Welltower Inc. - Climate Change 2021

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 programs 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") program 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. Despite 2020 being a difficult year for many, for Welltower it became a year of strategic transformation and growth, as is reflected in our representative ESG accomplishments, such as being listed in the RobecoSAM 2021 Sustainability Yearbook and named in the top 100 Best Corporate Citizens by Corporate Responsibility Magazine. As of 2021, Welltower also earned the US EPA's prestigious recognition of Energy Star Partner of the Year for the third consecutive year and elevated to the level of 'Sustained Excellence'. This recognizes our ongoing efforts to promoting energy efficiency across our portfolio, to our tenants, and to our operating partners.

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
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas 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 chosen approach for consolidating your GHG inventory.

Financial control

C-CN0.7/C-RE0.7

(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?

Buildings management

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 CFO and the Assistant Vice President of Sustainability and ESG. 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. For example, our CEO approved the decision to publicly disclose our 10% reduction in energy, water, and GHG by 2025 in late 2019 (against a 2018 baseline). Our progress against this goal is reported in our CSR report. Also increased the goals based on feedback from the board. Our head of the Nominating/Corporate Governance Committee has asked the ESG team to further and broaden our focus around ESG and disclosure by changing the name of our CSR report to an ESG report. Additionally, our CEO has asked to support our ESG team in its engagement with operators around reporting their sustainability data and information, as well as approved the decision to implement the successful incorporation of sustainability goals as a determinant of executive compensation. Most recently, Welltower was listed to the 2020 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/Corporate Governance Committe 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. For example, the CSR report and disclosure has broadened its focus by being renamed the ESG report and has allowed for a wider engagement across Welltower.

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	Scope of board-level oversight	Please explain
Scheduled – some meetings	Monitoring implementation and performance of objectives	<Not Applicable>	The Nominating/Corporate Governance Committe of the Welltower Board of Directors reviews environmental sustainability issues and Welltower's climate change environmental sustainability practices. The Nominating/Corporate Governance Committee met seven times during the year ended December 31, 2020.
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies	<Not Applicable>	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 to improve the efficiency of the portfolio (minimizing 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)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Nominating/Corporate Governance Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	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 CFO and works closely with the Nominating/Corporate Governance Committee and Assistant Vice President (AVP) of Sustainability and ESG.

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. In 2019, Welltower made changes to the governance structure of the sustainability and ESG framework to support the growth and evolution of the program.

To lead the advancement of ESG at Welltower, a new Assistant Vice President (AVP) of Sustainability and ESG, or 'Environment/Sustainability Manager', position was created and filled. This position is located within Welltower's Finance Department and has a direct line to the Chief Financial Officer, who reports to the Chief Executive Officer. This allows for regular flow of information, not only to the Chief Executive Officer, but also to Board of Directors. The AVP of Sustainability and ESG also provides regular updates directly to the Board of Directors at their quarterly meetings. The AVP of Sustainability and ESG is responsible for the day-to-day implementation of strategic climate-related work at a company-level in addition to monitoring progress. Also, a new ESG Analyst was added to the team in 2020 to provide support to the AVP through a focus on sustainability data and benchmarking, which will help highlight and address sustainability improvements across Welltower.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	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).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	A portion of monetary rewards are tied to the 10% reduction target in energy, GHGs & water by 2025, from a 2018 baseline.
Facilities manager	Monetary reward	Behavior change related indicator	Property managers are incentivized and measured based on their goals and work performance. Given that Welltower's publicly reported goals of a 10% reduction in greenhouse gas emissions, energy and water usage by 2025 over a 2018 baseline are based on a reporting framework that include properties property managers are responsible for, their own performance is ultimately tied to supporting Welltower to meet these goals. As a result, property managers are encouraged to participate in energy and water benchmarking of their properties, identify waste/recycling initiatives, and energy efficiency programs.
Environment/Sustainability manager	Monetary reward	Emissions reduction target	A portion of monetary rewards are tied to the 10% reduction target in energy, GHGs & water by 2025, from a 2018 baseline.
Energy manager	Monetary reward	Emissions reduction project	A portion of monetary rewards are tied to the 10% reduction target in energy, GHGs & water by 2025, from a 2018 baseline.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	A portion of monetary rewards are tied to the 10% reduction target in energy, GHGs & water by 2025, from a 2018 baseline.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	5	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

'The company's underwriting and portfolio management process both take sustainability issues into account in determining (i) what assets to acquire; (ii) how much capital to invest in those assets once acquired; (iii) how best to position those assets to maximize sustainable outcomes; and (iv) how to avoid negative outcomes. Welltower's Enterprise Risk Management (ERM) program (based on the COSO Enterprise Risk Management Framework) employs a robust process for (i) identify, evaulate and mitigate risks that could materially affect the ability of Welltower to achieve its strategic objectives and (ii) assist the Board in fulifilling its oversight responsibility with regard to the identification, evaluation and management of such risks. Also, 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 channeled 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 to improve the efficiency of the portfolio (minimizing CO_2 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.

