Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

HCP, Inc. (www.hcpi.com) (HCP or the Company), an S&P 500 company, invests primarily in real estate serving the healthcare industry in the United States. We are a self-administered, Maryland real estate investment trust (REIT) organized in 1985. Previously headquartered in Long Beach, California, we have been headquartered in Irvine, California since May of 2014. We also have offices in Nashville, Tennessee, Los Angeles, California and San Francisco, California. We acquire, develop, lease, manage and dispose of healthcare real estate, and provide financing to healthcare providers. Our portfolio is one of the largest and most diversified portfolios of any healthcare REIT. As of December 31, 2013, our investment portfolio under management included 1,153 facilities spanning across 46 states.
We focus on the following principle healthcare sectors: senior housing, post-acute/skilled nursing, life science, medical office building (MOB) and hospital. We make investments within these healthcare sectors using several investment products, including: properties under lease, debt investments, developments and redevelopments, investment management and REIT Investment Diversification and Empowerment Act (RIDEA) investments in our senior housing operations.
The delivery of healthcare services requires real estate and, as a result, tenants and operators depend on real estate, in part, to maintain and grow their businesses. We believe that the healthcare real estate market provides investment opportunities due to the following: (i) compelling demographics driving the demand for healthcare services; (ii) specialized nature of healthcare real estate investing; and (iii) ongoing consolidation of a fragmented healthcare real estate sector.

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been

offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Tue 01 Jan 2013 - Tue 31 Dec 2013

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
United States of America

CC0.4

Currency selection

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

USD($)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco sectors should complete supplementary questions in addition to the main questionnaire.
If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a

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

i. The highest level of direct responsibility for climate change within the Company resides with our President and Chief Executive Officer, Lauralee E. Martin. Ms. Martin manages this responsibility though her general leadership of the Company through, among other things, (a) the supervision of the Company's Sustainability Committee; (b) quarterly earnings releases and conference calls with the Company's stockholders and the public; (c) quarterly reports on climate change and sustainability (in general) to the Company's Board of Directors (Board); d) monthly management meetings and (e) press releases and our sustainability website.
(a) Sustainability Committee – Ms. Martin has designated Tom Klaritch, Executive Vice President – Medical Office Properties, as the Company's Chair of the Sustainability Committee, an internal management committee. In addition to Mr. Klaritch, the Sustainability Committee is comprised of Jim Mercer, Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary; Troy McHenry, Senior Vice President – Legal and Human Resources and Assistant Corporate Secretary; Mike McIllwain, Senior Vice President – Medical Office Properties; and other senior executives, management level employees and attorneys that meet regularly to discuss the updates on strategy and implementation of several of the Company's objectives. Additionally, Ms. Martin serves on the Board of Governors of the National Association of Real Estate Investment Trusts (NAREIT), and Mr. Klaritch serves on NAREIT's sustainability committee, giving

HCP added insight to sustainability issues and initiatives relative to the healthcare real estate sector.
Mr. Klaritch, as Chair of HCP's Sustainability Committee, has the responsibility for the Company's sustainability efforts including increasing the Company's performance and transparency by implementing energy efficiency measures, responding to reporting initiatives such as the CDP Information Request (CDP), the Dow Jones Sustainability Index Assessment (DJSI) and the Global Real Estate Sustainability Benchmark survey (GRESB), keeping inventory of our energy, water, waste, and greenhouse gas (GHG) data, and publishing the Company's annual Sustainability Report consistent with the Global Reporting Initiative (GRI) framework.
(b) Quarterly Conference Calls – Each quarter, the Company hosts a public earnings release conference call and webcast to review its financial performance and operating results. During these calls, Ms. Martin frequently reports material initiatives and awards regarding sustainability.
(c) Quarterly reports on climate change and sustainability to the Company's Board of Directors- The Board receives regular reports regarding strategy, goals and performance metrics associated with sustainability topics and it uses this information to formulate HCP's overall climate change strategy and risk assessment and management.
(d) Monthly Management Meetings – Each month, Ms. Martin conducts a management meeting with senior management, the leaders of each of the Company's healthcare segments, which are diversified among distinct sectors: senior housing, post-acute/skilled nursing, life science, medical office building and hospital, as well as offices from tax and internal audit. In addition to presenting a discussion regarding financial performance and operational information, each business leader (i.e., an executive vice president) frequently reports on each sector's sustainability initiatives, awards and other practices that have occurred since the previous meeting.
(e) Press Releases and other public communications via our dedicated sustainability website (hcpi.com/sustainability).

CC1.2

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

Yes

CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Board chairman	Recognition (non-monetary)	To the extent that the Company receives external recognition (e.g. U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) certification, U.S. Environmental Protection Agency (EPA) ENERGY STAR certification, NAREIT's Leader in the Light Award) for its sustainability efforts, internal acknowledgement of efforts are recognized.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Corporate executive team	Monetary reward	The Company's current compensation program is based on three components, which are designed to be consistent with our compensation philosophy: (i) base salaries; (ii) incentive cash bonuses; and (iii) incentive long-term stock awards, including stock options and awards of restricted stock units that are subject to both performance-based and time-based vesting requirements. Elements of our compensation program such as annual bonuses and long-term equity incentives are designed to reward performance and provide incentives that seek to create stockholder value. Annual bonuses are primarily intended to incentivize employees to achieve specific strategies and operating objectives. For a given fiscal year, the Compensation Committee and/or our senior executives make incentive compensation decisions retrospectively for both annual and long-term incentives after the end of the year, evaluating performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2013 were based in part on an assessment of performance during 2012. The Company's sustainability performance (which includes climate change performance) is a factor that was considered in the financial compensation for members of our Sustainability Committee, as well as other employees in the business sectors involved in HCP's sustainability initiatives. For example, factors such as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, DJSI, GRESB, GRI) are considered when calculating our incentive awards.
Corporate executive team	Recognition (non-monetary)	To the extent that the Company receives external recognition (e.g. USGBC LEED certification, EPA ENERGY STAR certification, NAREIT's Leader in the Light Award) for its sustainability efforts, internal acknowledgement of efforts are recognized.
Executive officer	Monetary reward	The Company's current compensation program is based on three components, which are designed to be consistent with our compensation philosophy: (i) base salaries; (ii) incentive cash bonuses; and (iii) incentive long-term stock awards, including stock options and awards of restricted stock units that are subject to both performance-based and time-based vesting requirements. Elements of our compensation program such as annual bonuses and long-term equity incentives are designed to reward performance and provide incentives that seek to create stockholder value. Annual bonuses are primarily intended to incentivize employees to achieve specific strategies and operating objectives. For a given fiscal year, the Compensation Committee and/or our senior executives make incentive compensation decisions retrospectively for both annual and long-term incentives after the end of the year, evaluating performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2013 were based in part on an assessment of performance during 2012. The Company's sustainability performance (which includes climate change performance) is a factor that was considered in the financial compensation for members of our Sustainability Committee, as well as other employees in the five business sectors involved in HCP's sustainability initiatives. For example, factors such as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB, GRI) are considered when calculating our incentive awards. Additionally, our 2013 sustainability goals for certain executive officers included factors such as meeting a 2.0% emission or energy reduction target as consideration when calculating our incentive awards.
Executive officer	Recognition (non-monetary)	To the extent that the Company receives external recognition (e.g. USGBC LEED certification, EPA ENERGY STAR certification, NAREIT's Leader in the Light Award) for its sustainability efforts, internal acknowledgement of efforts are

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
		recognized.
Management group	Monetary reward	The Company's current compensation program is based on three components, which are designed to be consistent with our compensation philosophy: (i) base salaries; (ii) incentive cash bonuses; and (iii) incentive long-term stock awards, including stock options and awards of restricted stock units that are subject to both performance-based and time-based vesting requirements. Elements of our compensation program such as annual bonuses and long-term equity incentives are designed to reward performance and provide incentives that seek to create stockholder value. Annual bonuses are primarily intended to incentivize employees to achieve specific strategies and operating objectives. For a given fiscal year, the Compensation Committee and/or our senior executives make incentive compensation decisions retrospectively for both annual and long-term incentives after the end of the year, evaluating performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2013 were based in part on an assessment of performance during 2012. The Company's sustainability performance (which includes climate change performance) is a factor that was considered in the financial compensation for members of our Sustainability Committee, as well as other employees in the five business sectors involved in HCP's sustainability initiatives. For example, factors such as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB, GRI) are considered when calculating our incentive awards.
Management group	Recognition (non-monetary)	To the extent that the Company receives external recognition (e.g. USGBC LEED certification, EPA ENERGY STAR certification, NAREIT's Leader in the Light Award) for its sustainability efforts, internal acknowledgement of efforts are recognized.
Business unit managers	Monetary reward	The Company's current compensation program is based on three components, which are designed to be consistent with our compensation philosophy: (i) base salaries; (ii) incentive cash bonuses; and (iii) incentive long-term stock awards, including stock options and awards of restricted stock units that are subject to both performance-based and time-based vesting requirements. Elements of our compensation program such as annual bonuses and long-term equity incentives are designed to reward performance and provide incentives that seek to create stockholder value. Annual bonuses are primarily intended to incentivize employees to achieve specific strategies and operating objectives. For a given fiscal year, the Compensation Committee and/or our senior executives make incentive compensation decisions retrospectively for both annual and long-term incentives after the end of the year, evaluating performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2013 were based in part on an assessment of performance during 2012. The Company's sustainability performance (which includes climate change performance) is a factor that was considered in the financial compensation for members of our Sustainability Committee, as well as other employees in the five business sectors involved in HCP's sustainability initiatives. For example, factors such as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB, GRI) are considered when calculating our incentive awards.
Business unit managers	Recognition (non-monetary)	To the extent that the Company receives external recognition (e.g. USGBC LEED certification, EPA ENERGY STAR certification, NAREIT's Leader in the Light Award) for its sustainability efforts, internal acknowledgement of efforts are recognized.

