

# welltower

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# welltower

CORPORATE SOCIAL  
RESPONSIBILITY REPORT

—  
**2015**



Belmont Village of Rancho Palos Verdes  
Rancho Palos Verdes, CA

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## REPORT PARAMETERS

Welltower, an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure so an aging population can live well and age well. Our stock is traded on the New York Stock Exchange. (NYSE: HCN).

This report provides a summary of Welltower’s environmental, social and governance activities and impacts. It is our fourth annual Corporate Social Responsibility (CSR) report and it covers our fiscal year which runs from January 1, 2015 to December 31, 2015, unless stated otherwise.

We continue to use the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines in developing this report. This document has been developed in accordance with the Global Reporting Initiative G4 CORE, as well as other indices important to the company, including the Dow Jones Sustainability Index (DJSI), the Global Real Estate Sustainability Benchmark (GRESB) and the CDP.

We recommend that this report be reviewed alongside the 2015 Welltower Annual Report and Proxy Statement, where we provide additional facts, figures and analysis. The annual report as well as other corporate information can be found on the company website: [www.welltower.com](http://www.welltower.com).

A team from across Welltower was responsible for drafting this report. Our sustainability team and consultants were responsible for the collection and analysis of environmental performance data.

Teams embedded across our business segments and corporate functions, including Human Capital, Operations and Legal collected the non-environmental data. The accuracy of the data was reviewed and validated in accordance with our internal practices.

External consultancy Point380 conducted an independent review to confirm the accuracy of the environmental emissions data presented in the report.

The report is reviewed by members of our senior leadership team and is reported to our Board of Directors.

# A MESSAGE FROM THE CEO

To say 2015 was a milestone year for Welltower is an understatement – it was a bold and exciting year; a year marked by change. Welltower’s name change was a defining moment. Both symbolic and strategic, this marked a notable transition in how we, and others, view our company.

The name change epitomizes our shift from a portfolio of real estate properties to a health care infrastructure company with the mission to drive wellness and connectivity across the continuum of health care.

Sustainability plays a significant role in our mission. Our focus is not solely on the sustainability of the properties in which care is delivered. We also look broadly to ensure our health care infrastructure platform enables the delivery of better care, emphasizing wellness in connected, consumer-friendly post-acute, outpatient and seniors housing settings. We have undertaken significant efforts to align our business model and corporate culture to reflect this focus.

Our commitment to operating in a responsible and sustainable manner drives how we prioritize our efforts and how we hold ourselves accountable.

Let me highlight a few of our achievements in 2015:

- We have achieved GRESB’s Green Star, recognition for high achievement on the survey assessing environment, social and governance performance. We also continue to drive sustainability certifications through our proprietary Green Arrow Building Certification Program. In 2015, 37 of our buildings were certified.

- I am particularly proud of our partnerships to advance memory care for the increasing number of people living with dementia and Alzheimer’s disease and our efforts to engage stakeholders more publicly on this issue. We are passionate about driving progress in the treatment and care of this terrible disease. It’s no secret that the cost of providing care to people with dementia is currently unmanageable. We are dedicated to finding new and innovative ways to house and care for this population.
- We were recognized by the Healthy Ohio Business Council for our commitment to the health and well-being of our employees. We’re proud to support a culture in which a healthful work environment is a priority.
- We conducted our first corporate responsibility/ sustainability strategy summit to redefine Welltower’s sustainability path forward and ensure alignment with our mission.



Welltower CEO Tom DeRosa speaking with former Senator Tom Daschle (D-SD) at Spotlight Health Aspen where Welltower convened a panel discussion about the challenges associated with maintaining wellness for an aging population.

While we have continually enhanced our sustainability efforts over the past several years, we are now positioned to advance further. We have carefully assessed what we have accomplished and have developed the roadmap for how we will move forward to achieve our goal of being a global leader in sustainability.

As you review this – our fourth CSR report – you will read about our 2015 accomplishments and challenges. As we move forward in 2016 and beyond, I am confident we have the vision, team and passion to achieve our objectives.

Thank you for your interest and investment in Welltower and its mission.

Sincerely,

A handwritten signature in black ink that reads "Tom".

**Thomas J. DeRosa**  
CEO, Welltower Inc.

# CORPORATE SOCIAL RESPONSIBILITY

As a recognized leader in the provision of capital to fund health care real estate, we believe we can use our expertise, influence and reach to positively transform the quality of life for an aging population. We believe acting in responsible and transparent ways is the right way to do business and it informs all of our decision making.

This approach is a core strength of the company – so while we have changed our name, we have not changed the core values that animate our business.



Sunrise of Connecticut Avenue  
Washington, D.C.

We also have always sought to assure that our operations are environmentally sustainable. As the company has evolved, sustainability has become more integrated across our entire business – from how we deploy capital, to building long-term partnerships, to retaining the best talent and, of course, to minimizing our environmental impact. It is a foundation upon which we are building the long-term success of our business.

We focus on areas where we have or can have the biggest impact. Our focus areas are aligned with material issues and informed by the assessment we undertake every year.

- **Aging Population:** Focusing on the aging population, specifically those living with dementia and Alzheimer’s disease and their caregivers, and creating better and sustainable senior living models that promote wellness, social and cognitive engagement.
- **Governance and Compliance:** Ensuring that we have the right business practices and oversight systems in place to drive our financial success, hold ourselves accountable to standards and codes of conduct, and comply with the local and national regulations.
- **Our Partners:** Building long-term, engaged relationships with innovative partners to grow their platforms based on a shared vision for the future of health care, supported by win-win models of collaboration that align with our success.
- **Our Environmental Practices:** Continuously advancing our objective of minimizing our environmental impact and promoting well-building standards in our own and invested properties.
- **Our Employees:** Ensuring we are positioned to hire, retain and advance the best people and providing an environment where they are respected and rewarded for their contributions.
- **Our Communities:** Being a good neighbor and contributing our time, talent and financial resources to the health and well-being of our communities.
- **Our Investors:** Assuring that we deliver consistent results and grow returns to those who have entrusted their capital to us.

“Sustainability is an essential connecting point between our partners and us. Our common focus on wellbeing guides and informs our shared sustainability goals. Sustainability plays a key role in our drive to build the health care infrastructure necessary to allow an aging population to live well.”

**Jeff Miller,**  
EVP, Chief Operating Officer

# CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

In 2015, we evolved our sustainability efforts by leveraging our existing programs which in turn drove greater impact and improved performance.

At the heart of this effort was a cross-department sustainability summit at which we undertook a comprehensive review of our programs and initiatives. Key outcomes from the strategy summit included formalizing a plan to invest in the systems and processes needed to ensure accountability, effective management and measurement.

Welltower's Executive Vice President & Chief Operating Officer, Senior Vice President of Operations, Vice President of Corporate Sustainability, Executive Vice President of Human Capital and Senior Vice President of Human Capital and Strategic Initiatives are leading the efforts to ensure an integrated approach to planning, processes and decision-making.

In 2016 and beyond, based on the principles and strategy developed at our summit, we seek to expand our level of engagement with partners outside of our control boundary. As noted in our 2014 report, our ability to implement sustainability initiatives directly correlates with the level of control or influence we maintain over each asset – which ranges from full or partial operational control to properties where we work with management to influence their sustainability efforts.

Regardless of our operational relationship, we expect to increase our outreach activities. We will work with our operating partners and suppliers to increase our sustainability impact. Additionally, we will increase disclosure through the DJSI.



We changed our name from Health Care REIT to Welltower Inc. to reflect our mission and commitment to wellness and the role we play in transforming health care infrastructure.

## SUSTAINABILITY HIGHLIGHTS FOR THE YEAR INCLUDE:

- Sponsored the Aspen Ideas Festival: Spotlight Health, and launched a social media campaign called #ShareForALZ reaching approximately 500,000 supporters.
- We made the important decision to establish the Welltower Foundation and laid the ground work for its launch and ongoing operations. With an official launch in 2016, the Foundation is focused on positively transforming the quality of life of the aging population. It will also support organizations and innovations that promote wellness and improve care for people as they age.
- Collaborated with our operators to retrofit facilities with high-efficiency LED lights.
- Included on the CDP Climate Disclosure Leadership Index (CDLI), released in the S&P edition of CDP's 2015 Global Climate Change Report.
- Recognized by GRESB as a Green Star for high achievement on their survey assessing environmental, social and governance performance.
- Increased the number of outpatient medical buildings participating in the Green Arrow Building Certification program and grew the number of buildings with GABC performance recognition.
- Completed \$4.8 billion of new investments, and 77% were with existing seniors housing, post-acute care and health system partners, evidencing the strength and durability of our partnership investing approach and commitment to positive change in care delivery.
- Invested in water conservation measures in several properties helping to reduce water use intensity.
- Expanded waste stream and recycling performance data collection and analysis.
- Added five roof-top PV arrays to our outpatient medical portfolio.