In doing so the ERM Committee determines risks based on likelihood times impact. Within this context substantive financial and strategic impact is defined based on several indicators. Specific quantifiable indicators include:

- Failure of significant seniors housing operator

- Unauthorized access or movement of funds

- Failure to qualify as a REIT and Loss of tax status

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Welltower's Enterprise Risk Management system ensures structured, consistent and continuous risk management processes are in place across the entire organization, which includes all of our global operations. 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. 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. Example of transition risk: Proposals to implement a price on carbon and/or fuel/energy taxes and regulations continue to be considered or implemented in regions we conduct our business. Such increases in the cost of energy could negatively impact Welltower's expenses and financial results. Methods Welltower is using to manage these risks: Welltower is pro-actively managing any future regulatory risks through our energy management and carbon inventorying processes. By pro-actively managing energy consumption within Welltower's portfolio, the company is hedging against future energy price escalation as well as fulfilling our fiduciary responsibility. A "sustainability high-risk" vendor is defined as a vendor who has been identified as receiving fines, prosecution or warnings related to environmental mismanagement or who does not have any written policies that cover any social and governance aspects including, but not limited to: occupational health and safety, human rights, anti-discrimination, supplier code of conduct and anti-corruption. Example of physical risk: Since Welltower is an owner of real estate properties, increases in extreme weather events and sea level rise may potentially cause damage to our properties. Weather-related events such as hurricanes are currently mitigated by our Business Continuity and Contingency Plan. In addition, we ensure that we are in compliance with state building criteria such as hurricane-proof windows in select states. Welltower ensures that our properties are up to date with current regulations and building codes. In the longer term, the methods Welltower is using to manage these risks include: A) developing disaster recovery plans, which include identifying critical business functions, holding stakeholder interviews and producing key policies and procedures and B) ensuring Welltower's insurance policies substantively cover weather-related events.

C2.2a

(C2.2a) Which 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. In addition, Welltower is required to submit reporting on energy emissions to local jurisdictions for certain U.S. states to ensure that properties are compliant and fines are not levied.
Technology	Relevant, sometimes included	Welltower's AVP of Sustainability and ESG stays up to date on the latest trends and emerging technologies as they relate to Welltower's operations. Welltower considers the risk of an inability to provide a competitive offering. As a result, 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® Partner of the year for 2020 and has facilitated 367 LED retrofit projects to date. Welltower facilitated the feature of one of our operating partners, Belmont Village Senior Living, in Argentum's ENERGY STAR Senior Living Toolkit that was released in 2020. Argentum is the leading national association dedicated to supporting companies operating professionally managed senior living communities. The case study features one of our properties, West University, and its success as an ENERGY STAR certified community for the past five years. The case study explains how ENERGY STAR Portfolio Manager is critical for helping Belmont Village monitor property-by-property progress towards their energy, water, and waste reduction goals. The case study also features that on average, Belmont Village's buildings are using 35% less energy compared to similar buildings.
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 unfavorable 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 favorable 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. 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. If Welltower is unable to meet future market expectations, this may present a risk to growth of future earnings.
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. In 2020 Welltower joined the Renewable Energy Buyers Alliance (REBA), which was founded with support by some of the largest companies in the United States to help large energy buyers drive the transition towards a zero-carbon energy system with a viable path for every organization to procure clean energy.
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.

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 & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Other, please specify (Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

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
Medium-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. This calculation is based on associated risks with insurance premiums.

Cost of response to risk
0

Description of response and explanation of cost calculation
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.

Comment

Identifier
Risk 2

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

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

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-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 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. This calculation is based on associated risks with insurance premiums.

Cost of response to risk

0

Description of response and explanation of cost calculation

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.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising sea levels

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Sea level rise could cause business interruption for our operators and tenants, and physical damage to our buildings along the coast. Additionally, it has the potential to increase insurance premiums on properties in "high-risk" locations. Insurance provides coverage for not only the full replacement cost of the asset, but also for certain loss of income associated with the damaged asset

Time horizon

Long-term

Likelihood

More likely than not

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)

10000000

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. This calculation is based on associated risks with insurance premiums.