Further Information

Page: CC2. Strategy

CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Individual/Sub-set of the Board or committee appointed by the Board	We have 1,153 properties spanning across the country, so all U.S. geographical areas are considered within the continental U.S.	3 to 6 years	

CC2.1b

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

Company Level. Risks and opportunities (R/Os) are identified and applied at the company level by the leaders of each of our business segments, through regular interaction with various national trade associations such as NAREIT and through tenant and investor feedback. R/Os are also assessed each month at the executive management level and reviewed at the board level quarterly (regulatory and reputational R/Os for example). This assessment includes a discussion of the R/Os, potential impact, directional trend, likelihood and a determination as to whether the R/Os are growing, stable or declining. The R/Os are also measured against the

previous assessment and mitigants are discussed. Our executive team reviews the prior year's top R/Os and determines if any should be removed in the current period, and then assesses other potential R/Os that should be added to the universe.
Asset Level. R/Os are identified and applied at the asset level by departments such as risk management and asset management. For example, they develop strategies for addressing weather-related R/Os in addition to the facilitation and implementation of any necessary course of action to be taken. In the event of severe weather conditions, action plans are implemented, and post storm preparations are also put into place. Our asset management department is in constant contact with on-site property managers regarding issues at the property and in the local market. Monthly reports are submitted and reviewed regarding the operations at each property and any developing risks that could affect the property. In addition, our annual budget process includes an assessment of strengths, weaknesses and threats at the asset level. In addition, written evacuation and emergency preparedness procedures are available at our facilities.

CC2.1c

How do you prioritize the risks and opportunities identified?

Our semi-annual Enterprise Risk Assessment survey is utilized to consider the key business risks which could impact HCP's ability to achieve its primary business objectives, including our sustainability initiatives. As part of this process our executive team, as well as all senior vice presidents, review the prior year's top risks and determine if any risks should be removed in the current period. The group then assesses other potential risks that should be added to the risk universe. For each of the risks chosen the participants then assess the impact, likelihood and directional trend of the risk. Finally, the risks are assessed based on residual risk, which is the remaining risk after consideration of mitigating controls currently in place. After survey results are evaluated, a facilitated session is held to discuss the survey results as well as mitigating activities and controls in place within the organization. Results of the assessment are presented to the Board of Directors.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

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

i. Process by which the business strategy has been influenced. Our business strategy has been increasingly focused on implementing sustainability practices including those related to climate change, and has been influenced by a number of factors including a) information from tenants (and potential tenants) who desire to lease from sustainable and energy efficient buildings; b) information from investors who incorporate sustainability and climate change information into their investment decisions; c) information from other key stakeholders concerned with climate change issues; and d) how sustainability may generate cost savings and other strategic opportunities including potential increases to returns on investment. Our annual tenant satisfaction survey includes questions regarding our green initiatives and the tenant's willingness to participate in these initiatives. We utilize the results of this survey to make changes in our business strategy. Further, a significant portion of our GHG emissions are attributable to purchased electricity, and thus, our climate change strategy is closely related to our energy management strategy. This positions us to take advantage of opportunities presented by integrating climate change into our MOB and life science portfolios. To guide our business strategy, the collected stakeholder information is distributed to each HCP business segment. Each segment is then responsible for continuing to identify, target, develop and implement energy reduction strategies and identifying further climate change risks and opportunities.
ii. Climate change aspects that have influenced the strategy. HCP's business strategy is linked to climate risks and opportunities. 88% of our carbon footprint is related to its use of electricity. As such, energy management is a primary cost reduction and climate change driver for us. Within the facilities identified by our boundary, approximately 14% of our operating costs at the property-level are electricity expenses. As such, reducing energy usage, and consequently carbon emissions, while ensuring that the quality of our facilities support our tenant's operations, is a fundamental strategy in both the short and long term to maximize the efficient operating performance and profitability of each facility. Furthermore, reduced energy use mitigates the impacts of projected electricity cost increases. Accordingly, we commit to continuous improvement of reducing energy usage. Other aspects of climate change that have influenced our strategy are opportunities to further develop our green business initiatives and potential efficiency-related regulatory changes and the need to prepare for those in advance.
iii. Important components of short term strategy influenced by climate change. Our strategy to further develop green business and improve the efficiency of our properties include the continued development and implementation of best practices, such as participation in sustainability reporting initiatives, and are the most important components of our short term (over the next three years) strategy that have been influenced by climate change. Within each of our identified business segments, management conducts monthly reviews of operational results, during which progress in key areas, including energy, are reviewed against applicable budgets. This process includes the monthly delivery of reports that benchmark energy data to implement information-based actions and address issues. The monthly review of energy data includes comparisons of energy usage against budgeted and historical usage. To the extent facilities demonstrate significant variances from budget or historical usage, management seeks to develop and implement mitigation plans, including a) commitment to the ENERGY STAR program; b) implementing best practices regarding recycling and tenant engagement; c) increasing our focus on water management; and d) considering the implementation of alternative energy (solar) projects.
iv. Important components of long term strategy influenced by climate change. Attaining our future goals of minimizing carbon emissions, reducing energy consumption and maximizing energy efficiency are some important components of our long term strategy that have been influenced by climate change. This long term strategy has also led to increased focus on best operating practices within each of our identified segments, including training of personnel, development of energy reduction goals and monitoring and reporting of results. Furthermore, these long term initiatives will be enhanced by the development of detailed and systematic processes to invest in more energy efficient technologies related to lighting, HVAC and building control systems. While these long term energy conscious

practices have been established regardless of climate change, they also serve as a good protection against climate change risks. We linked our business strategy to an absolute emissions reduction target based on our defined boundary (1.1% per year). Our boundary is defined as 339 buildings in our MOB, life science portfolios and assisted living facilities, all of which are under our operational control.
v. Strategic advantages gained over competitors. Our commitment to sustainability and the implementation of energy saving efforts throughout our properties will provide us with an advantage over our competitors not employing these strategies by targeting tenants that seek facilities that include energy reduction designs and equipment and investors who prefer to invest in companies that address climate change and actively engage in minimizing their carbon footprint. For example in 2013 for the 2nd consecutive year, we were named to the FTSE4Good Index Series (the “Series”) an index series that measures the performance of companies that meet globally recognized corporate responsibility standards. Constituents of the Series have demonstrated, among other things that they are working towards environmental management and climate change mitigation and adaptation. This type of recognition is not only appealing to our tenants and investors preferring to do business with environmentally responsible companies, but gives us an advantage over those competitors not included in the Series.
vi. Substantial business decisions influenced by climate change driven aspects of the strategy. There are many substantial business decisions that are influenced by our climate change strategy. We have a) galvanized our leadership by developing a Sustainability Committee and a Social Subcommittee; b) adhered voluntarily to third party green building standards; c) installed energy efficient equipment throughout properties within our portfolio; d) implemented internal awareness practices such as energy and water saving procedures and waste reduction; and (v) identified and elected to participate in key sustainability reporting initiatives (e.g., CDP, DJSI, GRESB and an annual Sustainability Report).

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

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

Direct engagement with policy makers
Trade associations

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	In 2013, we focused on how we can continue to promote and support the EPA's ENERGY STAR program. We wanted to foster increased awareness of, improve communication with, and support the program by participation.	We entered 45 buildings in the EPA's National Building Competition and also applied for the ENERGY STAR Partner of the Year.

CC2.3b

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

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
NAREIT (REITPAC)	Consistent	NAREIT (National Association of Real Estate Investment Trusts) is a worldwide representative for REITs and publicly traded real estate companies with an interest in U.S. real estate and capital markets. NAREIT sponsors its own political action committee called REITPAC to address a variety of climate change legislation. REITPAC encourages individual participation in the political process to ensure that the REIT viewpoint on industry issues is heard on Capitol Hill. By pooling the voluntary contributions of NAREIT members nationwide, REITPAC works to educate Members of Congress and their staff on the issues that directly affect our industry and support those candidates who understand the interests of the commercial real estate industry. For example, NARIET and REITPAC are involved with	HCP attempts to influence NAREIT's and REITPAC's position by supporting their efforts to encourage Congressional leaders to enact comprehensive legislation that encourages greater energy efficiency. HCP is an active member of NAREIT and participates in their conferences and forums throughout the year. HCP's President and CEO serves on the Board of Governors of NAREIT, and HCP's Chair of its Sustainability Committee serves on NAREIT's sustainability committee. Additionally, in 2013, HCP supported NAREIT's legislative agenda by organizing a voluntary executive fundraising effort for REITPAC that contributed over $15,000.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		encouraging modifications to Section 179D of the Internal Revenue Code, which provides deductions for Energy Efficient Commercial Buildings. Additionally, NAREIT and REITPAC support Congressional efforts to enact comprehensive legislation that encourages greater energy efficiency. To the extent that such legislation authorizes grants for activities designed to encourage greater energy efficiency, NAREIT and REITPAC encourage the adoption of clarifying language to ensure that REITs are able to fully participate in such activities.	

CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

CC2.3g

Please provide details of the other engagement activities that you undertake

CC2.3h

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?

We have several processes in place to ensure that all of our direct and indirect activities that influence policy are consistent with our overall climate change strategy. Generally, all of our Company's procedures are governed by our corporate governance policies and principles, such as the Code of Business Conduct and Ethics, Vendor Code of Business Conduct and Ethics, Corporate Governance Guidelines and Grant of Authority, each of which provide safeguards against practices that are inconsistent with the Company's objectives. Additionally, our Company and both of our Codes of Conduct generally support efforts that encourage greater energy efficiency. We have established an internal Sustainability Committee that seeks to evaluate, improve and report on the Company's approach to environmental initiatives. These direct and indirect activities help to ensure that our policy directives are consistent with actions to mitigate negative climate change impacts.

CC2.3i

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

Absolute and intensity targets

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2	95%	2.0%	2012	255341	2013	The total emissions calculated for Scope 1 and 2 emissions in 2012 were 245,827 (t Co2e), which covered our portfolio boundaries of 323 properties. This number was adjusted but not re-assured, to update a rolling base year according to our methodology, to reflect acquisitions, dispositions and boundary changes where buildings were removed or added.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
Int1	Scope 1+2	95%	0.3%	metric tonnes CO2e per square foot	2012	0.012482	2013	We implemented an intensity target for 2013 based on metric tonnes per square foot which we feel is a relevant measurement for real estate properties. Our intensity reduction target from the 2012 base year was 2.0%. We achieved a reduction of 0.3%.

CC3.1c

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

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	2.0	Increase	2.0	Our intensity measurement for Scope 1+2 is based on an equivalent denominator so we anticipate that the intensity target and absolute target will move in the same direction for percentage changes but not equal percentage changes. We expect to have a slight increase in number of employees so we would anticipate a flat to slight increase percentage change in the scope 3 emissions.

CC3.1d

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

ID	% complete (time)	% complete (emissions)	Comment
Abs1	100%	55%	During the 2013 calendar year, we achieved a 1.1% reduction in our 2013 absolute emissions reduction against a target of 2.0% for our defined boundary buildings for 2013.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

i. How the emissions are/were avoided. HCP identifies and implements projects and initiatives that reduce energy usage and GHG emissions for an entire building, directly enabling third party entities, tenants and operators to achieve emissions reductions. Such emissions were avoided resulting from various activities including:
a) Providing tools such as a utility bill database to monitor utility usage for electric, gas, and water to our third party management companies so they can quickly identify usage anomalies and implement corrective actions.
b) Implementing HVAC replacement projects to replace older, less efficient HVAC equipment (such as split system units and rooftop package systems) with higher efficiency systems which are typically 40% more efficient than the older equipment and utilize the refrigerant R-410A, a more environmentally friendly refrigerant than R-22.
c) Installing ultra-high efficient chillers, including chillers that operate on magnetic bearings which are extremely efficient and eliminate the need for oil.
d) Upgrading Energy Management Systems (EMS) to improve energy performance of a building and to provide detailed control and monitoring of the HVAC equipment for maximum optimization.
e) Continually evaluating and implementing new technologies and alternate energy sources such as fuel cell technology, photovoltaic (solar cell) panel technology, ground coupled heat pump systems, solar water panel systems and real time power monitoring systems.
f) Identifying a dedicated green budget category to include energy efficiency projects.
g) Engaging employees and third party managers in a review of best practices principles at the facility level on an annual basis.
h) Instituting new processes based on best practices principles, then estimating the energy and GHG emissions associated with these improvements over a one year operational period.
ii. We estimate the amount of emissions (noted in item i. above) that were avoided through the initiatives operations of our buildings during the 12 month period of our 2013 reporting year. For the 2013 reporting year, our base line year was 2012. Our estimated emission reduction activity for 2013 was 4016 metric tonnes of CO2e. The following are some examples of estimates of the amount of emissions that were avoided over the 2013 calendar year: 1) We implemented 49 motion and occupancy sensors for lighting that reduced the annual CO2e by 568 metric tonnes, 2) installed and upgraded 12 energy management systems increasing our control of energy usage enabling us to reduce CO2e by 859 metric tonnes, 3) completed 83 HVAC projects reducing our CO2e by 569 metric tonnes, 4) implemented 51 lighting retrofit projects that reduced our CO2e by 893 metric tonnes.
iii. The methodology, assumptions, emissions factors, and global warming potentials used for your estimations: The methodology HCP uses to identify, calculate, evaluate and implement emission reduction projects are as follows:
a) The methodology for estimating emission reduction projects utilizes 1) vendor/contractor data was utilized for lighting projects, motion sensors and timers for the annual kWh savings and the electric rates were applied to estimate cost, 2) thermostat energy and cost savings were estimated using a thermostat calculator developed by the EPA and DOE, 3) Replacement HVAC equipment kWh savings were estimated by 2 methods - vendor supplied data and a Seasonal Energy Efficiency Ratio (SEER) calculator and the annual costs were based average electrical rates and the pay back was based upon the cost of the premium efficiency equipment estimated at a 15% premium over standard equipment, 4) White roof projects kWh savings were based on a roofing calculator program, 5) Building automation systems and variable frequency drive installations were estimated for kWh savings by vendor data or by assuming a conservative payback period. 6) All estimated Kwh savings were run through the GHG Protocol tools to estimate the C02e emissions. Assumptions used if actual vendor data was not available: 1)

estimated average electric rate of $0.09 per kWh, 2) estimated average natural gas rate of $0.74 per therm, 3) estimated payback for EMS system = 5 years, 4) estimated payback of VFD = 2 years.
b) Various GHG Protocol Tools were used to obtain emission factors and Global Warming Potentials (GHG emissions from Stationary Combustion Tool Version 4.0 Emission Factor: natural gas (130.81 lb CO2e per million Btu); WRI Emission Factors Compilation from Cross Sector Tools. Version 1.0 July 2009; diesel gas oil (22.40 lb C02 per gallon), motor gasoline (19.56 lb C02 per gallon), LPG (12.643 lb C02e per gallon); electricity - US eGRID Data Base (http://www.epa.gov/cleanenergy/energy-resources/egrid/index.html); eGRID Table is attached to the report due to numerous building locations reported on.)
iv. HCP does not expect to generate or purchase CERs or ERUs within the framework of CDM or JI (UNFCCC).

CC3.3

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

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	78	
To be implemented*	78	2285
Implementation commenced*	22	531
Implemented*	239	4016
Not to be implemented	0	

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Building services	49 lighting motion and occupancy sensor projects. 1907 sensors/timers were installed. This is a voluntary Scope 2 project, with a life of 10 years.	568	80406	275654	4-10 years	10 years	
Energy efficiency: Building services	5 night time setback lighting timers and 16 timers were installed to reduceCO2e and energy. This is a voluntary Scope 2 project, with a life of 15 years.	48	7983	1105	<1 year	15 years	
Energy efficiency: Building services	1 heating water reset was installed to reduce CO2e and energy. This is a voluntary Scope 2 project with a life of 15 years.	2	375	1285	1-3 years	15 years	
Energy efficiency: Building services	8 programmable thermostat projects were implemented to reduce CO2e and energy. 20 thermostats were installed. This is a voluntary Scope 1 +2 project with a life of 15 years.	17	4532	3052	<1 year	15 years	
Energy efficiency: Building services	12 Energy Management System projects were implemented. This is a voluntary Scope 2 project with a life of 15 years.	859	143643	480709	4-10 years	15 years	
Energy efficiency: Building services	51 Lighting retrofit projects were implemented. This is a voluntary Scope 2 project with a life of 10 years.	893	166279	729172	4-10 years	10 years	
Energy efficiency: Building	11 variable frequency drive projects were implemented. This is a voluntary Scope 2 project with a life of 10 years.	707	111577	265409	1-3 years	10 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
services							
Energy efficiency: Building services	71 small Heating Ventilation and Air Conditioning (HVAC) equipment replacement projects (< 10 ton) were implemented. 115 HVAC units were replaced. (note: Investment required is the premium cost for a high efficiency replacement over a standard efficiency unit.) This is a voluntary Scope 2 project, with a life of 15 years.	206	38767	102649	1-3 years	15 years	
Energy efficiency: Building services	12 large Heating Ventilation and Air Conditioning (HVAC) equipment replacement projects (>= 10 ton) were implemented. 12 HVAC units were replaced. (note: Investment required is the premium cost for a high efficiency replacement over a standard efficiency unit.) This is a voluntary Scope 2 project, with a life of 20 years.	363	72747	169385	1-3 years	20 years	
Energy efficiency: Building services	5 boiler replacement projects implemented. 7 boilers replaced. This is a voluntary Scope 1 + 2 project with a life of 20 years.	79	8286	75313	4-10 years	20 years	
Energy efficiency: Building fabric	11 white and/or reflective surface roof projects. There is no premium cost for a white/reflective roof so the investment for energy savings is zero. This is a voluntary Scope 2 project, with a life of 20 years.	76	18803	0	<1 year	20 years	
Energy efficiency: Building fabric	3 window tinting projects implemented. This is a voluntary Scope 2 project with a 15 year life.	198	33952	64702	1-3 years	15 years	