# MATERIALITY ASSESSMENT



Brandywine Living at Mahwah  
Bergen County, NJ

We continuously assess our sustainability priorities by actively engaging with our stakeholders. We use a systematic materiality process to identify the most important issues that impact our stakeholders and influence the success of our business.

**Internal Expertise** - We leverage our in-house industry sustainability expertise, as well as our technical staff, senior management, employees and external consultants to identify a broad list of sustainability-related risks and opportunities that have an impact on our business.

**External Feedback** - We integrate these observations with the views of our external stakeholders to gain a detailed assessment of our economic, environmental and social footprint. We collect feedback from our Outpatient Medical tenants through a comprehensive bi-annual survey and from our operating partners through regular and intensive meetings and interactions, periodic surveys, and our Welltower Collaborative, which is an exclusive forum that brings together up to 30 partners on a semi-annual basis to share best practices and present new ideas and technologies.

We also have well-developed reporting and feedback mechanisms and formal meetings with the investment community to obtain objective insights into specific stakeholder concerns.

**Executive Review and Prioritization** - The output of this process is a comprehensive list of material topics which are assessed and prioritized by our risk management experts and members of the executive team.

## MATERIALITY AT WELLTOWER



## IN 2015, WELLTOWER IDENTIFIED THE FOLLOWING KEY ASPECTS THROUGH THIS ONGOING PROCESS:

- **Our overall economic performance** - This includes not only our financial performance and return to our investors, but direct and indirect economic impact we have on all of our stakeholders. (Material to the success of our business and our operating partners)
- **Effective business partnerships** - Successful partnerships are essential to our mission and our ability to meet our economic and social goals. (Material to the success of our business and our operating partners)
- **Our people, training and development** - Our ability to attract and retain the best talent is dependent on our ability to compete not only on salary and benefits, but also on the opportunities for professional and personal growth and development. (Material to the success of our business)
- **Financial regulatory compliance** - We operate in a highly regulated industry across borders and one in which compliance is essential to our ability to develop long-term partnerships and grow our business. (Material to the success of our business)
- **Healthful work environments** - We strive to provide safe and effective workplaces and promote healthy lifestyles for our employees. (Material to the success of our business)
- **Materials, construction and building efficiency** - Our impact on the environment starts with buildings we develop, manage and support. (Material to the success of our business and our operating partners)



Belmont Village of Oak Park  
Oak Park, IL



Aurora Wilkinson Medical Clinic  
Summit, WI



The Chelsea at East Brunswick  
East Brunswick, NJ



## STAKEHOLDER ENGAGEMENT

Our stakeholders include employees, operating partners, tenants, residents, shareholders, debt capital providers, government officials and local communities - all of whom may influence our long-term successes and have a vested interest in the work we do.

We engage stakeholders through a number of channels. These include:

- Our employee-wide Culture and Engagement Survey;
- Our Welltower Collaborative, which connects our seniors housing operating partners with one another and with our 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 NGOs.

We participate in and support a number of industry associations and professional groups, which enables us to obtain additional insights and contexts.

These include:

- Aging 2.0
- American Medical Group Association
- American Seniors Housing Association
- Argentum
- Assisted Living Federation of America
- Building Owners and Managers Association (BOMA)
- California Assisted Living Association
- Matter
- National Association of Real Estate Investment Trusts, Inc. (NAREIT)
- National Investment Center for Seniors Housing & Care (NIC)
- Urban Land Institute
- World Economic Forum

We also participate in state-level industry associations and groups focused on sustainability efforts, including:

- ENERGY STAR®
- GRESB
- United States Green Building Council (USGBC®)

In 2015, we identified a goal for 2016 to expand our formal stakeholder engagement program following the AA1000 Stakeholder Engagement Standard.

# COMPANY PROFILE



Believing in the power of bringing people and ideas together, we worked with three of our partners across the continuum of care to build a collaborative model for health care delivery, referred to as “the Medical Mile”. See Brandywine Living at Vorhees (above) and Virtua Vorhees Hospital (right).

## WHAT WE DO

Welltower invests with leading seniors housing operators, post-acute providers and health systems to fund real estate infrastructure needed to build innovative care delivery models and improve people’s wellness and overall aging and health care experience. Our company’s business strategy addresses one of the great challenges faced by society – to deliver better care at lower cost and promote wellness for an aging population.

We believe health care delivery needs to evolve from a hospital-centric model to a networked model of outpatient, lower-acuity, post-acute care and seniors living settings. This transition is only possible with innovative solutions and investment in health care infrastructure.

## THE VALUE OF PARTNERSHIP

Welltower has evolved into an essential partner in transforming the health care infrastructure. Together with our partners, we are working to redefine the concept of “home” for today’s aging population with assisted living and memory care models that drive the essential components of wellness: nutrition, mobility and cognitive and social engagement. In addition, we convene partners across the continuum of care, including health systems and physician groups, to advance their service missions and to efficiently create more connected models of care supported by the right infrastructure at the community level. We view our work through a sustainability lens – it colors everything we do from the top down and informs our conversations and engagement with our stakeholders.

## OUR BUSINESS APPROACH IS GUIDED BY THE FOLLOWING:

- Making strategic investments: We align our investments to our mission and vision for transforming health care infrastructure, and we are continually and proactively managing our portfolio to ensure that providers can deliver care in modern, high-quality facilities.
- Seeking and developing long-term partnerships: We build long-term relationships with seniors housing operators and health systems who share our commitment to building a sustainable health care infrastructure and invest with them to grow their platforms.
- Championing innovative solutions: We are putting our time and talent on the table – convening our partners and other experts in the field to share learnings, best practices and, more importantly, fund new ideas and solutions to deliver better care.
- Focusing on the long-term: We invest in growth strategies and state-of-the-art care delivery models that address long-term market needs in high quality assets we want to own for decades.
- Practicing a win-win philosophy: Much of our growth comes from investments with a core set of existing customers and we can only succeed when they succeed. We have led the industry in pioneering win-win joint venture structures for providing capital and sharing risks and rewards with partners, which in turn promotes wellness and benefits the overall health care delivery system.

# ECONOMIC IMPACT

## ECONOMIC PERFORMANCE

Our primary mission is to serve the needs of the world's aging population through premium seniors housing and health care infrastructure. By investing in platforms that emphasize wellness and connectivity, we are effecting change in health care delivery and providing better care - more sustainably - and at a lower cost.

The economic performance of the company is overseen at the highest level of management, and our Board of Directors sets ambitious performance targets annually to drive consistent, reliable and growing shareholder returns, year-over-year. In this report, we summarize our economic performance. Detailed information on our economic performance can be found on the investors section of our [website](#).

## DIRECT ECONOMIC IMPACT

2015 Revenue: **\$3.9 Billion**      New Investments: **\$4.8 Billion**

ENTERPRISE VALUE GROWTH (billions)



## INDIRECT ECONOMIC IMPACT

By creating jobs, providing equitable compensation to our people, contributing to tax revenues and supporting the development of international health care infrastructure, our operations have a significant indirect economic impact.

Sound economic performance allows us to effectively fulfill our social and environmental responsibilities and support the communities within which we operate. The health of those communities is critical to our success in recruiting and retaining exceptional employees.

## KEY SECTORS, PARTNERS AND LOCATIONS

We operate across three major sectors:

- Seniors Housing, which includes independent living, assisted living and memory care communities.
- Post-Acute Care, which includes high-impact rehabilitation centers that specialize in helping patients recover from illness or surgery.
- Outpatient Medical, which includes outpatient centers and medical office buildings.

## OUR REAL ESTATE PORTFOLIO COMPRISES 1,482 PROPERTIES<sup>1</sup> IN THE FOLLOWING COUNTRIES:



<sup>1</sup> Includes unconsolidated properties and excludes corporate offices. The portfolio including corporate offices is 1,487.

## INDIRECT ECONOMIC IMPACT IN NUMBERS

**15,873,564**

NUMBER OF OUTPATIENT MEDICAL BUILDING PATIENT VISITS

**63%**

PROPORTION OF MANAGERS HIRED FROM THE LOCAL COMMUNITY

This number represents Executive Vice Presidents and Senior Vice Presidents.