Cost of response to risk

0

Description of response and explanation of cost calculation

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.

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
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

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
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
7200000

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.

Cost to realize opportunity
35000000

Strategy to realize opportunity and explanation of cost calculation
We are implementing strategies and technologies throughout our portfolio that will reduce our energy consumption and ghg emissions. We strategically invest in energy reduction projects that make good business sense for our portfolio. One of the most significant efficency upgrades directly associated with reduced ghg emissions is our LED Retrofit program. This program has the potential to both reduce costs and our environmental footprint. The cost to realize the opportunity is the investment in new technology and equipment to allow our buildings to run more efficiently. Current calculation for potential financial impact is investment amount to date (2018-2020 = $3,000,000). Current calculation for cost to realize opportunity is amount to date (2018-2020 = $14,700,000).

Comment

Identifier
Opp2

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

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Rising temperatures due to climate change can lead to increased heat transfer into buildings that have dark-colored roofs, thereby increasing operating times for HVAC units and increasing energy usage and costs. Therefore, Welltower seeks to minimize this impact by installing cool roofing systems across applicable climate impacted assets to reduce the heat transfer, keep HVAC run times optimized, 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
Short-term

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 dollars associated with energy savings from upgrading one property with cool roofing systems.

Cost to realize opportunity
1839693

Strategy to realize opportunity and explanation of cost calculation
Welltower uses methods to identify opportunities associated with weather extremes such as 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 where applicable.

Comment

Identifier
Opp3

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

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased access to capital

Company-specific description
Since becoming the first U.S. health care REIT to successfully complete a public green bond offering, Welltower has begun expanding green bond projects from the offering's net proceeds in order to add sustainable value across our portfolio. Our first Green Bond Allocation Report on proceeds utilized through 9/30/20 include projects such as financing or refinancing properties which are anticipating high-level green building certification or energy rating from such organizations as LEED or BREEAM, and energy and water efficiency upgrades designed to have 25% or higher efficiency gain, including LED lighting, HVAC and chiller replacements, irrigation systems and installation of low-flow fixtures. Issuing green bonds represents an opportunity to tap into a new and growing source of financing to further efforts to obtain green certifications for properties within our portfolio.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium

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

Potential financial impact figure (currency)
495066000

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 represents the net proceeds from the issuance of our Green Bonds in December 2019.