CC3.3c

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

Method	Comment
Dedicated budget for energy efficiency	Through the use of a dedicated energy efficiency ("green") budget, HCP identifies projects which have energy savings opportunities and identifies green initiatives in the capital expenditure annual budget. Based upon the input from HCP's Capital Asset Management (CAM) team and our third party management companies, projects are evaluated and if they are capable of producing energy reduction, they are added to the green category. HCP's also employs internal best practices to identify potential energy savings that may be implemented at our properties. HCP addresses a comprehensive range of projects and practices that can reduce energy consumption, which could include projects for replacement of equipment, as well as changes to operations and practices.
Financial optimization calculations	Pay back in number of years and Return on Investment (ROI) are key component to any energy saving/emission reduction project proposal and is integral to the evaluation process.
Employee engagement	HCP's best practices guiding principle is followed to identify potential energy savings that may be implemented at our properties. HCP addresses a comprehensive range of projects and practices that can reduce energy consumption, which could include projects for replacement of equipment, as well as changes to operations and practices. HCP hosts an annual conference each May that allows our staff and third party managers, maintenance personnel and leasing agents to interact, share best practices, and discuss policies, goals and objectives for the year. For four years, HCP has highlighted achievements in obtaining Energy Star labels for HCP's MOB and life science portfolios. The annual conference serves as a stage to promote and acknowledge property management performance in all areas including Energy Star certifications that were obtained. HCP also conducts training sessions to encourage and drive energy reduction and best practice initiatives through the third party management companies.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

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

Publication	Page/Section reference	Attach the document
In voluntary communications (complete)	HCP Website / Sustainability Section	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC4.1/Screenshot of HCP Sustainability page.docx
In voluntary communications (underway) – previous year attached	Previous Year Attached: HCP 2012 Sustainability Report based on the Global Reporting Initiative (GRI) framework. Pages: (entire document)	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC4.1/2012 HCP GRI Sustainability Report 07.29.13 final.pdf
In voluntary communications (underway) – previous year attached	Previous Year Attached: HCP 2012 Global Real Estate Sustainability Benchmark (GRESB) survey response. Pages: (entire document)	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC4.1/2012 GRESB Response (June 2013)(final).pdf
In voluntary communications (underway) – previous year attached	Previous Year Attached: HCP 2012 Dow Jones Sustainability Index Assessment response. Pages: (entire document)	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC4.1/2012 DJSI Sustainability Assessment (July 2013) (final).pdf
In other regulatory filings (complete)	Earnings Release and Supplemental Information Package filed with the SEC for the 4th quarter and year-ended 2013 (Earnings Release: 4Q2013 and Full Year 2013 Highlights Section pg. 1; Sustainability Section pg. 3. Supplemental: Sustainability Section pg. 3	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC4.1/4Q and YE 2013 Earnings Release and Supplemental.pdf
In mainstream financial reports (complete)	HCP 2013 Annual Report: Highlights Section pg. 5	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC4.1/HCP 2013 Annual Report.pdf
In mainstream financial reports (complete)	HCP 2014 Proxy Statement: 2013 Performance Section pg. ii	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC4.1/HCP 2014 Proxy Statement.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

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

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

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Product efficiency regulations and standards	Risks driven by changes related to efficiency regulations and standards include legislation mandating the enactment of new building codes governing minimum product performance and	Increased capital cost	3 to 6 years	Direct	About as likely as not	Low-medium	Higher costs to purchase improved-efficiency energy equipment. We estimate costs would increase between $400,000 and $600,000 for a new building and $350,000 and	Methods we are using to manage the risks associated with regulatory changes related to product efficiency standards include voluntarily and proactively constructing or retrofitting to	The incremental cost associated with the implementation of 239 efficiency improvement projects in 2013 was approximately $2.2 million. There is no cost ($0.00) associated with utilizing the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	national ratings similar to those used in Australian and European building ratings. Such related risks would affect HCP by exposing us to higher capital costs to purchase and install additional costly equipment that is more energy efficient.						$550,000 to retrofit an existing building. We expect such costs to increase annually, as we believe efficiency regulations will be more stringent and apply to an increased number of buildings each year. Such increased costs will have the potential to generate a substantive change in our expenditures over time if not properly mitigated.	higher-than-required standards in advance of any newly mandated building codes. This practice enables us to schedule, implement and complete upgrades in an efficient manner over an extended period of time, thus mitigating the risk of waiting to upgrade until new standards are enacted and having to complete those upgrades in the shorter period of time imposed by such newly mandated standards. For example, in 2013, we proactively implemented 239 projects to improve the efficiency of our buildings including HVAC upgrades, lighting retrofits and energy management	ENERGY STAR Portfolio Manager tool.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								systems resulting in these buildings becoming a more efficient product. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. The ENERGY STAR Portfolio Manager is a benchmarking tool that models the building based on consumption and generates an energy rating.	
Product labeling regulations and standards	Risks driven by changes related to labeling regulations and standards include governing bodies mandating certifications such as Energy Star and LEED. Such	Increased capital cost	3 to 6 years	Direct	About as likely as not	Low-medium	Increased costs to build/retrofit to more stringent building labeling standards. We estimate costs would increase between $800,000 and $1.0M for a new	Methods we are using to manage the risks associated with regulatory changes related to product labeling standards include voluntarily and proactively constructing or	The cost associated with the HVAC upgrade for the tenant improvement project was $115,000, while the cost associated with the implementation of 5

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	related risks would affect HCP by causing us to incur higher capital costs to meet the requirements of these programs.						building and $700,000 and $900,000 to retrofit an existing building. We expect such costs to increase annually, as we believe labeling regulations will be more stringent and apply to more buildings each year. Such increased costs will have the potential to generate a substantive change in our expenditures over time if not properly mitigated.	retrofitting to higher-than-required ENERGY STAR and LEED standards in advance of any newly mandated labeling standards. In 2013, we received 29 ENERGY STAR certifications in our boundary buildings, and 4 LEED certifications. This was our biggest year for LEED certifications. In 2013, as part of a large tenant improvement project for an entire floor in a building, we installed and commissioned a large HVAC system with high efficiency and building control interfaces. We installed drought resistant landcape and smart irrigiation controls at 5 buldings. Further, we utilize the ENERGY	drought resistant landcape and smart irrigiation projects in 2013 was approximately $62,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								STAR Portfolio Manager to track our buildings that already meet ENERGY STAR requirements, and we proactively schedule ENERGY STAR and LEED-specific upgrades for those buildings. This practice enables us to implement such upgrades in an efficient manner over an extended period of time, thus mitigating the risk of waiting to upgrade until new labeling standards are enacted and having to complete those upgrades by a short period of time imposed by newly mandated labeling standards. The ENERGY STAR Portfolio Manager is a benchmarking tool that models the building based on consumption and	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								generates an energy rating.	

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Changes in physical climate parameters include the risk of a higher mean (average) temperature. We have properties located throughout the country including the upper Midwest, Southwest and Southeast. Changes in climate in any of our locations affect our properties and	Increased operational cost	3 to 6 years	Direct	More likely than not	Medium	Increased costs from higher cooling and/or heating expenses. We spent $38.1M in utility expenses on our boundary properties in 2013. A 1% increase in such expenses due to a change in mean (average) temperature could cost us an additional $381,000 annually as compared to	Methods we are using to manage the risks driven by changes in physical climate parameters such as a change in mean (average) temperature include voluntarily and proactively constructing or retrofitting buildings to more efficient systems and construction standards in advance of any dramatic change in physical climate parameters. For	We estimate the costs of proactively constructing or retrofitting buildings to more efficient systems and construction standards in advance of any dramatic change in physical climate parameters as a method of risk management to be between $400,000 and $600,000 per building for new construction, and