**\$120,459,129**

PROPERTY TAX PAID

**61,729**

NUMBER OF HEALTH CARE PROFESSIONALS SUPPORTED

**95.1%**

PROPERTY OCCUPANCY RATE

This figure is representative of our Outpatient Medical Portfolio. Additional information can be found in the the Form 10-K on our website.

# GOVERNANCE AND ETHICS

## OUR BOARD OF DIRECTORS

The primary responsibility of our [Board](#) is to act in the best interests of the company and its shareholders. More specifically, our Board is responsible for selecting the Chairman of the Board and our Chief Executive Officer (CEO), as well as overseeing management's performance and assessing the leadership structure.

We have separated the roles of Chairman and CEO, which we believe best positions the CEO to focus his time and energy on operating and managing the company while increasing the Board's independent oversight.

In 2015, the Board was comprised of nine members, of which two were female. Eight of our Board members were independent non-employee directors, elected at the annual meeting of our shareholders.

On May 7, 2015, William C. Ballard and Peter J. Grua retired from Welltower's Board of Directors.

Our Board members have a deep understanding of health care, real estate and strategy and have a robust track record of executive leadership. They are accustomed to dealing with complex problems and have the education, experience and skills to exercise sound business judgement.

The Nominating/Corporate Governance Committee identifies and recommends to the Board the nominees to stand for election, fill vacancies or newly created positions on the Board. Potential Board members may also be identified by third party executive search firms or shareholders.

The Board meets a minimum four times a year.

“At Welltower, we understand that it takes more than strong financial performance and high productivity to build a great company. It also requires commitment to the highest standards of accountability, ethics and integrity as foundations for transparency and corporate responsibility.”

Scott Estes,  
EVP, Chief Financial Officer

## COMMITTEES

Our Board has established six standing committees: Audit, Compensation, Executive, Investment, Nominating/Corporate Governance and Planning. The Nominating/Corporate Governance Committee periodically reviews committee assignments and makes recommendations to the Board for rotations of assignments and appointment of committee chairs, as appropriate. The specific roles and responsibilities of each committee can be found in the investors section on our [website](#).

## BOARD INDEPENDENCE

The Board has adopted Corporate Governance Guidelines and a Code of Business Conduct and Ethics and undertakes a regular review of director independence to ensure minimum independence requirements are met. Our policies meet the listing standards adopted by the New York Stock Exchange.

Additional information on our Board members and structure can be found in our 2016 Proxy Statement.

## COMMUNICATIONS WITH THE BOARD

Shareholders and other stakeholders can communicate directly with Board members in writing. The Nominating/Corporate Governance Committee has approved a process for handling letters addressed to members of the Board. Under that process, the Executive Vice President, Head of Human Capital and Corporate Secretary of the Company reviews any correspondence received, which is summarized and, with copies of the correspondence, sends it to the relevant Committee of the Board. The Board has access to a log of all correspondence received by the Company that is addressed to members of the Board. In 2015, no letters were sent to the Board.

In addition, we have established a Governance Hotline (which is published on our [website](#)) so that anyone who has a concern regarding questionable accounting, internal accounting controls or auditing matters relating to Welltower may communicate that concern to the Audit Committee by contacting the company's Corporate Governance Hotline. These calls are transcribed and submitted on a confidential, anonymous basis.

In 2015, we did not receive any calls through the Hotline.

## SUSTAINABILITY OVERSIGHT

Incorporating sustainability principles into our business is fundamental to manage corporate risk, promote wellness and contribute to a more inclusive and environmentally respectful economy. Welltower is dedicated to being a leader in corporate social responsibility in our sector and incorporating sustainable business practices into the everyday running of our business.

The Chief Operating Officer is responsible for the design, implementation and oversight of our sustainability program, which is aligned with our business strategy. Sustainability is embedded in the various business groups through the collaborative efforts of our sustainability team, business group leaders, and our enterprise risk management office.

The Chief Operating Officer and Head of Human Capital are responsible for communicating environmental sustainability, corporate governance and social responsibility considerations throughout the organization.

The Board of Directors receives periodic updates on sustainability and related efforts and the annual CSR report is presented to the Board.

## RISK FRAMEWORK

Our Board, as a whole and at the committee level, oversees the management of Welltower's risks by regularly reviewing material risks and exposures, including operational, strategic, financial, legal and regulatory risks. Furthermore, we have implemented a disciplined ERM program and created an internal risk management committee that identifies, monitors and mitigates risks and exposures.

The results of our ERM program are reported to the executive leadership team and the Board, who use them to refine our business strategy. The ERM process is reviewed for its effectiveness by the Board on an annual basis, and updated and revised as needed.

Our Corporate Governance Guidelines outline risk management at Welltower.

## CODES OF CONDUCT AND ETHICAL STANDARDS

Our Code of Business Conduct and Ethics is publicly available in the investors section of our [website](#). It details the high ethical standards and codes of conduct all executives, directors and employees must adhere to and outlines the procedure for reporting a suspected violation and the process used to respond to concerns.

There are no waivers of any part of the Code for any officer or director except with the informed approval of the Board, which ascertains whether a waiver is appropriate and ensures that the waiver is accompanied by appropriate controls designed to protect Welltower.

All of Welltower's employees are required to report possible violations to direct supervisors and can also report them anonymously to the Audit Committee or outside legal counsel.

No action will be taken against an employee who reports or tries to stop suspected wrongdoing in good faith. In 2015, no reports were made by employees.

Our Corporate Governance Guidelines highlight the high level of integrity of our employees and those with whom we do business.

At Welltower, we strive to go beyond simply being compliant with laws, regulations and policies and also adhere to the highest ethical standards and abide by comprehensive anti-corruption policies.

Additionally, we strive to protect the health and safety of our employees, our customers, suppliers, the community and the environment, and do not tolerate harassment of any kind.



Crane Creek Medical Center  
Melbourne, FL

## FINANCIAL REGULATORY COMPLIANCE

Given the international nature of our operations, we have comprehensive procedures in place to manage the risks associated with regulatory non-compliance which could have a damaging financial and reputational impact on our business. Our anti-corruption policy, developed by a leading international law firm, ensures that our people receive adequate training to mitigate the risks associated with bribery and corruption.

Financial compliance is a central component of our ERM program and is supported by officers responsible for monitoring day-to-day corporate activities as well as independent audits which are conducted on an annual basis.

## ANTI-CORRUPTION

We have a comprehensive anti-corruption policy in place to ensure compliance with different regulations that impact our business. Our anti-corruption efforts have three primary components:

**ASSESSMENT:** Assessing the relative risks of corruption is inherent within our ERM program. As noted above, the results of our ERM program are directly reported to the executive leadership team and the Board.

**TRAINING:** The policy seeks to ensure that all of our employees receive necessary training to fully understand and mitigate the risks associated with bribery and corruption.

**COMPLIANCE:** At an operational level, officers are responsible for monitoring compliance and analyzing expense reports, contracts and actions that could implicate anti-corruption laws.

## EXECUTIVE COMPENSATION

Our executive compensation program is intended to attract, motivate and retain the best executive talent.

The Compensation Committee, one of the standing committees of our Board, is comprised of at least three independent members of the Board and is tasked with defining executive officer compensation. The Committee is also tasked with reviewing and refining Welltower's compensation policies to ensure the management team is rewarded fairly, transparently and consistent with the market.

The Committee meets at least four times a year and is advised by an independent compensation adviser specializing in the REIT industry and our outside legal counsel. Shareholders are also actively engaged to discuss proposed revisions to compensation plans. At the 2015 Annual Meeting, shareholders were able to express their views on compensation plans through the "Say on Pay" legislation, and approximately 97 percent of shareholders supported the company's executive compensation program.

In 2015, our Compensation Committee implemented a new long-term incentive program based entirely on forward-looking performance metrics.

Additional information on compensation can be found in our 2016 Proxy Statement.

## POLITICAL ACTION COMMITTEE

According to our Code of Business Conduct and Ethics, no Welltower funds may be given directly to political candidates. Directors, officers and employees may engage in political activity with their own time and resources.

# OUR PEOPLE AND COMMUNITY



Attracting and retaining the best people is vital to the long-term success of our business. We value our employees for their unique talents, backgrounds and experiences and are committed to supporting personal and professional advancement.

We continuously strive to embrace and measure inclusion and diversity, promote health and wellness and encourage engagement with local organizations aimed at strengthening the health and well-being of our communities.

