portfolio, including assets not under operational control, to increase accuracy and transparency of their emissions impact. This includes a boundary shift from operational to financial control, and for sites where data is unavailable, electricity and natural gas consumption has been estimated by applying an energy intensity per unit floor area. This boundary change has meant that there has been an absolute increase in emissions that offsets the increase in revenue growth. This has led to an overall increase in emissions intensity.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
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	117882	IPCC Second Assessment Report (SAR - 100 year)
CH4	457	IPCC Second Assessment Report (SAR - 100 year)
N2O	1520	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	61347
Canada	50354
United Kingdom of Great Britain and Northern Ireland	8158

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)
Outpatient Medical	12406.95
Corporate	295.12
Senior Housing	107157.11

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	305769	296489	722685	14754
Canada	18382	13704	249658	6124
United Kingdom of Great Britain and Northern Ireland	26750	26750	34784	0

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)
Outpatient Medical	146307	137073
Corporate	992	946
Senior Housing	203602	198924

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?

Increased

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	242	Decreased	0.05	While Welltower's overall REC purchases increased to 32,467 MWh in 2018, emission credits were applied to the highest emitters in the portfolio, which in some cases included properties in Scope 3. As such, there is a 5,549 MWh decrease in Scope 1 & 2 renewable energy from 2018, which equates to approximately 242 MTCO2e.
Other emissions reduction activities	19479	Decreased	4.26	During the reporting period, Welltower has invested in various emissions reduction activities across Medical Office buildings. These include renewable energy procurement, LED light retrofits and improving heating/cooling efficiency in buildings.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary	178179	Increased	38	Welltower has diligently worked to collect data across the portfolio, including assets not under operational control, to increase accuracy and transparency of their emissions impact. This includes a boundary shift from operational to financial control, and for sites where data is unavailable, electricity and natural gas consumption has been estimated by applying an energy intensity per unit floor area.
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 0% but less than or equal to 5%

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)	Please select	0	651853	651853
Consumption of purchased or acquired electricity	<Not Applicable>	20914	986249	1007163
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>	80	<Not Applicable>	80
Total energy consumption	<Not Applicable>	20994	1638102	1659096

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 heat	Yes
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
HHV (higher heating value)

Total fuel MWh consumed by the organization
643549

MWh fuel consumed for 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>

Comment

Fuels (excluding feedstocks)
Propane Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
8304

MWh fuel consumed for 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>

Comment

C8.2d

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

Natural Gas

Emission factor

0.34

Unit

lb CO2e per MWh

Emission factor source

Location-based emission factors are used for natural gas thatg vary by state in the US and Canada. Emissinos factors for the US are sourced from US - Climate Registry 2018 Default Emissions Factors, for Canada: Environment Canada National Inventory Report Emissions Factors and for the UK: DEFRA 2018.

Comment

Propane Gas

Emission factor

62.88

Unit

lb CO2e per million Btu

Emission factor source

Climate Registry 2016 Default Emissions Factors - Commercial petroleum products factors in Table 12.9.2 and Table 12.1

Comment

US average emissions factor used

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	197	80	197	80
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

Region of consumption of low-carbon electricity, heat, steam or cooling
North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling
20798

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

Comment

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Solar PV

Region of consumption of low-carbon electricity, heat, steam or cooling
North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling
80

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
41055

Metric numerator
tons

Metric denominator (intensity metric only)

% change from previous year
14

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 within the financial control boundary, 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
CY18 Welltower Verification-ASRauthorized Final May 8 2019.pdf

Page/ section reference
Page 3-4

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope
Scope 2 location-based

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
CY18 Welltower Verification-ASRauthorized Final May 8 2019.pdf

Page/ section reference
Page 3-4

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope
Scope 2 market-based

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
CY18 Welltower Verification-ASRauthorized Final May 8 2019.pdf

Page/ section reference
Page 3-4

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- all relevant categories

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
CY18 Welltower Verification-ASRauthorized Final May 8 2019.pdf

Page/section reference
Page 3-4

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, our suppliers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Other, please specify (Integrating climate-related assessments into supplier evaluation processes)

% of suppliers by number

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
Welltower encourages its suppliers to share in its commitment to operating in a responsible, transparent and sustainable manner by adopting the practices outlined in it Supplier Code of Conduct. This includes: complying with environmental laws and regulations and minimising their environmental impacts by reducing waste, operating efficiently, conserving energy and water, reusing and recycling materials where possible and minimising excess packaging.