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	our ability to operate, causing increased cooling and heating expenses and possible interruption of services.						2013. According to NOAA, the average annual temperature was in 2013 was 0.3 degrees greater than the average temperature for the 20th century. We expect this trend to continue throughout the 21st century on a global level.	example, to identify properties for potential retrofit, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. This practice enables us to implement energy upgrades in an efficient manner over an extended period of time and to begin incurring energy savings in advance of any changes in physical climate parameters. Adapting such practices now will aid in mitigating the risks of any increased costs now and in the future. The ENERGY STAR Portfolio Manager is a benchmarking tool that models the	between $350,000 and $550,000 per building to retrofit existing buildings. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								building based on consumption and generates an energy rating.	
Sea level rise	Changes in physical climate parameters include the risk of increased incidences of a rise in sea level. Such increased incidents would affect HCP by exposing us to higher operational expenses resulting from higher operational costs resulting from higher insurance costs (premiums) and uninsured repair costs (insurance deductibles) due to increased claims (e.g., from flooding).	Increased operational cost	>6 years	Direct	Unlikely	Medium	Higher insurance premiums from increased claims due to flood damage. We spent $462,000 in flood insurance premiums within our boundary in 2013. A 5% to 10% increase in such expenses due to a rise in sea level could cost us an additional $23,100 to $46,200 annually as compared to 2013. We expect physical climate parameter risks such as a rise in sea level to increase and will have the potential to generate a substantive change in our expenditures over time if not properly	Methods we are using to manage the risks driven by changes in physical climate parameters associated with a rise in sea level include negotiating competitive insurance rates through a bidding process to ensure the lowest rates. Additionally, maintaining and building upon our investment grade (BBB+ credit rating) corporate financial structure aids in decreasing our insurance rates as a result of demonstrating our financial stability.	There are no ($0.00) costs associated with negotiating competitive insurance rates through a bidding process as a method of risk management. In 2013, we spent approximately $2 million in costs related to credit ratings, although such costs are factored into and included as a part of our normal business activity.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							mitigated.		
Tropical cyclones (hurricanes and typhoons)	Changes in physical climate parameters include the risk of more frequent occurrences of tropical cyclones (hurricanes and typhoons). Such increased occurrences would affect HCP by exposing us to higher operational expenses resulting from higher insurance costs (premiums) and uninsured repair costs (insurance deductibles) due to increased claims (e.g., from wind damage).	Increased operational cost	>6 years	Direct	About as likely as not	Medium	Higher insurance premiums from increased claims due to wind damage. We spent $2.7M in wind insurance premiums on our boundary properties in 2013. A 5% to 10% increase in such expenses due to extreme winds could cost us an additional $135,000 to $270,000 annually as compared to 2013. We expect physical climate parameter risks such as tropical cyclones to increase and will have the potential to generate a substantive change in our expenditures over time if not properly mitigated.	Methods we are using to manage the risks driven by changes in physical climate parameters associated with cyclones, hurricanes and/or typhoons include (a) negotiating competitive insurance rates through a bidding process to ensure the lowest rates and (b) proactively planning for extreme weather extremes events through the development and implementation of a comprehensive business continuity plan. Our business continuity plan is a comprehensive plan which, in the event of a serious business disruption affecting the operation of our business functions is designed to (i) provide a	There are no ($0.00) costs associated with negotiating competitive insurance rates through a bidding process as a method of risk management. The cost to annually maintain our business continuity plan is approximately $20,000. In 2013, we spent approximately $2 million in costs related to credit ratings, although such costs are factored into and included as a part of our normal business activity.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								framework to ensure the continuity of the business; (ii) outline the general procedures to be taken; (ii) incorporate input received from internal business process owners whereby key processes, individuals and necessary tools and equipment are identified; and (iii) ensure the safety of our employees. Additionally, maintaining and building upon our investment grade (BBB+ credit rating) corporate financial structure aids in decreasing our insurance rates as a result of demonstrating our financial stability.	

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Reputation	Changes related to other climate-related developments include the reputational risk of not being perceived as a sustainable or green-minded company. Such a risk would affect HCP by causing a decrease in revenues, if any of our tenants chose to relocate due to our reputation being perceived as an unsustainable company.	Reduced demand for goods/services	Up to 1 year	Direct	About as likely as not	Medium	Decreased tenant revenue from negative sustainability reputation. We earned $497M in rental related revenues within our boundary in 2013. A 1% decrease from lost tenants could cost us $5M in lost revenues annually as compared to 2013. We expect other climate-related risks such as a negative sustainability reputation to increase and will have the potential to generate a substantive change in our revenues over time if we do not retain our esteemed sustainability	Methods we are using to manage the risks driven by changes in other climate-related developments such as reputation include pursuing LEED and ENERGY STAR Certifications, involving our tenants in our sustainable business strategy though the use of our annual customer satisfaction survey, publishing a GRI based sustainability reports and participating in surveys such as CDP and instituting water conservation and energy saving procedures company-wide. For example, HCP is the cumulative ENERGY STAR program leader for	The costs associated with LEED and ENERGY STAR certified properties can cost anywhere between $400,000 and $600,000 for new construction, and between $350,000 and $550,000 to retrofit an existing building, while the costs of implementing such practices as the promotion of sustainability and internal awareness of water conservation and energy savings are $0.00 as this is included in our normal business activity. The cost of our annual customer satisfaction survey is approximately

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
							reputation.	the MOB category and we are continuing to expand this program as well as the pursuit of LEED certifications. In 2013, our tenant satisfaction survey was delivered via a web based methodology to 2,534 of our tenants and we achieved an industry leading response rate of 89.1%. The survey included 27 questions related to Green Initiatives including tenant satisfaction with our commitment to sustainability, their likelihood of participating in various programs, how various initiatives would influence their rental decision and the importance of sustainability to their employees and customers.	$52,500.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
								Our water conservation and energy savings procedures communicated to our tenants include reminders for them to and the implementation of these measures and practices will appeal those tenants who prefer to do business with more sustainable companies.	
Changing consumer behaviour	Changes related to other climate-related developments include the risk of changing consumer behavior, as there are a growing number of tenants who consider sustainability as a key factor in their leasing decisions. Such a risk would affect HCP by causing a	Reduced demand for goods/services	Up to 1 year	Direct	About as likely as not	Medium	Decreased rental revenue from lost tenants that prefer more energy and cost efficient space. Tenants are increasingly requesting ENERGY STAR and/or LEED certified space. A 1% decrease from lost tenants could cost us $5M in lost revenues annually as compared to	Management methods we are using include pursuing LEED and ENERGY STAR certifications, involving tenants in our sustainable business strategy though our annual customer satisfaction survey and instituting water conservation and energy saving procedures company-wide. For example, HCP	The costs associated with LEED and ENERGY STAR certified properties can cost anywhere between $400,000 and $600,000 for new construction, and between $350,000 and $550,000 to retrofit an existing building, while the costs of implementing such practices as

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	decrease in revenues if we were unable to provide energy and cost efficient space to those tenants that prefer it.						2013. We expect other climate-related risks such as changing consumer behavior to increase and will have the potential to generate a substantive change in our revenues over time if not properly mitigated.	is the cumulative ENERGY STAR program leader for the MOB category and we are continuing to expand this program as well as the pursuit of LEED certifications. In 2013, our tenant satisfaction survey was delivered via a web based methodology to 2,534 of our tenants and we achieved an industry leading response rate of 89.1%. The survey included 27 questions related to Green Initiatives including tenant satisfaction with our commitment to sustainability, their likelihood of participating in programs, how various initiatives would influence their rental decision and the importance of	the promotion of sustainability and internal awareness of water conservation and energy savings are $0.00 as this is included in our normal business activity. The cost of our annual customer satisfaction survey is approximately $52,500.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
								sustainability to their employees and customers. We will be developing property level action plans to follow-up with tenants on specific projects. Our water conservation and energy savings procedures communicated to our tenants include a list of best practices for energy and water savings. In 2013, we implemented a tenant web portal across our MOB properties. We utilize these to distribute sustainability information as well as water and energy saving tips to our tenants. The implementation of these measures and practices will appeal those tenants who prefer to do business	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
								with more sustainable companies.	

CC5.1d

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

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

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Product efficiency regulations and standards	Opportunities driven by changes related to product (i.e., our buildings) efficiency regulations and standards include improved energy efficiency for our buildings.	Reduced operational costs	Up to 1 year	Direct	More likely than not	Medium-high	Lower costs from improved-efficiency energy equipment savings. We spent $38.1M in utility expenses within our boundary in 2013. A 1% decrease in such	Methods we are using to manage the opportunities associated with regulatory changes related to product efficiency standards include voluntarily and proactively constructing or	The incremental cost associated with: 1) the implementation of 239 efficiency improvement projects in 2013 was approximately $2.2 million; 2) the tenant HVAC improvement project was approximately

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Such an opportunity affects HCP by lowering our operating costs.						expenses could save us an additional $381,000 annually as compared to 2013. We expect savings to increase annually, as we believe opportunities related to efficiency standards will become more prevalent due to increasing tenant interest in efficiency, and will have the potential to generate a substantive change in our expenditures over time.	retrofitting to higher-than-required standards in advance of any newly mandated building codes. In 2013, we implemented 239 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting to a more efficient product and the installation of energy management systems. In addition, as part of a large tenant improvement project for an entire floor in a building, we installed and commissioned a large HVAC system with high efficiency	$115,000; and 3) the drought resistant landscaping and upgrades to “smart” irrigation controllers was approximately $62,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								and building control interfaces. We also installed drought resistant landscaping to reduce water consumption at five buildings and we installed upgrades to our irrigation controls for 5 buildings to “smart” controllers. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. This practice enables us to	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								implement upgrades sooner than any implemented regulations taking effect thus taking advantage of the opportunities realized by lower operating costs. The ENERGY STAR Portfolio Manager is a benchmarking tool that models the building based on consumption and generates an energy rating.	
Product labeling regulations and standards	Opportunities driven by changes related to product (i.e., our buildings) labeling regulations and standards	Increased demand for existing products/services	1 to 3 years	Direct	More likely than not	Medium	Lower costs from improved-efficiency energy equipment savings. We spent $38.1M in utility expenses	Methods we are using to manage the opportunities associated with regulatory changes related to product labeling	The cost associated with the implementation of the HVAC upgrade project was approximately $91,000 and the cost for the

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	include improved energy efficiency for our buildings. Such an opportunity affects HCP by lowering our operating costs.						within our boundary in 2013. A 1% decrease in such expenses could save us an additional $381,000 annually as compared to 2013. We expect savings to increase annually, as we believe opportunities related to labeling standards will become more prevalent due to increasing tenant interest in efficiency, and will have the potential to generate a substantive change in our expenditures over time.	standards include voluntarily and proactively constructing or retrofitting to higher-than-required ENERGY STAR and LEED standards in advance of any newly mandated labeling standards. In 2013, we received 29 ENERGY STAR certifications within our boundary. We also received 4 LEED certifications including a gold and a silver. 2013 was our biggest year so far for LEED certifications. In 2013, we implemented an HVAC	lighting retrofit project was approximately $26,000. The cost for the drought resistant landscaping project was $50,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								upgrade project at 1 building and a lighting retrofit project at another that resulted in ENERGY STAR certifications for both. We installed drought resistant landscaping to reduce water consumption and upgraded window and roof systems to a more efficient product to help meet the requirements of LEED certification. Further, we utilize the ENERGY STAR Portfolio Manager to track our buildings that already meet ENERGY STAR requirements,	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								and we proactively schedule ENERGY STAR and LEED-specific upgrades for those buildings. This practice enables us to implement such upgrades sooner, thus taking advantage of the opportunities of waiting to upgrade until new labeling standards are enacted and having to complete those upgrades by a short period of time imposed by newly mandated labeling standards. The Energy Star Portfolio Manager is a benchmarking tool that	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								models the building based on consumption and generates an energy rating.	