We have developed a culture that fosters creative thinking, collaboration and a deep sense of purpose that stems from the ways our work improves health care delivery. In this section, we report on a range of formal training programs designed to support employee development.

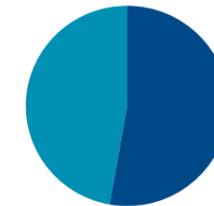
“Welltower is committed to driving wellness and connectivity across the continuum of care. We demonstrate this commitment in our work in the market and throughout our organization. We invest in the growth, development, and well-being of our people and corporate giving and volunteerism across the US, Canada, and the UK.”

**Christy Stone,**  
SVP, Human Capital

## EMPLOYEE PROFILE

### EMPLOYEES BY GENDER

MALE	FEMALE	TOTAL
249	220	469



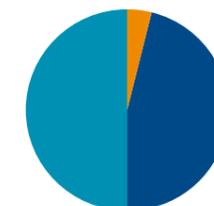
47% FEMALE  
53% MALE

### EMPLOYEES BY AGE

AGE	MALE %	FEMALE %	% OF TOTAL
<30	53	47	14%
30-50	53	47	59%
>50	54	46	27%

### EMPLOYEES BY LOCATION

FIELD OPERATIONS	INTERNATIONAL	CORPORATE
235	19	215



50% FIELD OPERATIONS  
4% INTERNATIONAL  
46% CORPORATE

### NEW HIRES

MALE	FEMALE	TOTAL
60	51	111



46% FEMALE  
54% MALE

At this time, all employees at Welltower are employed on a full time basis.



## COMPENSATION EQUITY



NUMBER OF EMPLOYEES AT DIFFERENT LEVELS OF MANAGEMENT AND GENDER

ROLE	MALE	FEMALE	% OF EMPLOYEES
NON-MANAGERS	163	153	67
MANAGERS	18	44	13
DIRECTORS	29	17	10
VICE PRESIDENTS	26	2	6
SENIOR VICE PRESIDENTS	9	3	3
EXECUTIVES	4	1	1
BOARD OF DIRECTORS	7	2	-

Welltower invests in advancing the knowledge, skills and abilities of its employees through educational programming and professional development opportunities. (Left and above)

## DIVERSITY AND INCLUSION

We emphasize diversity in our recruiting to reflect the markets we serve. In 2015, 20 percent of new hires were minorities.

Welltower extends its definition of diversity to include veterans of the U.S. Armed Forces. In 2015, two new hires self-identified as having served in the U.S. Armed Forces.

## CULTURE WORKING GROUP

Our Culture Working Group, established to address opportunities for improving the culture and engagement met quarterly throughout 2015.

## LEARNING AND DEVELOPMENT

In 2015, each of our employees received on average seven hours of training covering topics including management and presentation skills, technical writing, emotional intelligence and computer programming.

We structured our training programs to ensure personal and professional development objectives are aligned with Welltower's business strategy. Our aim is to ensure that all of our people have the opportunity to advance their professional development.

## MANAGER DEVELOPMENT

We expanded our Management Development program, Compass, which is open to all managers and aims to provide guidance on how to engage teams and deliver superior results by clarifying the critical link between management performance and company success.

**78**  
Employees Completed  
Training on Sustainability  
Topics.



Dr. Peter Rabins discusses the impact and future of dementia with Welltower employees.

## HEALTHFUL WORK ENVIRONMENTS – SAFE AND EFFECTIVE WORKPLACES

Our workplaces are safe and effective. We focus our efforts on lifestyle initiatives such as the company-wide wellness program (now called Well+BEING), which helps equip employees with the knowledge and tools to make positive lifestyle decisions.

Our programs address mental and physical well-being and include fitness, nutrition, stress-relief programs, as well as health screenings and CPR training.

We measure employee participation in our Well+BEING program to determine its success. We are pleased that over 100 employees participated in our annual 5k race and that we had a 46% participation rate in our Fitness Challenge.

In 2015, we analyzed the root causes that stop people from prioritizing physical and mental well-being to address identified barriers to healthy choices. These findings are reflected in programming modifications.

## SOAR AND WELLTOWER UNIVERSITY

In 2015, 100 percent of employees went through the annual performance review process, Success Through Ongoing Assessment Review (SOAR). The review process evaluates performance and sets the stage for setting personal and professional goals for the coming year.

In 2015, the company launched Welltower University, which is designed to advance the knowledge, skills and abilities of employees across the organization, as well as enable people to take ownership of their career progression.

Every employee has the opportunity to develop a learning plan to enhance their skill set, and access resources provided by Welltower University including, videos, presentations, workshops and training sessions.

## CORE

Our Women’s Network, CORE, continues to focus on accelerating the development of women leaders by building relationships and providing educational opportunities.

We organized quarterly company-wide events, along with more frequent regional events, to develop business acumen, personal effectiveness and encourage community service.

## ROTATIONAL ASSOCIATE PROGRAM

In August 2015, we welcomed a class of three new recruits to our rotational associate program. Developed to attract and train top talent, the program spans 12-18 months. New employees in the rotational associate program gain exposure to multiple areas of our business, in-depth, hands-on experience, ongoing mentorship, and targeted training so they will better understand our business and contribute at a higher level at a faster rate. We expect that this program will provide our company with a pipeline of candidates and successfully position us as an employer of choice for top performing students.

## THE 36 HOUR DAY

Last year, we hosted Dr. Peter Rabins, author of “The 36 Hour Day” who spoke about the impact of dementia and Alzheimer’s and the demands of care-giving. Additionally, Welltower partner Silverado conducted virtual dementia simulations to help employees experience what it feels like to suffer from dementia.

## COMMUNITY ENGAGEMENT AND GIVING

We value engaging in the communities where we live and work. Working with and supporting local organizations that provide direct services to improve the lives of those in our communities is part of our culture. In 2015, through giving and volunteerism, the Welltower team continued to make a difference in the communities where we operate in the United States, United Kingdom and Canada.

Through our Matching Gift program, the company supports causes and organizations that our employees are most committed to and passionate about.



Welltower employees participate in the annual MS Bike to the Bay in support of the National MS Society.

## EMPLOYEE VOLUNTEERISM

Volunteering for organizations and causes to give back to local communities and address issues of importance to the populations cared for across our properties is strongly encouraged.

Employees volunteered their time at numerous community organizations serving seniors, children, families and the environment. Among the many specific organizations supported by Welltower, team members volunteered their time at Hawkins Elementary School (Toledo, OH) and also participated in events to raise money for important health causes and organizations, including Alzheimer’s disease, diabetes, multiple sclerosis, the American Heart Association and the Susan G. Komen Race for the Cure.

In 2015, we provided financial and other support to 46 charitable organizations including Junior Achievement, Family House (housing homeless women and children) and the United Way, an organization that our U.S. employees have fully embraced and donated to generously.

We organized our first-ever, company-wide Day of Caring. Employees completed a service project in one of two categories: Commitment to Seniors or Caring for the Environment. During the Day of Caring, 98 employees contributed 294 hours of volunteer service benefiting 15 organizations.

In 2015, 13 organizations received gifts of \$10,000 or more. The primary focus areas of our giving included Health Care, Education, Community and the Arts, allocated as follows:

**\$190,520**  
HEALTH CARE

**\$81,690**  
EDUCATION

**\$233,000**  
ARTS

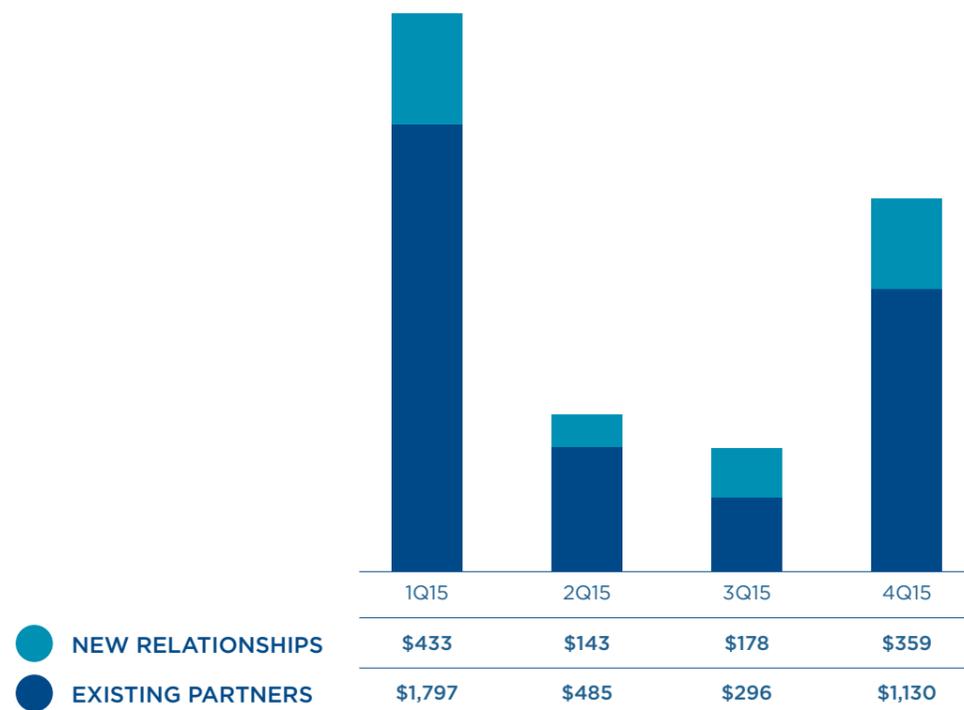
**\$112,856**  
OTHER

# OUR PARTNERS

We build long-term relationships with innovative, best-in-class seniors housing and post-acute care operators and health systems, as well as long-term capital partners who share our vision. At the heart of our approach is a win-win philosophy and financial incentives and structures that align our success with the success of our partners.

Increasingly, we play a convening role, bringing partners, ideas and capital together to drive best practices and create a more connected health care system. One of the measures of the success of our partnerships is the percentage of new investments that are undertaken with existing partners.

## RELATIONSHIP INVESTMENT HISTORY 2015 (millions)



In 2015, we completed \$4.8 billion of new investments. 77% with existing partners.



Kelsey-Seybold Clear Lake Clinic  
Webster, TX

As noted, we work with leading providers in health care delivery. Our largest partners include:

- **Benchmark Senior Living:** Leading provider of senior living services in the Northeast, Benchmark Senior Living offers independent and assisted living, memory care, skilled nursing and short stay programs.
- **Brookdale Senior Living:** Largest owner and operator of senior living communities in the U.S., Brookdale Senior Living provides a variety of senior living options including independent and assisted living, memory care, skilled nursing, home health services, as well as Continuing Care Retirement Communities.
- **Genesis HealthCare:** One of the largest skilled nursing and rehabilitation therapy providers in the United States, Genesis HealthCare operates more than 500 skilled nursing centers and assisted/senior living communities across 34 states. Genesis HealthCare offers both short and long-term care services, transitional care services, rehab services and specialty services, including Alzheimer's care.
- **Kelsey-Seybold:** A premier multi-specialty group practice with more than 400 physicians providing medical care in 55 specialties across 20 locations in the greater Houston area.
- **Revera:** An owner, operator and investor in the senior living sector, Revera owns or operates more than 500 properties across the U.S., U.K. and Canada through its portfolio of partnerships and offers independent and assisted living, memory care, seniors' apartments and long-term care options.
- **Sunrise Senior Living:** Leading provider of senior living services with more than 300 communities across the U.S., U.K. and Canada, Sunrise Senior Living provides individualized senior care, which includes assisted living, Alzheimer's and memory care, independent living and skilled nursing, among others.
- **Tenet Health:** A diversified health care services company operating acute care hospitals, short-stay surgical hospitals and outpatient centers in the U.S. and U.K.
- **Virtua:** One of the largest nonprofit health care systems in New Jersey, Virtua provides services through an integrated system of hospitals, ambulatory surgery centers, outpatient facilities and long-term care and rehabilitation centers.

**IN 2015, WELLTOWER EXPANDED ITS RELATIONSHIPS WITH ITS PARTNERS, INCLUDING THE FOLLOWING:**

- **Canadian Pension Plan Investment Board (CPPIB):** We are particularly proud of our new partnership with CPPIB, one of the world's premier institutional investors whose due diligence process on their potential partners is a testament to the strength of our company, our mission and how we hold ourselves accountable. Two investments mark CPPIB's entry into the U.S. health care real estate sector. Welltower and CPPIB formed a joint venture to purchase seniors housing properties in Florida, known as Aston Gardens. Additionally, Welltower and CPPIB purchased a portfolio of eight outpatient medical buildings located primarily in Beverly Hills, CA.
- **Revera Inc.:** We expanded our partnership with Revera Inc., a Canadian-based leader in seniors housing, owned by Public Sector Pension Investment Board (PSP Investments). Together, we acquired Regal Lifestyle Communities Inc., a high-quality, private-pay seniors housing portfolio concentrated in Toronto, Montreal, Ottawa and Vancouver.
- **Aspen Healthcare:** We acquired four private-pay hospitals in Greater London operated by Aspen Healthcare, an affiliate of Tenet Healthcare (NYSE:THC). This acquisition highlights the strong investment growth in our U.K. portfolio and provides a platform for creating connections across the continuum of care given our extensive portfolio of seniors housing properties in Greater London.

**SUPPORT FOR OUR PARTNERS**

To support our industry leading platform and operating partners, we expanded our regional office in Jupiter, Florida and opened a new office in Toronto, Ontario.

This new presence in Toronto will lead to superior relationship and portfolio management capabilities in Canada, while our expanded presence in Jupiter will serve as our real estate services group headquarters.

**ENGAGEMENT PROGRAMS**

We have several initiatives in place to ensure that we undertake and measure ongoing communications with our partners, including convening partners across the continuum of care to create more connected models of care supported by the right infrastructure at the community level.

Through the Welltower Collaborative, we bring together operators on a bi-annual basis to share best practices and present new ideas and technologies. In 2015, 17 operators participated in these meetings.



Aspen Healthcare  
Parkside Hospital, London

“We play a leading role bringing together partners, ideas and capital to drive best practices and create a better, more connected health care delivery system. No one else in our sector is doing this in the programmatic way we are.”

**Mercedes Kerr,**  
SVP, Business Development



Revera Kingsway  
Toronto, ON

## GROUP PURCHASING

We have established programs that allow our operators to come together for collective purchasing of food, fixtures and insurance, which is more efficient and lowers their costs. In 2015, 15 operators participated in these programs.

## ALIGNMENT ON SUSTAINABILITY

Our ability to implement sustainability initiatives depends on the level of control or influence we maintain over each of our assets, which ranges from full or partial operational control to cases where we work with independent managers to influence sustainability efforts.

### BREAKDOWN OF OPERATIONAL CONTROL WITHIN WELLTOWER'S PORTFOLIO (AS OF DECEMBER 31, 2015)

	Corporate Headquarters and Offices	Outpatient Medical Facilities	Seniors Housing Operating	Seniors Housing Triple-Net and Long-Term Care/Post Acute
<b>Property Count</b>	1 owned building, (4 rented offices)	254	442	774
<b>% of Portfolio</b>	N/A	17	30	53
<b>Control Type</b>	Operational Control	Split Control: 190 Limited Influence: 64	Influence	Limited Influence



The Claremont  
Toronto, ON

- **Operational Control:** Properties where we have full operational control.
- **Split Control:** Properties where we have operational control over building systems and common areas, but not the activities of tenants.
- **Influence:** Properties where we engage independent managers to work toward implementing sustainability efforts.
- **Limited Influence:** Properties that we own but that third parties lease; we have no operational control and limited influence.



Sunrise of Santa Monica  
Santa Monica, CA

Given our unique relationship with our partners, as well as the tenants and patients they serve, sustainability has become an integral part of our relationship investing strategy and we have taken the time and dedicated the resources to improve the sustainability performance of our portfolio.

Through programs such as our Green Arrow Building Certification (GABC) and the Green Arrow Tenant Certification, we are working to drive sustainable results.

We also want to highlight a few examples of programs to engage tenants and operating partners to advance environmental performance. Since its inception, 46 outpatient medical buildings received GABC certification, which represents approximately 3 million square feet or 24% of our control boundary portfolio. Outside of our control boundary, a total of 93 seniors housing properties completed LED lighting retrofits, representing over 7.8 million square feet or 7% of our portfolio.

# ENVIRONMENTAL SUSTAINABILITY

Our commitment is to understand our impact and take action to minimize it, as well as to share and promote best practices across our network of partners, vendors and suppliers.

In 2015, we continued to apply our environmental management expertise where we have complete or split operational control of the facilities. This accounts for 13 percent of our 1,482 properties in the portfolio and our five corporate offices. As clarified earlier in this report, while we do not have control over 87 percent properties in our portfolio, we still provide those operators with information, advice on sustainability, and in some cases, capital to invest in conservation measures.