Cost to realize opportunity
80000

Strategy to realize opportunity and explanation of cost calculation
We already work to create innovative solutions for climate-related issues to anticipate and meet investor demand. There are minimal additional costs that could result from additional time or resources dedicated to issuing green bonds. The estimated costs represents the annual fee paid to an external accounting firm to complete review the attestation report regarding use of Green Bond proceeds for the intended projects.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	Welltower's sustainability strategy includes an approach to utilize various methods with the objective to decrease carbon emissions, including the purchasing of RECs and our LED retrofit program in partnership with Greenleaf. In addition, we do have a publicly available goal to decrease GHG emissions by 10% by 2025 from a 2018 baseline. This goal is an incremental step toward being carbon neutral, and once achieved we will set a new target.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its 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 and necessity of ensuring that we have a proper foundation in place, 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 / starting point 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. Welltower continues to make movements towards aligning to and reporting against TCFD (as is summarized within its ESGreport for 2020 with its TCFD disclosures and mapping), and will do so further in the future. For example, in 2021 Welltower began to leverage the capabilities of Welltower's Business Insights team to overlay flooding and wildfire data onto existing property analysis to better assess which properties are at risk of being impacted by climate change. In addition, Welltower has taken initial steps of evaluating external organization's climate-related scenario anlysis planning.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Due to the risk of increasing energy efficiency compliance legislation across the country, Welltower has incorporated budgeting of funds for third-party compliance assistance to ensure all properties remain in compliance and risk of fines are mitigated in the short term. Impact was minimal in the reporting period. Some of Welltower's facilities are in jurisdictions that are introducing climate change and energy related ordinances, such as energy benchmarking and disclosure ordinances. 212 Welltower owned properties are impacted by these ordinances, which may represent up to $243,700 per year of fines for non-compliance. 60 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	Yes	During extreme weather events, some vendors may be unable to provide the goods/services that 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 addition, Welltower has preferred contracts in place with vendors to ensure that we have priority to access goods should there be an issue with our supply chain as a result of a weather event. One example of crisis/emergency contracting is with BlueTeam in Texas and Florida. In the reporting period, some of Welltower's properties in Southern United States were adversely affected by the extreme weather events that caused the Texas power crisis. Fortunately, the risk of unexpected power outages due to extreme weather had influenced our strategy and our sites were prepared for this and had on-site generators. Welltower is continuing to use these generators and will bring more on-site in the long-term as the likelihood of extreme weather events continues.
Investment in R&D	Yes	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 its 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 in the short-medium term. This however, did not impact the business during the reporting period. An example of a decision made was to procure renewable energy. Our procurement strategy earned us a Smart Energy Decisions' Innovation Award for our collective efforts to transform energy usage in our portfolio through a landlord-tenant PPA that solves the split incentive challenge.
Operations	Yes	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. Welltower has preferred contracts in place with vendors to ensure that we have priority to access goods should there be an issue with our supply chain as a result of a weather event. One example of crisis/emergency contracting is with BlueTeam in Texas and Florida. In the reporting period, some of Welltower's properties in Southern United States were adversely affected by the extreme weather events that caused the Texas power crisis. Fortunately, the risk of unexpected power outages due to extreme weather had influenced our strategy and our sites were prepared for this and had on-site generators. Welltower are continuing to use these generators and will bring more on-site in the long-term as the likelihood of extreme weather events continues. Welltower also has a robust inspection program with AFM to ensure adherence to the highest standards and that properties are inspected and fixed accordingly. Between 100-150 properties are inspected annually by AFM.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Access to capital Assets Liabilities	Revenues may be impacted in the long term 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 minimize 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. Welltower has considered the increase in operating costs in its financial planning by procuring energy in deregulated markets to hedge against increasing energy costs in the medium term. Welltower also invests capital each year in measures that reduce consumption and costs across the portfolio, such as the LED retrofit project, generating an estimated $7.2M in operational cost savings with a return on investment of under five years. We treat energy as a controllable expense resulting in our active management and negotiation of energy rates and considerable efforts to reduce our environmental impact through the procurement of renewable energy. Welltower joined the EPA Green Power Partnership, showcasing our efforts to use renewable energy, support of the development of new renewable generation capacity throughout the U.S., and protect the environment. Welltower dedicates capital investment in its portfolio year after year to reduce consumption, greenhouse gas emissions, and costs. For example, over $35M in capital has been spent on the 367 LED retrofit projects to date. Over the last two years, capital expenditure has been consistent and climate change has only had a minimal impact. Looking forward, we expect this to be the same in the short term. For example, Welltower's latest development in the United Kingdom is Wandsworth Common, which includes low carbon technologies such as combined heat and power units, photovoltaic roof panels, and energy efficient technologies such as motion-sensor lighting. This is expected to lead to savings of 89 tons (35%) of regulated CO_2 annually. It is expected that investors will start to expect more climate change disclosure and will consider this in their decisions in the short-medium term. Welltower also see opportunities in improving its reputation and environmental performance. For example Welltower was the first U.S. health care REIT to successfully complete a public green bond offering of a $500 million, 7-Year Note at 2.7% due in 2027. Demand was 7.0x oversubscribed and WELL's lowest coupon on 7 year with over 100 investors. 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 in the long-term. 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. Some of Welltower's facilities are in jurisdictions that are introducing climate change and energy related ordinances in the short-term, such as energy benchmarking and disclosure ordinances. 212 Welltower owned properties are impacted by these ordinances, which may represent up to $243,700 per year of fines for non-compliance. 60 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.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

No additional information.

C4. Targets and performance

C4.1

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

Intensity 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

Year target was set
2019

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Intensity metric
Metric tons CO2e per square foot

Base year
2018

Intensity figure in base year (metric tons CO2e per unit of activity)
6.4

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2025

Targeted reduction from base year (%)
10

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
5.76

% change anticipated in absolute Scope 1+2 emissions
-5.6

% change anticipated in absolute Scope 3 emissions
-1.9

Intensity figure in reporting year (metric tons CO2e per unit of activity)
6.08

% of target achieved [auto-calculated]
50

Target status in reporting year
Underway

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

Target ambition
<Not Applicable>

Please explain (including target coverage)
Our reporting framework for these goals is based on a financial control boundary and includes all outpatient medical properties and all seniors housing communities owned and operated under a joint venture. Welltower-owned senior living communities and medical office buildings operating under a triple-net lease structure will be considered out of the financial control boundary and included as Scope 3 emissions data only. Data is collected from all properties and estimated where collection is not feasible.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2018

Target coverage
Company-wide

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	million Btu

Target denominator (intensity targets only)
square foot

Base year
2018

Figure or percentage in base year
0.083

Target year
2025

Figure or percentage in target year
0.07

Figure or percentage in reporting year
0.0843

% of target achieved [auto-calculated]
-9.99999999999997

Target status in reporting year
Underway

Is this target part of an emissions target?
Int 1

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

Please explain (including target coverage)
Our reporting framework for these goals is based on a financial control boundary and includes all outpatient medical properties and all senior housing communities owned and operated under a joint venture.