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	Adapting to changes in physical climate parameters such as an increase in the mean (average) temperature can present opportunities, such as attracting new tenants. As we install energy efficient equipment to	Increased demand for existing products/services	3 to 6 years	Direct	More likely than not	Medium-high	Increased lease revenue. Energy efficient equipment installed to alleviate utility expenses will attract green-minded new tenants. We earned $497M in rental related revenues within our boundary in 2013. A 1% increase in such	Methods we are using to manage the opportunities associated with a change in mean (average) temperature include pursuing LEED and ENERGY STAR Certifications, making our green initiatives more transparent by publishing a GRI	The cost for the 239 efficiency projects was approximately $2.2M, while the cost for the tenant project was $115,000. There is no cost ($0.00) associated with the ENERGY STAR Portfolio Manager tool. The annual cost to prepare,

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	assist in mitigating physical climate parameters, such equipment attracts new tenants who prefer to lease space that utilizes energy efficient equipment. This influx of new efficient-minded tenants could increase our revenues and affect our company significantly.						revenue could result in an additional $5.0M annually as compared to 2013. We expect such revenue to increase annually due to increasing tenant interest in energy efficiency, and will have the potential to generate a substantive change in our revenue over time.	based sustainability report and responding to surveys such as CDP and instituting water conservation and energy saving procedures company-wide as an added attraction for tenants. For example, HCP is the cumulative ENERGY STAR program leader for the MOB category and we are continuing to expand this program as well as the pursuit of LEED certifications. In 2013, we implemented 239 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting to a	assure and publish our sustainability report and various NGO surveys is approximately $285,000, while the costs of implementing best practices and internal awareness of water conservation and energy savings are $(0.00) as this is included in our normal business activity.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								more efficient product and the installation of energy management systems. Also, as part of a large tenant improvement project for an entire floor in a building, we installed a large HVAC system with high efficiency and building control interfaces. We also installed drought resistant landscaping to reduce water consumption at 5 buildings and we installed upgrades to our irrigation controls for 5 buildings to “smart” controllers. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. This recognition makes our sustainability efforts more transparent and improves our reputation in the eyes of current and potential tenants.	

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Changes related to other climate-related	Increased demand for existing	Up to 1 year	Direct	More likely than not	Medium	Increased lease revenue. Energy efficient	Methods we are using to manage the	The cost for the 239 projects was $2.2M,

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	developments include the reputational opportunity of being perceived as a sustainable or green-minded company. Such an opportunity affects HCP by causing an increase in revenues, due to the attraction of new tenants who choose to relocate to one of our properties due to our reputation as a sustainable company. Our sustainability efforts and substantial work with the ENERGY STAR program have resulted in HCP being recognized as a leader in the healthcare real estate sector. We have been recognized by NAREIT in their "Leader in the	products/services					equipment installed to alleviate utility expenses will attract green-minded new tenants. We earned $497M in rental related revenues within our boundary in 2013. A 1% increase in such revenue could result in an additional $5.0M annually as compared to 2013. We expect such revenue to increase annually due to increasing tenant interest in energy efficiency, and will have the potential to generate a substantive change in our revenue over time.	financial implication of opportunities resulting from other climate-related developments such as reputation include pursuing LEED and ENERGY STAR Certifications, making our green initiatives more transparent by publishing an annual sustainability report and responding to surveys such as CDP and instituting water conservation and energy saving procedures company-wide as an added attraction for tenants. For example, HCP is the cumulative ENERGY STAR	while the cost for the tenant project was $115,000. The cost for the drought resistant landscaping and "smart" irrigation was $62,000. There is no cost ($0) associated with the ENERGY STAR Portfolio Manager tool and the annual cost associated with our sustainability report and surveys was $285,000. There are no costs ($0) associated with the promotion of awareness of water and energy conservation, as this is included in our normal business activity.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Light Award" for six of the past seven years, and the Healthcare Leader in the Light Award in 2013. Recognition such as this improves our reputation and increases the interests of new potential tenants.							program leader for the MOB category and we are continuing the pursuit of LEED certifications. In 2013, we implemented 239 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting to a more efficient product and the installation of energy management systems. In addition, as part of a large tenant improvement project for an entire building floor, we installed a large HVAC system with high efficiency, and building control interfaces. We also installed drought	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								resistant landscaping to reduce water consumption and we installed upgrades to our irrigation controls for 5 buildings to “smart” controllers. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. This recognition makes our sustainability efforts more transparent and improves our reputation in the eyes of current and potential tenants.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	Changes related to other climate-related developments include opportunities resulting from changes in consumer behavior such as increased interest in green buildings as well as willingness to participate in environmentally friendly programs. Such opportunities affect HCP by causing an increase in revenues due to potential new tenants attracted to these sustainability initiatives.	Reduced operational costs	1 to 3 years	Direct	More likely than not	Medium	Increased revenues from lease income due to new-green minded tenants and lower operating costs as a result of communicating energy and water savings tips to our tenants. We earned $497M in rental related revenues within our boundary in 2013. A 1% increase could result in an additional $5.0M annually as compared to 2013. We expect such revenue to increase annually due to increasing tenant interest in efficiency and will have the potential to generate a substantive change in our revenue over	Methods we are using to manage the potential financial implication of opportunities associated with other climate-related developments such as changing consumer behavior include pursuing LEED and ENERGY STAR Certifications and instituting water conservation and energy saving procedures company-wide as an added attraction for tenants. For example, HCP is the Energy Star program leader for the Medical Office Building category and we are continuing	The costs associated with LEED and ENERGY STAR certified properties can cost anywhere between $400,000 and $600,000 for new construction, and between $350,000 and $550,000 to retrofit an existing building, while the costs of implementing such practices as the promotion of sustainability and internal awareness of water conservation and energy savings are $0.00 as this is included in our normal business activity.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							time.	to expand this program as well as the pursuit of LEED certifications. Our water conservation and energy savings procedures communicated to our tenants include a list of best practices for energy and water savings. For example at our Centennial campus in Nashville we distribute tenant newsletters which include energy and water savings tips such as watching for leaky faucets, efficient use of dishwashers how to take advantage of window blinds at critical times. This recognition makes our sustainability	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								efforts more transparent and improves our attractiveness in the eyes of tenants.	

CC6.1d

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sun 01 Jan 2012 - Mon 31 Dec 2012	29998	225343

CC7.2

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

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Please select the published methodologies that you use
US EPA Climate Leaders: Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment

CC7.2a

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

CC7.3

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

Gas	Reference
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
CO2	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)
Other: R404A	Other: ASHRAE Standard 34
Other: R410A	Other: ASHRAE Standard 34

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	130.81	lb CO2e per million BTU	GHG Emissions from Stationary Combustion Tool Version 4.0
Diesel/Gas oil	22.40	lb CO2e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009
Motor gasoline	19.56	lb CO2 per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009
Liquefied petroleum gas (LPG)	12.643	lb CO2e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009
Electricity		lb CO2 per MWh	*US EPA eGRID database: http://www.epa.gov/cleanenergy/energy-resources/egrid/index.html. eGRID Table is attached due to the numerous building locations reported on.

Further Information

*This attachment is supporting documentation for the Electricity Emission Factor in question CC7.4 above (see Reference section).

Attachments

https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/HCP GHG emission factors for 2013.xlsx

Page: CC8. Emissions Data - (1 Jan 2013 - 31 Dec 2013)

CC8.1

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

Operational control

CC8.2

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

29325

CC8.3

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

223136

CC8.4

Are there are 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

CC8.4a

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

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded

CC8.5

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

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 5% but less than or equal to 10%	Assumptions Extrapolation Metering/ Measurement Constraints	Gas at several facilities is allocated between property under our operational control (e.g., MOB) and property not under our control (e.g., the associated hospital) based on estimates of usage. These estimates were originally based on metering. Refrigerant data was collected for HVAC equipment for boundary buildings. Where data was not able to be reported by the third party management companies and operators, a kg per square foot factor was calculated from buildings that had data and this factor was applied to the remaining building square foot. Assumptions were made to estimate R410A refrigerant based on the majority of the buildings that had data. The refrigerant emissions were based on the leakage rate of 5% for HVAC equipment operation based upon the equipment charge level in kg using the EPA calculator. Based on the actual and estimated	More than 5% but less than or equal to 10%	Metering/ Measurement Constraints	Electricity at several facilities is allocated between property under our operational control and property not under our control based on estimates of usage. These facilities account for approximately 6% of our total energy usage, and therefore we chose “more than 5% but less than 10%”. These estimates were originally based on metering.

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
		data for both items mentioned in Scope 1, we chose “more than 5% but less than 10%”.			