Achieving best-practice environmental management in all buildings over which we have operational or split control makes business sense. Our outpatient medical buildings' designs (and renovation plans) are guided by Leadership in Energy and Environmental Design (LEED) standards.

By reducing our energy costs and the risks associated with rising resource prices and stronger legislation, we are investing in the long-term profitability of our company. We measure and report on a range of environmental KPIs each year and are in the process of setting long-term targets.

## 2015 PERFORMANCE

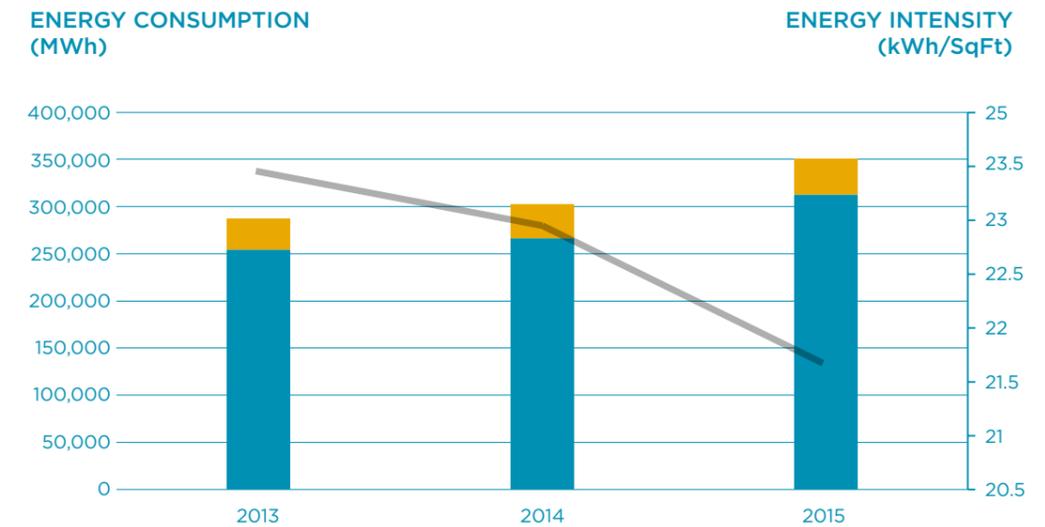
Our biggest impacts remain consistent from year-to-year: energy, emissions, water and waste. These are the specific areas we track as shown in the data on the following pages. Year-over-year figures may differ from previous reports due to changes in our reporting boundary and improved data collection capabilities.

## ENERGY CONSUMPTION

Our energy consumption performance continues to demonstrate our commitment to growing our business responsibly. In 2015, we increased the size of our control boundary portfolio by 16 percent compared to the previous year, resulting in an increase in our gross energy consumption.

Through the successful implementation of energy efficiency upgrades and the further embedding of our Environmental Management System (EMS), our energy intensity figure reduced for the second consecutive year. We continue to provide more efficient settings to treat an increasing number of patients.

## CONTROL BOUNDARY ENERGY CONSUMPTION BY SCOPE



- SCOPE 1 ENERGY CONSUMPTION (Includes Natural Gas, Propane, On-Site Solar PV and Gasoline)
- SCOPE 2 ENERGY CONSUMPTION (Includes Purchased Electricity)
- ENERGY INTENSITY (kWh/SqFt)

### SCOPE 1 & 2 ENERGY CONSUMPTION FOR PROPERTIES INSIDE OUR OPERATIONAL BOUNDARY OF CONTROL

	2013	2014	2015	% Change (2014-2015)
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#### SCOPE 1 ENERGY CONSUMPTION (INCLUDES NATURAL GAS, PROPANE, ON-SITE SOLAR PV AND GASOLINE/MWh)

Corporate Office	1,795	2,586	2,355	8.9% Decrease
Outpatient Medical Buildings	30,584	33,178	35,663	7.5% Increase
<b>Total</b>	<b>32,379</b>	<b>35,764</b>	<b>38,018</b>	<b>6.3% Increase</b>

#### SCOPE 2 ENERGY CONSUMPTION (PURCHASED ELECTRICITY/MWh)

Corporate Office	2,554	2,189	2,332	6.5% Increase
Outpatient Medical Buildings	252,120	264,458	310,669	17.5% Increase
<b>Total</b>	<b>254,674</b>	<b>266,647</b>	<b>313,001</b>	<b>17.4% Increase</b>

#### TOTALS

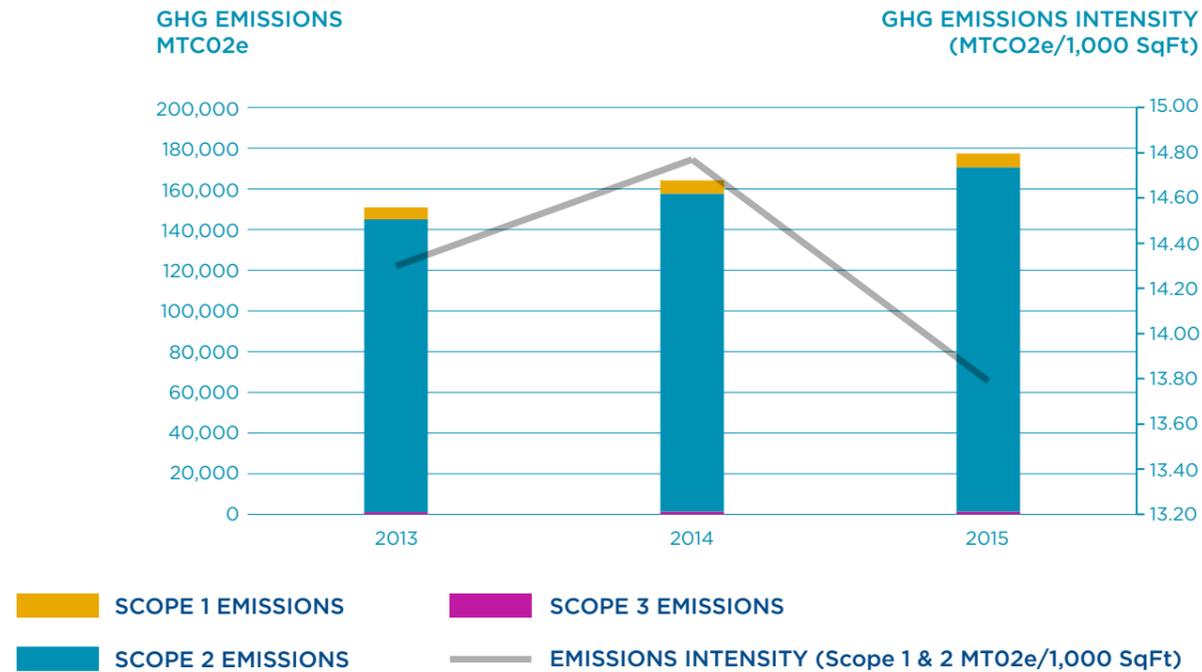
Total scope 1 & 2 energy consumption (MWh)	287,053	302,411	351,019	16.1% Increase
Energy intensity (kWh/SqFt)*	23.45	22.95	21.49	6.4% Decrease

\*Energy intensity figures are based on actual Ecova data only.

## GHG EMISSIONS

We aim to reduce the emissions produced as a result of our activities. We are dedicated to reporting our impacts to the highest standards, and in 2015, we were Included on the CDP Climate Disclosure Leadership Index (CDLI). The following information is a summary of our GHG emissions for the year:

### CONTROL BOUNDARY GHG EMISSIONS SUMMARY



The steady increase in gross emissions over the last three years is a direct result of the growth in our control boundary portfolio. In 2015, we achieved a 7 percent reduction in the emissions intensity of operations against the previous year, calculated by normalizing gross emissions against the square footage of the portfolio.