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*	6	13035
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 category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
200

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
78328

Investment required (unit currency – as specified in C0.4)
240962

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment
Welltower's ongoing portfolio LED Retrofit project. 3 were completed in reporting year.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)
12595

Scope(s)
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
Ongoing

Comment
Low-carbon energy procurement comes at no premium.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
219

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
42136

Investment required (unit currency – as specified in C0.4)
203777

Payback period
11-15 years

Estimated lifetime of the initiative
Ongoing

Comment
Solar PV installs and rental costs means that the payback is over 10 years.

Initiative category & Initiative type

Waste reduction and material circularity	Product/component/material recycling

Estimated annual CO2e savings (metric tonnes CO2e)
21

Scope(s)
Scope 3

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
Welltower has partnered with Shaw to purchase Cradle to Cradle (C2C) carpet products that are 100% recyclable with guaranteed collection and recycling by Shaw, have no C2C banned list ingredients, and do not contain any chemicals known to pose risk to human health and the greater ecosystem.

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 utilizes financial optimization calculations to determine the viability of energy / emission reduction initiatives.
Internal incentives/recognition programs	Internal recognition programs 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. Welltower has also recognized strong sustainability performance in written / email form in front of recipients' peers, and held competitions rewarding recognition of sustainability enhancements.
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 Earth Day e-waste recycling program and competition. Welltower produces a Sustainability Newsletter and holds trainings on sustainability for new hires, and existing employees. The Welltower ESG Team developed and executed an ESG Podcast, which included steps that employees could take to reduce their environmental footprints. Welltower also crafted and subsequently updated and tailored a Property Playbook on no and low cost initiatives that can be taken on sustainability at its properties.

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 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 (Internal classification)

% revenue from low carbon product(s) in the reporting year
0.29

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Green leases allow us to work together with our tenants to reduce utility costs and increase building efficiency. The 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)
115845

Comment

Scope 2 (location-based)

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
310589

Comment

Scope 2 (market-based)

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
296630

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
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)
126656

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

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

Row 1

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

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

Comment

C6.3

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

Reporting year

Scope 2, location-based
352188

Scope 2, market-based (if applicable)
342355

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

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

C6.5

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

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1824

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 2020.

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

Please explain
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>

Please explain
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
154379

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 2020 for the UK and IEA 2018 for Canada and the United States.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
58

Please explain
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>

Please explain
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
8199

Emissions calculation methodology
Welltower employs a third-party vendor to compile data on actual waste streams from locations serviced by waste haulers directly. We then calculate waste emissions utilizing EPA's Waste Reduction Model (WARM) tool (Version 14, updated March 2016). WARM calculates emissions based on a lifecycle approach. Avoides 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
0

Please explain
Emissions cover waste generated by all medical office buildings under Welltower's financial control.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
223

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 (2020).

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

Please explain
This covers business travel emissions associated with flights, for which all flights have been included

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
285

Emissions calculation methodology
Emissions from commuting were calculated by modelling commuting distances of employees based on distances between home and work addresses. The DOT avergae 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

Please explain
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>

Please explain
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>

Please explain
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>

Please explain
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>

Please explain
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>

Please explain
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
368903

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
47

Please explain
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>

Please explain
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>

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

Other (upstream)

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>

Please explain
Not calculated as optional

Other (downstream)

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>

Please explain
Not calculated as optional

C6.7

(C6.7) Are carbon dioxide emissions from biogenic 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
0.00562335

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
478844

Metric denominator
square foot

Metric denominator: Unit total
85152805

Scope 2 figure used
Location-based

% change from previous year
7.58

Direction of change
Decreased

Reason for change
The reason for the reduction in our intensity metric is mainly owed to the fall in Scope 1 & 2 emissions. As a result of the the Covid-19 pandemic, many of our offices were forced to close and staff started to work from home for the majority of the year. Also, our energy efficiency and PV solar installations has helped reduce the quantity of electricity purchased.