Impact of engagement, including measures of success

Comment

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
Welltower partnered with Shaw, a flooring provider, because they are a sustainability market-leader within the flooring industry; 66% of the flooring that Shaw manufactures is cradle-to-cradle certified and low VOC. Through Welltower's material purchasing program (for tenant properties outside of Welltower's boundary of operational control), Welltower partnered with flooring provider Shaw Industries as a means to help recycle removed carpet from Welltower's managed projects and engage and support tenants in doing the same within buildings which Welltower only indirectly manage.

Impact of engagement, including measures of success
Key performance indicators in this area include: volume of environmentally preferred purchasing and the dollars spent on green products. Engagement with carpet suppliers has meant that 120,800 lbs of carpet was recycled this year and the average recycled content of carpet purchased is 36%, this is equivalent to 27,900 lbCO2. $900K of building purchases in 2018 were considered sustainable based on survey results.

Comment

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Other, please specify (Welltower developed a Supplier Sustainability Survey that was delivered to approximately 50 of its highest spend national accounts.)

% of suppliers by number

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
We developed a Supplier Sustainability Survey that was delivered to approximately 50 of our highest spend national accounts. This process helps us to understand their sustainability practices and expertise, and opens the door to new conversations about how we can work together to achieve mutually beneficial outcomes that help us all meet our sustainability goals.

Impact of engagement, including measures of success
Key performance indicators in this area include: volume of environmentally preferred purchasing and the dollars spent on green products. Engagement with carpet suppliers has meant that 120,800 lbs of carpet was recycled this year and the average recycled content of carpet purchased is 36%, this is equivalent to 27,900 lbCO2. $900K of building purchases in 2018 were considered sustainable based on survey results.

Comment

C12.1c

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

i. We engage with a wide range of stakeholders, through formal and informal mechanisms, in order to obtain a holistic overview of our material aspects by understanding their needs, the issues most important to them and the impact of our operations. Each of the stakeholders we engage may have influence over our long-term successes or a vested interest in the work we do. Other partners in the value chain refer to tenants that occupy the buildings managed by Welltower (Health REIT). Welltower's Green Arrow Certification program aims to promote healthy environments across the Health REIT and was established as a way to benchmark building environmental performance against peers using a set of key KPIs. The program is driven by property managers who engage with tenants through the program to encourage good environmental practices across the portfolio.

ii. Methods of engagement:
Welltower has a comprehensive stakeholder engagement management procedure which helps Welltower track and plan stakeholder engagement through several channels. These include: Welltower employee outreach channels; our Welltower Collaborative, which connects Welltower seniors housing operating partners with one another and with its management team; making use of regulatory filings, informal face-to-face discussions, company reporting and feedback mechanisms and formal meetings with the investment community to proactively engage with stakeholders; developing partnerships with non-profit health systems and non-governmental organizations (NGOs); tenant and operator engagement surveys; and our work with our community partners.

ii. Prioritisation
Welltower has prioritized engagement by identifying the vital parts of our value chain - our partners and tenants, starting with areas where we have operational control and operators that allow for the greatest impacts. For example, through the Welltower Collaborative, we bring together operating partners on an annual basis to share best practices and present new ideas and technologies.
As of 2018, we have had over 150 properties hold stakeholder events focused on sustainability. We also work with operating partners to gather their utility data and benchmark their properties.

iii. Measurement of success
Success is measured by the quantity of: tenants approached, commitments signed, processes completed, and total number certified through our Program.
Success is also measured using energy, water, waste and indoor environmental quality KPIs to benchmark sites' performances across the portfolio.

iv. Case studies
Tenants
Welltower's Green Arrow Program engages with tenants by evaluating occupied buildings 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.

Another example of our tenant and partner engagement efforts and in innovative and comprehensive efficiency Playbook created and customized specifically for our senior housing operating partners. The Playbook was developed in 2018 for a 2019 launch. Welltower partnered with RE Tech Advisors to conduct select site assessments and provide recommended actions to optimize property operations at four of its senior housing communities totalling 417,136 square feet. These actions then became the basis for the creation of a Guide for Senior Housing Efficiency and Excellence to provide all senior housing operating partners with ideas for no and low-cost measures and considerations for long term capital planning that will help reduce utility costs, improve net operating income, and enhance the comfort of residents and staff.

Employees
We also consider employees a key stakeholder in driving sustainability throughout the business and in conjunction with Earth Day 2018, we challenged our employees to take the ENERGY STAR Pledge to save energy. We far exceeded our goal with over 300 participants and pledge actions that equate to over 750,000 lbs of greenhouse gas emission reductions.

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_2018_Final.pdf

Page/Section reference
25

Content elements
Emissions figures

Comment
WELLsustained' Weltower's CSR Report 2018

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	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)

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

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I have read and accept the applicable Terms