CC8.6

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

Third party verification or assurance complete

CC8.6a

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

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/PwC Report - HCP 2013 Sustainability Assurance_signed053014.pdf	pg. 4	Attestation standards established by AICPA (AT101)	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/17/23217/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/PwC Report - HCP 2013 Sustainability Assurance_signed053014.pdf	pg. 4	Attestation standards established by AICPA (AT101)	100

CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment
Other: Direct and indirect energy consumption, in addition to other non-energy environmental and labor related metrics.	

CC8.9

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

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2013 - 31 Dec 2013)

CC9.1

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

No

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e

CC9.2

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

By business division
By GHG type

CC9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)
MOB	17905
Life Science	5126
Senior Housing	6294

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	28567
CH4	53
N2O	18
HFCs	687

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2013 - 31 Dec 2013)

CC10.1

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

No

CC10.1a

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

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)

CC10.2

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

By business division

CC10.2a

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

Business division	Scope 2 emissions (metric tonnes CO2e)
MOB	189359
Life Science	6276
Senior Living	27501

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Further Information

Page: CC11. Energy

CC11.1

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

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

CC11.2

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

Energy type	MWh
Fuel	141002
Electricity	407590
Heat	0

Energy type	MWh
Steam	4914
Cooling	167

CC11.3

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

Fuels	MWh
Natural gas	139179
Diesel/Gas oil	224
Motor gasoline	1599
Liquefied petroleum gas (LPG)	0

CC11.4

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

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor		

Further Information

Regarding Question CC11.2, all of our fuel energy is our scope 1 fuels that we burn, all our electricity energy usage is for our building usage, the steam energy is purchased steam for heat, and the cooling energy is purchased chilled water. We do not purchase other energy sources for heat only and that is why we have not filled out the heat energy section.

Page: CC12. Emissions Performance

CC12.1

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

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	3.3	Decrease	We implemented 452 projects in 2013 and 2012 representing an estimated 4016 and 3156 metric tonnes CO2e respectively. The percentage of CO2e reduction based upon the building group where these projects were implemented is 3.3%.
Divestment	0		
Acquisitions	0		
Mergers	0		
Change in output	0		
Change in methodology	0		
Change in boundary	0		
Change in physical operating conditions	0		
Unidentified	0		
Other	2.0	Increase	Weather normalized data on benchmarked building portfolio for 100% benchmarked buildings shows a 2% increase for KBtu over 2012. There was a 22% increase in heating degree days in

Reason	Emissions value (percentage)	Direction of change	Comment
			2013 compared to 2012.

CC12.2

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000505754	metric tonnes CO2e	unit total revenue	5.95	Decrease	The majority of the reason for the decrease in the intensity factor is the 4.4% increase in revenue, while the remainder is due to emissions reduction activities.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
1632	metric tonnes CO2e	FTE employee	4.34	Decrease	The majority of the reason for the decrease in the intensity factor is the 3.4% increase in number of FTEs, while the remainder is due to

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
					emissions reduction activities.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.012441049	metric tonnes CO2e	square foot	0.30	Decrease	The majority of the reason for the decrease is due to the 1.1% reduction in CO2e, while the remainder is due to emissions reduction activities.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

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

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, not yet calculated				
Capital goods	Relevant, not yet calculated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, not yet calculated				
Upstream transportation and distribution	Not relevant, explanation provided				We are a real estate company and do not produce goods that require transportation or distribution.
Waste generated in operations	Relevant, calculated	5000	Using the average data method, we multiplied our landfill waste (metric tonnes) by the 300kg CO2e / tonne factor as outlined in the Guidance for Calculating Scope 3 Emissions and calculated as follows: (16,668 metric tonnes) x (300 kg CO2e / tonne) / (1000 kg/ metric tonne) = 5,000 tonnes Co2e		Utilized average data method as outlined in Guidance for Calculating Scope 3 Emissions
Business travel	Relevant, not yet calculated				
Employee commuting	Relevant, calculated	460	HCP's methodology for calculating its Scope 3 emissions for employee commuting is based on an estimate of annual distance traveled by employees during their commute. HCP estimates that the average distance traveled for a commute for each employee is		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			16.5 miles (one-way), which results in a total commuting distance of 33 miles per day. In addition, HCP estimates that its employees work a total of 47 weeks per year, which assumes a five-day work week and does not include days not worked due to vacation, sick time and holidays. Based on these estimates, HCP calculates that each employee commutes a total of 7,755 miles per year (i.e., 33 miles per day x 5 days per week x 47 weeks). Consequently, to calculate the CO2e emissions based on the annual distance traveled by employees during their commute, HCP utilized the GHG Protocol Emissions from Mobile Sources Tool (World Resources Institute, 2013, GHG Protocol tool for mobile combustion, version 2.5) and inputted 7,755 miles per year and 23 miles per gallon for a passenger car (gasoline powered – Year 2005 to present) resulting in a calculation of 2.99 metric tonnes CO2e per employee (excluding biofuel CO2). Multiplying this result by the number of HCP employees (154) results in total emissions of 460 metric tonnes CO2e. This total likely overestimates HCP's Scope 3 emissions for employee commuting given that it assumes 100% of employees commute to work via passenger car, and that each employee always commutes alone to work.		
Upstream leased assets	Relevant, not yet calculated				
Downstream transportation and distribution	Not relevant, explanation provided				We are a real estate services company and do not produce goods that require transportation or distribution.
Processing of sold products	Not relevant, explanation provided				We are a real estate services company and do not produce goods that are sold.
Use of sold products	Not relevant, explanation provided				We are a real estate services company and do not produce goods that

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
					are sold.
End of life treatment of sold products	Not relevant, explanation provided				We are a real estate services company and do not produce end of life treatment products.
Downstream leased assets	Relevant, not yet calculated				We are beginning to work with tenants in our non-operationally controlled buildings to gather this data.
Franchises	Not relevant, explanation provided				We are not a franchise.
Investments	Relevant, not yet calculated				
Other (upstream)	Not relevant, explanation provided				None identified.
Other (downstream)	Not relevant, explanation provided				None identified.

CC14.2

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

No third party verification or assurance

CC14.2a

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)

CC14.3

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

Yes

CC14.3a

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

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Employee commuting	Change in output	1.34	Increase	

CC14.4

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

Yes, other partners in the value chain

CC14.4a

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

Our properties are managed by third party property management companies and operators. These groups handle the day to day operations of the facilities. We engage these partners on our GHG emissions and climate change strategies through the sharing of best practice techniques, the sharing of information on capital expenditure projects and tenant improvement projects that will result in the most energy efficient implementation, communications on utility monitoring and reporting, identification and submission emission and energy reduction project opportunities, development of strong business relationships, and providing a focus on sustainability. In addition, we conduct an annual conference with our management companies that includes breakout training sessions targeting energy and emissions reduction and preventive maintenance and best practices. We also conduct regular visits to our properties and perform property condition assessments (PCAs) with the management companies. We engage our management companies heavily in the ENERGYSTAR program and in the documentation of sustainability efforts throughout the year.

Our strategy for prioritizing engagements is based on an assessment of the needs and opportunities of the individual properties. We emphasize daily communication with the management companies as this type of engagement keeps a focus on meeting emission and energy reduction goals. It is this level of communication that can affect a shift in a management company's organization's internal policies, focus and priorities regarding sustainability and GHG emissions.

We have been successful in our engagement with these partners as they understand the importance of sustainable practices and the benefits that can be achieved on an environmental and business level. We measure our success based on the feedback we receive from the management companies on potential projects that can reduce emission and energy and their understanding of our goals. In addition to reviewing our energy reduction efforts on a building by building basis, we also monitor our success on a management company basis to ensure communications are successful.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

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

Name	Job title	Corresponding job category
Thomas M. Klaritch	EVP - Medical Office Properties	Environment/Sustainability manager

Further Information

CDP 2014 Investor CDP 2014 Information Request

Report of Independent Accountants

To the Board of Directors of HCP, Inc.

We have reviewed management's assertion, included in the accompanying "Appendix A, Management Assertion and Measurement Techniques", that the selected sustainability metrics identified below as of, and for the year ended December 31, 2013 are presented in conformity with the assessment criteria set forth in management's assertion (the "assessment criteria").

- Direct energy consumption
- Indirect energy consumption
- Direct and indirect greenhouse gas ("GHG") emissions
- Total water withdrawal
- Total weight of waste and percentage by disposal method
- Percentage of workforce by employment type
- New hire by age category and gender
- Terms by age category and gender
- Percentage of employees by age category and gender
- Percentage of ethnicity group by gender
- Ratio of salary and remuneration by category and gender

HCP, Inc. management is responsible for management's assertion and for the assessment criteria which it has identified as an objective basis against which it assesses and reports on the selected sustainability metrics. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of selected data that is free from material misstatement, whether due to fraud or error.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is designed to provide limited assurance, and as such is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion.

Greenhouse gas ("GHG") quantification is subject to inherent uncertainty because of such things as emission factors that are used in mathematical models to calculate emissions and the inability of those models, due to incomplete scientific knowledge and other factors, to precisely characterize under all circumstances the relationship between various inputs and the resultant emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques may result in materially different measurements.

Data related to waste metrics is subject to inherent limitations given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements.

Based on our review, nothing came to our attention that caused us to believe that the selected sustainability metrics referred to above are not fairly stated, in all material respects, based on the corresponding assessment criteria set forth in Appendix A.