Intensity figure
0.103961665

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
478844

Metric denominator
unit total revenue

Metric denominator: Unit total
4605967

Scope 2 figure used
Location-based

% change from previous year
4.91

Direction of change
Decreased

Reason for change
The reason for the reduction in our intensity metric is mainly owed to the fall in Scope 1 & 2 emissions. As a result of the the Covid-19 pandemic, many of our offices were forced to close and staff started to work from home for the majority of the year. Also, our energy efficiency and PV solar installations has helped reduce the quantity of electricity purchased.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

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	59988
Canada	7759
United Kingdom of Great Britain and Northern Ireland	58909

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	12244
Corporate Office	294
Senior Housing	114118

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 for in Scope 2 market-based approach (MWh)
United States of America	328490	318657	1587928	32748
Canada	14086	14086	190265	0
United Kingdom of Great Britain and Northern Ireland	9612	9612	72453	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 (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Outpatient Medical	160285	150620
Corporate Office	851	722
Senior Housing	191052	191012

C7.9

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

Decreased

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	12814	Decreased	2.53	In 2020, we consumed 33,317 MWhs of renewable energy, both solar generation and green energy contracts. This has been multiplied by the IEA's emission factor for the United States (0.3846 kgCO2e). This has reduced our market-based emissions by 12814 tCO2e. (33,317*0.3846=12,814). 12,814 tCO2e is approximately 2.53% of our Scope 1 & 2 emissions from last year (506,216 tCO2e).
Other emissions reduction activities	200	Decreased	0.04	3 LED retrofit projects have saved 521 MWhs in the reporting year. This has been multiplied by the IEA's emissions factor for the United States (0.3846 kgCO2e). This has reduced Welltower's emissions by 200 tCO2e. (521*0.3846=200 tCO2e). 200 tCO2e is approximately 0.04% of the emissions from last year. (200/506,216=0.04%)
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions	24192	Decreased	4.78	The reduction associated with offices being closed and the majority of office based employees working from home. This has been calculated based on the change from 2019 to 2020 of 24,192 tCO2e with 2019 total emissions of 506,216 tCO2e. (24,192/506,216=4.78%)
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 undertook this energy-related activity in the reporting year
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 (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	1167865	1167865
Consumption of purchased or acquired electricity	<Not Applicable>	32748	1817899	1850647
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>	570	<Not Applicable>	570
Total energy consumption	<Not Applicable>	33317	2985764	3019082

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
LHV (lower heating value)

Total fuel MWh consumed by the organization
1160806

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>

Emission factor
53.06

Unit
kg CO2 per million Btu

Emissions factor source
The emission factor for US consumption of natural gas has been presented here as this is the region with most natural gas used, however different factors are used for the UK and Canada. The emission factor source is: US - Climate Registry 2020 Default Emissions Factors - Commercial petroleum products factors in Table 1.1 (https://www.theclimateregistry.org/wp-content/uploads/2020/04/The-Climate-Registry-2020-Default-Emission-Factor-Document.pdf)

Comment

Fuels (excluding feedstocks)
Propane Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
7059

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>

Emission factor
62.87

Unit
kg CO2 per million Btu

Emissions factor source
US - Climate Registry 2020 Default Emissions Factors - Commercial petroleum products factors in Table 1.1 (https://www.theclimateregistry.org/wp-content/uploads/2020/04/The-Climate-Registry-2020-Default-Emission-Factor-Document.pdf)

Comment

C8.2d

(C8.2d) 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	570	570	570	570
Heat	1167865	1167865	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

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

Sourcing method
Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
United States of America

MWh consumed accounted for at a zero emission factor
32748

Comment

C9. Additional metrics

C9.1

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

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	

C-RE9.9

(C-RE9.9) Does your organization manage net zero carbon buildings?
No, but we plan to in the future

C-CN9.11/C-RE9.11

(C-CN9.11/C-RE9.11) Explain your organization’s plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.

Welltower is still on the path towards attainment of Net Zero Buildings. While we realize there is more to do, with its overall goal of a 10% reduction in energy use and GHG emissions by 2025, and pilot projects such as its upcoming Bunker Hill Development project in Massachusetts which is aligned with no fossil fuel usage, as well as multiple other properties taking advantage of solar energy (with more and more planned for the future), Welltower continues to move in the right direction. We will continue to research and look for all solutions we can bring to the table to help us attain this goal, as well as measure, track, and address opportunities to not only reduce the consumption of energy at our properties through efficiency means, but increase our use of alternative energy at our sites (as is evidenced by our steadily increasing examples of utilization of alternative energy supply).