Brandywine Living at Brandall Estates  
Linwood, NJ

### GHG EMISSIONS BREAKDOWN (MTCO2e)

	SCOPE 1				SCOPE 2				SCOPE 3			
	2013	2014	2015	% Change (2014-2015)	2013	2014	2015	% Change (2014-2015)	2013	2014	2015	% Change (2014-2015)
Corporate Office	326	387	345	11% Decrease	1,499	1,656	1,432	13.5% Decrease	-	-	-	-
Outpatient Medical Buildings	5,549	5,995	6,434	7.3% Increase	144,424	154,826	167,653	8.3% Increase	-	9,332 <sup>1</sup>	16,268 <sup>1</sup>	74.3% Increase

### TRAVEL EMISSIONS

	2013	2014	2015	% Change	2013	2014	2015	% Change	2013	2014	2015	% Change
Vehicle Fleet	109	109	109	No Change	-	-	-	-	-	-	-	-
Employee Commuting / Business Travel	-	-	-	-	-	-	-	-	1,164	1,245	1,471	18.2% Increase
<b>Total</b>	<b>5,984</b>	<b>6,491</b>	<b>6,888</b>	<b>6.1% Increase</b>	<b>145,923</b>	<b>156,482</b>	<b>169,085</b>	<b>8.1% Increase</b>	<b>1,164</b>	<b>1,245</b>	<b>1,471</b>	<b>18.2% Increase</b>

### EMISSIONS INTENSITY

	2013	2014	2015	% change 2014-2015
Scope 1 & 2 MTCO2e/1,000 SqFt	14.30	14.77	13.79	7% Decrease

<sup>1</sup>In 2015, we expanded the quality and quantity of our waste stream data-capture capabilities. The 74.3% increase in Scope 3 emissions is a result of our ability to report performance data for full year 2015 versus partial year 2014. Our data collection covered nine percent more properties (12 additional properties in total). This data is not included in the scope 3 totals for 2014 and 2015, due to a lack of equivalent data in 2013 and partial year data in 2014.

In 2015, we completed 32 projects within our control boundary spanning lighting, HVAC and insulation upgrades. These projects, which required a total investment of over \$5 million, will save 1,478 metric tonnes of CO2 emissions. In addition, we doubled our renewable energy capacity to 961KW.

### EMISSION REDUCTION INVESTMENT PROJECTS COMPLETED IN 2015

	NUMBER OF PROJECTS	INVESTMENT REQUIRED (\$)	ESTIMATED CO2 SAVINGS	ESTIMATED KWh SAVINGS
HVAC Upgrades	10	2,063,760	551.7	796,655
Energy /Building Management Upgrades	4	517,075	168	243,711
Lighting Upgrades	7	461,520	558.3	809,158
Insulation Upgrades	7	1,787,631	164.3	238,224
Other	4	378,405	35.7	45,993
<b>Total</b>	<b>32</b>	<b>5,208,391</b>	<b>1478</b>	<b>2,133,741</b>

## BUILDING CERTIFICATIONS

Wherever possible, we look to certify the properties within and outside of our control boundary to industry-leading building and energy efficiency standards, including ENERGY STAR® and LEED standards in North America and BREEAM in the UK. Our corporate headquarters in Toledo, Ohio holds LEED Platinum and Gold certifications for new construction as well as LEED Gold certification for the operation and maintenance of the facility.

In addition, we developed our own rigorous Green Arrow Building Certification program in 2014, an independently verified standard to recognize the best performing outpatient medical buildings in our portfolio (see section on page 38 entitled Green Arrow Building Certification program).

## NUMBER OF CERTIFICATIONS

### ENERGY STAR

57

### LEED

9

### BREEAM

6

### GREEN ARROW BUILDING PROGRAM

46

## WASTE PRODUCTION

In recognition of the fact that the responsible treatment of waste is critical for creating healthy environments, we started to collect waste data from properties within our control boundary in 2014.

In 2015, we expanded the quality and quantity of our data-capture capabilities. The 91 percent increase in waste sent to landfill is a direct result of our ability to capture increased waste data, and our ability to report performance data for full year 2015 versus partial year 2014. Our data collection covers nine percent more properties (12 additional properties in total).

WASTE STREAM	2014	2015
Composted	1 ton	8 tons
Recycled	2,190 tons	4,889 tons
Sent to landfill	17,679 tons	33,687 tons

## WATER CONSUMPTION

The table below shows yearly water consumption data for properties within our control boundary. As discussed in our 2014 CSR report, declining availability of freshwater (a direct consequence of climate change) has been identified as potential threat to our business operations. As state and local governments across North America place restrictions on urban water consumption, we have implemented mitigation measures at our properties, including the installation of smart irrigation technologies, high-efficiency fixtures and high-efficiency cooling towers.

In 2015, we implemented irrigation controllers at 13 properties to reduce the amount of water used in the irrigation of grounds. Our strategy has helped us to achieve a reduction in water use intensity for the second year in a row. Further proactive management will continue to be an area of focus for us.

BUILDING TYPE	WATER CONSUMPTION (GALLONS/000s)				WATER CONSUMPTION INTENSITY (GALLONS/SqFt)			
	2013	2014	2015	% change 2014-2015	2013	2014	2015	% change 2014-2015
Outpatient Medical Buildings	232,641	282,580	319,630	13.4% Increase	22.2	26.0	25.04	3.7% Decrease

## GREEN ARROW BUILDING CERTIFICATION PROGRAM

Expanding our proprietary Green Arrow sustainability programs, we launched the Green Arrow Building Certification (GABC) program, which provides a framework and incentives to improve sustainability performance. In developing the program, our team consolidated LEED and ENERGY STAR® ratings with our own industry experience, allowing us to measure and analyze energy use, water efficiency, waste management/recycling, indoor environmental quality and innovative sustainability practices that are implemented by local property management.

We recognize the top performing facilities in our portfolio through three levels of certification. The GABC program has been embedded into our corporate-wide training system and is part of new hire training.

In 2015, we had 113 buildings go through the GABC benchmarking process in the first cycle and 119 in the second cycle. Buildings go through the GABC benchmarking process annually. We were able to recognize 37 of the 232 buildings as meeting one of the performance certification levels. To ensure the quality and robustness of the GABC program, each building that goes through the benchmarking process is assessed by an independent, third-party expert auditor.

CERTIFICATION LEVEL	2014	2015
Leader	2	4
Performer	3	12
Achiever	4	21

Leader represents the highest performing buildings, with performer and achiever representing buildings that exceed minimum requirements of the program to receive recognition.

“By partnering with Welltower on our LED lighting retrofit program, we not only lowered our environmental impact, reduced operating costs and realized an attractive ROI, the increased amount and quality of light positively impacted residents and staff. It was an all-around win!”

**Stephanie Handelson,**  
President & Chief Operating Officer  
Benchmark Senior Living

## OUTSIDE OUR BOUNDARY OF OPERATIONAL CONTROL

Increasingly, we look to leverage our influence outside of our boundary of operational control to help our operating partners implement sustainability programs.

We recognize that, as a provider of capital and as a key player in the development of health care infrastructure, we have a duty to educate our partners and help them make informed choices with regard to the management of facilities.



## LED RETROFIT PROGRAM

In 2015, we provided assistance to 93 seniors housing properties in upgrading their lighting systems to more energy efficient and less costly Light Emitting Diode (LED) technologies. The benefits of LEDs are widespread; they lower operating costs, help reduce GHG emissions and improve the indoor environment that partners can offer their residents through better quality lighting. Programs initiated in 2015 had an average predicted return on investment of 40 percent.

## MATERIALS PURCHASING PROGRAM

The Materials Purchasing Program for tenant improvements helps our partners realize savings and upgrade facilities in an environmentally proactive manner.

Preferred pricing programs have been established with organizations which recycle used carpets and replace them with low Volatile Organic Compound (VOC) alternatives, provide low or no VOC paints and laminate resurfacing products. These initiatives will help divert hazardous materials from the waste stream and improve the indoor air quality of properties in addition to strengthening our partnerships with care providers.

## INDUSTRY IMPACT

We also shared our extensive experience of sustainable portfolio development at both a local and national level through industry associations, including Building Owners and Managers Association (BOMA) and the United States Green Building Council (USGBC®).

## SUPPLIER IMPACT

Our supply chain management includes a wide range of services reflecting the diverse nature of our operations from construction materials to office administrative support. Wherever possible, we have sustainable procurement strategies in place to reduce the impact of our operators and stimulate environmental responsibility further down the value chain.

Freedom Plaza at Sun City Center  
Sun City Center, FL

We work to extend our influence through our Vendor Sustainability Code of Conduct, which seeks to ensure that we partner with companies that share our commitment to high environmental and social standards. As project managers, our team is accustomed to overseeing projects from design through construction to certification.

We have both sustainable purchasing policies, aligned with LEED EBOM (Existing Buildings: Operations and Maintenance) and material selection requirements. In 2015, we did not receive any notices or fines for environmental regulatory violations with respect to buildings within our operational control or any grievances about environmental impacts.

Our ISO 31000-2009 compliant Enterprise Risk Management (ERM) program is used to assess and guard against potential non-conformance.