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 emissions, and attach the relevant statements.

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
Welltower Data and Information Verification Report Final.pdf

Page/ section reference
All

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 2 emissions and attach the relevant statements.

Scope 2 approach
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
Welltower Data and Information Verification Report Final.pdf

Page/ section reference
All

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
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
Welltower Data and Information Verification Report Final.pdf

Page/ section reference
All

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

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

Scope 3 category
Scope 3 (upstream & downstream)

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
Welltower Data and Information Verification Report Final.pdf

Page/section reference
All

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

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, our customers
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
Included climate change in supplier selection / management mechanism

% of suppliers by number
100

% total procurement spend (direct and indirect)
16.7

% of supplier-related Scope 3 emissions as reported in C6.5
0

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. This includes: complying with environmental laws and regulations and minimizing their environmental impacts by reducing waste, operating efficiently, conserving energy and water, reusing and recycling materials where possible and minimizing excess packaging.

Impact of engagement, including measures of success
Success for this aspect describes demonstrateble reduced environmental impact of the items procured. For example in 2019 $1M sustainable building supply purchases representing 16.7% of total spend.

Comment
As this is a process implemented for new suppliers the percentage of suppliers by number has been described to be 100%. Emissions from purchased goods and services are not yet captured in the scope 3 footprint, hence share of emissions have been reported as 0%

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
0

% total procurement spend (direct and indirect)
0

% of supplier-related Scope 3 emissions as reported in C6.5
0

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; almost 90% of the flooring that Shaw manufactures is Cradle to Cradle Certified™ having been assessed for material health, product circularity, renewable energy and carbon management, water stewardship and social fairness. 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 202,900 lbs of carpet was recycled this year. This helped save 2,350 gallons of fuel and 46,100 lbs of CO_2.

Comment
Emissions from purchased goods and services are not yet captured in the scope 3 footprint, hence share of emissions have been reported as 0%

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
48

% total procurement spend (direct and indirect)
78

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
We developed a Supplier Sustainability Survey that, in 2020, we delivered to 13 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. The questionnaire resulted in no further risks being identified.

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 202,900 lbs of carpet was recycled this year. This helped save 2,350 gallons of fuel and 46,100 lbs of CO_2.

Comment
Emissions from purchased goods and services are not yet captured in the scope 3 footprint, hence share of emissions have been reported as 0%

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
70

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Events throughout the year around a variety of topics (i.e. energy efficiency, waste reduction and water conservation). In 2020 we provided customized training for our operators on benchmarking their communities in ENERGY STAR Portfolio Manager®. Engaging our operators to track and analyze energy, water, and waste data for our senior living communities allows us to increase benchmarking efforts for properties outside our control while creating a more holistic picture of performance across our portfolio Also, in 2020, we shared Welltower's Performance Playbook with over 100 facilities. This is a user-friendly tool that is designed to allow the senior living operators to find ways to reduce costs and waste, whilst enhancing the experience of the residents.

Impact of engagement, including measures of success
Moving operators onto ENERGY STAR Portfolio Manager® reporting platform, as well as shared with operators and properties for low- or no-cost initiatives. More operators using playbook on low and no cost initiaitves to mitigate climate change. More operators on ENERGY STAR Portfolio Manager®, so more data (and the positive ramifications of having more data). Welltower facilitated the success of Belmont Village Senior Living. It has been successful as an ENERGY STAR certified community for the past five years. The case study explains how ENERGY STAR Portfolio Manager® is critical for helping Belmont Village monitor property-by-property progress towards their energy, water, and waste reduction goals. The case study also features that on average, Belmont Village’s buildings are using 35% less energy compared to similar buildings.

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
We engage our tenants and operating partners around sustainability topics throughout the year using a variety of forums. Our "Welltower Advisory Service" brings our operating partners together to share best practices, build networks, and plan for the future. We hold tenant engagement events throughout the year around a variety of topics including energy efficiency, waste reduction, and water conservation.

Impact of engagement, including measures of success
Engagement and sharing of ideas and partnering on moving projects forward. For example in 2019, we installed a solar array at Autumn Glen. This impactful project consists of two separate arrays that are designed to offset 100% of the community’s energy usage, providing a unique opportunity to demonstrate the value that renewable energy can play in this sector.