## GENERAL STANDARD DISCLOSURES

This report is prepared in accordance with Standard Disclosures from the GRI Sustainability Reporting Guidelines.

GENERAL STANDARD DISCLOSURE	PAGE	DESCRIPTION	COMMENTS
<b>STRATEGY AND ANALYSIS</b>			
G4-1	3-4	Provide a statement from the most senior decision-maker of the organization.	
G4-2	3-4, 10, 36, 38-39	Provide a description of key impacts, risks and opportunities. Describe the approach to the construction and retrofitting of new assets.	
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	2	Report the name of the organization.	
G4-4	13, 16	Report the primary brands, products and services.	
G4-5	2	Report the location of the organization's headquarters.	
G4-6	16	Report the number of countries where the organization operates.	
G4-7	-	Report the nature of ownership and legal form.	Welltower is a publically traded company registered in Delaware, United States
G4-8	16	Report the markets served.	Additional information on our markets can be found within our Form 10-K.
G4-9	15-16	Report the scale of the organization and property occupancy rate	Additional information on our markets can be found within our Form 10-K.
G4-10	22	Breakdown of employee type (including sub-contractors).	All Welltower employees are full-time. We did not have any subcontractors in 2015.
G4-11	-	Report the percentage of total employees covered by collective bargaining agreements.	Welltower is not a party to any collective bargaining agreements.
G4-12	40	Describe the organization's supply chain.	
G4-13	3-4	Report any significant changes during the reporting period to the organization's size, structure, ownership or supply chain.	We disposed of non-strategic assets-including our last remaining U.S. hospital property.
G4-14	18	Report whether or how the precautionary principle is addressed by the organization.	While the company does not address the precautionary principle, we have developed a comprehensive approach to risk assessment and management.
G4-15	12	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	-	List all entities included in the organization's consolidated financial statements or equivalent documents.	Our Form 10-K for 2015 includes financial datafor all the company's operations unless otherwise noted.
G4-18	9	Explain the process for defining the report content and the Aspects Boundaries.	
G4-19	10	List all the Material Aspects identified in the process for defining report content.	
G4-20	10	For each Aspect, report the Aspect boundary within the organization. Report whether the Aspect is material within the organization. Define aspect boundaries against lease arrangements.	
G4-21	10	For each Aspect, report the Aspect boundary outside the organization. Define aspect boundaries against lease arrangements.	
G4-22	-	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	There are no significant changes from previous reporting periods in the Scope and Aspect boundaries.
G4-23	-	Report any significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Year-over-year environmental KPI figures differ in some instances from previous reports due to changes in our reporting boundary and improved data collection capabilities.
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	12	Provide a list of stakeholder groups engaged by the organization (including those engaged at the project level).	
G4-25	9-12	Report the basis for identification and selection of stakeholders with whom to engage.	
G4-26	9-12	Report the organization's approach to stakeholder engagement.	
G4-27	10	Report key topics and concerns raised through stakeholder engagement.	

## GENERAL STANDARD DISCLOSURES CONTINUED

GENERAL STANDARD DISCLOSURE	PAGE	DESCRIPTION	COMMENTS
<b>REPORT PROFILE</b>			
G4-28	2	Report the period for information provided.	
G4-29	7	Date of most recent previous report.	
G4-30	2	Reporting cycle.	
G4-31	-	Provide the contact point for questions.	Questions and comments about this report should be sent to info@welltower.com.
G4-32	2	Report the "in accordance" option the organization has chosen.	
G4-33	2	Report the organization's policy and current practice with regards to seeking external assurance for the report.	
<b>GOVERNANCE</b>			
G4-34	17	Report the governance structure of the organization.	Additional information on the composition of the board is provided on the About Us section of our company website.
G4-35	18	Report the process for delegating authority for economic, social and environmental topics.	
G4-36	18	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	
G4-37	18	Report the process for consultation between stakeholders and the highest governance body on economic, social and environmental topics.	
G4-38	17	Report the composition of the highest governance body and its committees.	Additional information on the composition of the board is provided on the About Us section of our company website.
G4-39	17	Report whether the chair of the highest governance body is also an executive officer.	
G4-40	17	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Additional information is available within the Corporate Governance Guidelines on our company website.
G4-41	19	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	Additional information is available within the Corporate Governance Guidelines on our company website.
G4-42	17-18	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social impacts.	Additional information is available within the Corporate Governance Guidelines on our company website.
G4-43	9-12	Report the measures taken to develop and enhance economic, environmental, and social topics.	
G4-44	18	Report the processes for the evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics.	
G4-45	18	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	
G4-46	18	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	
G4-47	17	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	
G4-48	18	Report the highest committee or position that formally reviews and approves the organization's sustainability report.	
G4-49	18	Report the process for communicating critical concerns to the highest governance body.	
G4-50	18	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	
G4-51	20	Report the remuneration policies for the highest governance body and senior executives.	
G4-52	20	Report the process for determining remuneration.	
G4-53	20	Report how stakeholders' views are sought and taken into account regarding remuneration.	

GENERAL STANDARD DISCLOSURES CONTINUED

ETHICS AND INTEGRITY			
G4-56	19	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	
G4-57	19	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Additional information is available within the Code of Business Conduct Guidelines on our company website.
G4-58	18-19	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms, or hotlines.	Additional information is available within the Code of Business Conduct Guidelines on our company website.

SPECIFIC STANDARD DISCLOSURES	PAGE	DESCRIPTION	COMMENTS
ECONOMIC			
MATERIAL ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	15	Disclosure management approach to the material aspect.	Additional information on our economic performance can be found within our Form 10-K.
G4-EC1	15	Direct economic value generated and distributed.	Additional information on our economic performance can be found within our Form 10-K.
G4-EC8	16	Significant indirect economic aspects.	
MATERIAL ASPECT: EFFECTIVE BUSINESS PARTNERSHIP			
G4-DMA	27	Disclosure management approach to the material aspect.	
WELLTOWER-SPECIFIC	27	Investments made with existing partners.	
MATERIAL ASPECT: FINANCIAL REGULATORY COMPLIANCE			
G4-DMA	19	Disclosure management approach to the material aspect.	
G4-EC5	19	Communication and training and anti-corruption.	
G4-SO5	19	Confirmed incidents of corruption and actions taken.	No incidents of anti-corruption occurred during the reporting year.
SOCIAL			
MATERIAL ASPECT: OUR PEOPLE, TRAINING & DEVELOPMENT			
G4-DMA	21	Disclosure management approach to the material aspect.	
G4-LA1	22, 24	Total number and new employee hires by gender and minority.	
G4-LA9	24	Average hours of training per employee.	
G4-LA10	24-25	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their career endings.	
G4-LA11	24	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	100% of employees across all categories received an annual performance review.
G4-LA12	23	Composition of governance bodies and breakdown of per employee category according to gender, age group.	
G4-LA13	23	Ratio of basic salary remuneration of women to men.	
MATERIAL ASPECT: HEALTHFUL WORK ENVIRONMENTS - SAFE & EFFECTIVE WORKPLACES			
G4-DMA	25	Disclosure management approach to the material aspect.	
WELLTOWER-SPECIFIC	25	Participation in the Well+being program.	

GENERAL STANDARD DISCLOSURES CONTINUED

SPECIFIC STANDARD DISCLOSURES	PAGE	DESCRIPTION	COMMENTS
ENVIRONMENTAL			
MATERIAL ASPECT: MATERIALS, CONSTRUCTION & BUILDING EFFICIENCY			
G4-DMA	33	Disclosure management approach to the material aspect	
G4-EN3	34	Energy consumption within the organization.	
G4-EN6	34	Reduction of energy consumption.	
G4-EN8	38	Total water consumption.	
G4-EN15	35-36	Direct greenhouse gas (GHG) emissions scope 1.	
G4-EN16	35-36	Direct greenhouse gas (GHG) emissions scope 2.	
G4-EN18	35-36	Direct greenhouse gas (GHG) emissions scope 3.	
G4-DMA	35-36	Greenhouse gas (GHG) emissions intensity - CO2.	
G4-EN19	35-36	Reduction of greenhouse gas (GHG) emissions.	
G4-EN23	37	Total weight of waste produced by type and disposal method.	
ADDITIONAL DISCLOSURES			
G4-EN29	40	Monetary value of significant fines and total number of non-emergency sanctions for non-compliance with laws and regulations.	We did not have any significant fines or non-emergency sanctions for non-compliance with environmental laws and regulations.
G4-EN34	40	Number of grievances about environmental impacts filed, addressed and resolved.	