C12.1d

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

Welltower works together with both internal and external stakeholders to understand and implement the most effective engagement strategy for each stakeholder group to meet their expectations. Each of the stakeholders we engage may have influence over our long-term successes or a vested interest in the work we do.

i. 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. Prioritization

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. 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. Stakeholders engaged and methods of engagement

Employees

• Publications and Policies (i.e. Annual Welltower CSR report, Financial data and reports, Welltower Code of Business Conduct and Ethics)

• Communication and engagement tools (i.e. Annual employee satisfaction surveys, Quarterly WELLSustained Newsletters thatcommunicate accomplishments, current projects, and helpful tips)

• Reporting channels (i.e. Whistleblowing, Governance Hotline)

• Workshops and training sessions

Tenants and Operating Partners

• Publications and Policies (i.e. Annual Welltower CSR report, Quarterly Newsletters, Financial data and reports, Green tenant improvement guidelines)

• Utilization of green lease

• Communication and engagement tools (i.e. newsletters and the Performance Playbook - an innovative and comprehensive efficiency tool for senior housing operating partners)

• Events throughout year around a variety of topics (i.e. energy efficiency, waste reduction and water conservation)

• Joint initiatives (i.e. Welltower Advisory Services – a mechanism that brings our operating partners together to share best practices, build networks and plans for the future)

Investors and Financial Community

• Publications and Policies (i.e. Annual Welltower CSR report, Financial data and reports, press releases)

• Periodic face-to-face discussions and meetings

• Reporting channels (i.e. Governance Hotline)

• Participation in investor ESG surveys and responding to ESG-related requests

Local Community Partners

• Publications and Policies (i.e. Annual Welltower CSR report, Financial data and reports, press releases)

• Participation in events (i.e. use of Welltower's properties for local community events)

v. Case studies

A Performance Playbook

In 2020, we updated and further tailored our important engagement tool, "Performance Playbook: A Guide for Senior Housing Efficiency and Excellence," for our senior housing operating partners. The Playbook is a user-friendly tool and resource to help our senior living operators find ways to reduce utility costs, increase NOI, and enhance the comfort of residents and staff. Each section contains a simple overview, links to additional resources, and a printable Action Plan to implement effective strategies at their community. In conjunction with the Playbook launch we also provided customized training for our operators on benchmarking their communities in ENERGY STAR Portfolio Manager®. Engaging our operators to track and analyze energy, water, and waste data for our senior living communities allows us to increase benchmarking efforts for properties outside our control while creating a more holistic picture of performance across our portfolio.

Employee Podcast

In a new creative way to engage employees, Welltower created “TheNow” Podcast. Topics range from business results to updates on Capital Markets, Diversity & Inclusion, Resiliency, and other ESG topics. The podcast has been well receivedand currently averages 250 listens per episode.

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?

The Nominating/Corporate Governance Committee (NCGC) is a cross functional committee that consists of members of the Board that review the management of risks relating to environmental sustainability. The Nominating/Corporate Governance Committee oversees and makes recommendations regarding corporate governance matters, including an annual review of Welltower's Corporate Governance Guidelines, which is the policythat governs Welltower's environmental sustainability practices. The Assistant Vice President (AVP) of Sustainability and ESG, interfaces with this committee and works with the other members to implement and execute against the identified strategy. Members of this committee were chosen due to their involvement and authority on activities that have impacts on Welltower's emissions and climate related impacts.

The Assistant Vice President (AVP) of Sustainability and ESG, sits within the asset management function and reports to the VP of Corporate Finance and regularly has meetings with the Chief Financial Officer, who reports directly to the CEO.

The AVP of Sustainability and ESG is directly responsible for defining, planning and executing Welltower's sustainability strategy, including as it relates to climate change. They regularly work with the functional heads of diverse groups across the organization around sustainability topics. Also, 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.

As described above, all relevant communications and activities flow through Welltower's sustainability committee 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-2020-ESG-Report-07072021.pdf

Page/Section reference
All

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
Welltower ESG Report 2020

Publication
In mainstream reports

Status
Complete

Attach the document
2020-Annual-Report.pdf

Page/Section reference
7-8, 44-45

Content elements
Risks & opportunities
Emissions figures
Emission targets

Comment
Welltower Annual Report 2020

Publication
In mainstream reports

Status
Complete

Attach the document
Proxy-Statement-FINAL.pdf

Page/Section reference
8, 33

Content elements
Emission targets

Comment
Welltower Proxy Statement 2021

C15. 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.

C15.1

(C15.1) 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

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

Please confirm below

I have read and accept the applicable Terms