PricewaterhouseCoopers LLP

May 30, 2014

Appendix A

Management Assertion and Measurement Techniques

HCP, Inc. ("HCP") is responsible for the completeness, accuracy and validity of the sustainability metrics contained in this assertion as of, and for the year ended December 31, 2013. Unless otherwise stated in this Appendix, our sustainability boundary for the metric presented includes HCP's corporate and operational activities across all business units. Data was collected for properties where HCP determines having operational control, in alignment with the GHG protocol and based on the building (or portion of the building) that we maintained, provided service to and/or had the authority to implement operating policies with respect to energy usage, water usage and/or waste disposal. With regard to external boundaries, unless otherwise stated we do not include data for entities outside the organization.

With respect to the sustainability metrics in the following table, Management of HCP asserts that such sustainability metrics are presented in conformity with the assessment criteria set forth below.

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity
Direct energy consumption	Total gigajoules ("GJ") and Megawatt hours ("MWh") of direct energy purchased, including natural gas, diesel, gasoline and liquid propane for year ended December 31, 2013, as either (1) third-party invoices recorded in environmental/utilities management systems or (2) based upon estimation methodology. See Estimation methodology for direct and indirect energy consumption section below for additional information.	507,606 GJ 141,002 MWh
Indirect energy consumption	Total GJ and MWh of indirect energy purchased, including electricity, steam and chilled water for the year ended December 31, 2013, as either (1) third-party invoices recorded in environmental/utilities management systems or (2) based upon estimation methodology. See Estimation methodology for direct and indirect energy consumption section below for additional information.	1,485,616 GJ 412,671 MWh
Direct and indirect greenhouse gas ("GHG") emissions	The quantity of greenhouse gas ("GHG") emissions in metric tonnes of carbon dioxide equivalent ("CO2e") for the year ended December 31, 2013, based on direct (Scope 1) and indirect (Scope 2) energy consumption. Scope 1 emissions are based on direct energy consumption multiplied by their associated emission factor as well as refrigerants emissions. Scope 2 emissions are based on indirect energy consumption multiplied by their associated emission factor. See Uncertainty, GHG Emission Factors and Estimation Methodology for Refrigerant Emissions sections below for additional information on GHG emission factors and estimates.	Scope 1 – 29,325 metric tonnes CO2e Scope 2 – 223,136 metric tonnes CO2e
Total water withdrawal	The quantity in gallons of potable water withdrawal by HCP related operations for the year ended December 31, 2013 as either (1) third-party invoices recorded in environmental/utilities management systems or (2) based upon estimation methodology. See Estimation Methodology for Water Withdrawal section below for additional information.	747,878,876 gallons

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity
Total weight of waste and percentage by disposal method	Waste disposed of in metric tonnes as well as the percentage of waste going to landfill or being recycled, for the year ended December 31, 2013, as either (1) third-party invoices recorded in environmental/utilities management systems or (2) based upon estimation methodology. See Estimation Methodology for Waste section below for additional information.	Total: 17,757 metric tonnes Percent of waste sent to landfill: 94% Percent of waste sent to recycling: 6%
Percentage of workforce by employment type	Diversity of HCP employees according to gender and employment type as recorded in ADP based on employees file as of December 31, 2013.	Total employees Number: 154 Salary: 71% Hourly: 29% Men Number: 81 Salary: 88% Hourly: 12% Women Number: 73 Salary: 53% Hourly: 47%
New hire by age category and gender	Diversity of 2013 new hires according to gender and date of birth as recorded in ADP based on employees file as of December 31, 2013.	Total new hires Below 30: 7 30-50: 14 Above 50: 4 Men new hires Below 30: 4 30-50: 6 Above 50: 2 Women new hires Below 30: 3 30-50: 8 Above 50: 2
Terms by age category and gender	Diversity of 2013 turnover, including voluntary and involuntary departures, according to gender and age as recorded in ADP based on employees file as of December 31, 2013.	Total turnover Below 30: 1 30-50: 12 Above 50: 9 Men turnover Below 30: 0 30-50: 7 Above 50: 4 Women turnover Below 30: 1 30-50: 5 Above 50: 5
Percentage of employees by age category and gender	Diversity, in percentage, of employees according to gender and age as recorded in ADP based on employees file as of December 31, 2013.	Total employees Below 30: 10% 30-50: 64% Above 50: 26% Men Below 30: 10% 30-50: 60% Above 50: 30% Women Below 30: 10% 30-50: 67% Above 50: 23%

Metric Description	Definition of Metric / Assessment Criteria	Metric Quantity
Percentage of ethnicity group by gender	Diversity, in percentage, of employees according to gender and ethnicity group as recorded in ADP based on employees file as of December 31, 2013.	Total employees White: 62% Hawaiian/Pacific Island: 1% Hispanic or Latino: 10% Black/African American: 2% Asian: 25% Men White: 71% Hawaiian/Pacific Island: 1% Hispanic or Latino: 6% Black/African American: 1% Asian: 21% Women White: 53% Hawaiian/Pacific Island: 0% Hispanic or Latino: 14% Black/African American: 3% Asian: 30%
Ratio of salary and remuneration by category and gender	Ratio of base salary and total remuneration, including base, bonus and equity, of employees according to category and gender as recorded in ADP based on employees file for the year ended December 31, 2013.	Executive Vice Presidents: Ratio of base salary men/women: 118% Ratio of total remuneration men/women: 168% Management: Ratio of base salary men/women: 121% Ratio of total remuneration men/women: 135% Non-Management: Ratio of base salary men/women: 122% Ratio of total remuneration men/women: 122%

Organizational boundary

HCP is using the operational control approach, in conformance with the GHG protocol, to report its direct and indirect energy consumption as well as its GHG emissions. HCP's complete portfolio was analyzed to determine whether HCP has operational control. As a result, 339 properties out of the 1,153 properties in HCP portfolio (assets under management) were identified as being controlled by HCP. For those properties where HCP retains operational control but only over a limited space of the property, the proportion of the consumption controlled by HCP has been reported. See estimation methodology section below for more details.

In order to promote consistency, the same boundaries have been applied to all environmental metrics.

For labor related metrics, HCP is reporting on persons employed by HCP, excluding contractors.

Uncertainty and inherent limitations of GHG emissions calculations

GHG quantification is subject to inherent uncertainty because of such things as emissions factors that are used in mathematical models to calculate emissions and the inability of those models, due to incomplete scientific knowledge and other factors, to precisely characterize under all circumstances the relationship between various inputs and the resultant emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques may result in materially different measurements.

GHG emission factors

The GHG emissions associated with the activities noted above have been determined on the basis of measured or estimated energy and fuel use, multiplied by relevant carbon emission factors. Published emission factors were used to calculate emissions from operations.

Emission Source	Emission Source Type	Emission Factor Employed
Scope 1	Natural gas	GHG emissions for natural gas are calculated using the *GHG Protocol - GHG from Stationary Combustion Tool (version 4.0, October 2010)* .
Scope 1	Diesel, gasoline, liquid propane	GHG emissions for diesel, gasoline and liquid propane are calculated using factors from *WRI Emission Factors Compilation from Cross-Sector Tools (August 2012).*
Scope 1	Refrigerants	Global warming potentials used to convert refrigerant emissions into CO_2e are from *IPCC Second Assessment Report (1995).*
Scope 2	Electricity	US EPA eGRID sub-regional emission factors are used for electricity purchased. Electricity emission factors are updated annually based on current year data. HCP used the most up-to-date sets of factors available as of December 31, 2013.
Scope 2	Steam	GHG emissions from purchased steam are calculating using the US EPA emission factors from *Energy Information Administration (2010); Voluntary Reporting of Greenhouse Gases, 1605(b) Program.*
Scope 2	Chilled water	GHG emissions for chilled water are calculated using the US EPA emission factor from *ENERGY STAR Portfolio Manager - Methodology for Greenhouse Gas Inventory and Tracking Calculations (November 2011).*

Base data for 2013

Base data utilized in the calculation of consolidated energy purchased, Scope 1 and Scope 2 GHG emissions, water withdrawal and waste disposal is obtained from third-party invoices or estimates. HCP estimates are used where measurement data is not readily available.

Estimation methodology for direct and indirect energy consumption

For the properties where HCP retains operational control over a limited amount of space and where there are no dedicated meter to obtain actual consumption, estimation of area based upon square footage controlled as a percentage of total square feet was determined based on occupancy. This estimate percentage was then used to determine HCP's portion of consumption against total property consumption.

For properties where there is a vehicle fleet but no fuel tracking system in place, diesel and gasoline consumption was estimated based on the type of vehicle and the annual mileage. Averages of 20 miles/gallons for cars and 10 miles/gallons for buses and trucks were used.

Approximately less than 5% of the direct energy consumption and approximately less than 5% of indirect energy consumption have been estimated by HCP for the year ended December 31, 2013.

Estimation methodology for refrigerant emissions

For the properties where HVAC units are controlled by HCP, emissions were estimated based on each unit capacity of refrigerant and a common percentage of loss. The percentage of loss used by HCP is 5%, as per US EPA guidance, consistent with *IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas inventories*.

Estimation methodology for water withdrawal

For the properties where HCP retains operational control over a limited amount of space and where there are no dedicated meters to obtain actual consumption, estimation of area based upon square footage controlled as a percentage of total square feet was determined based on occupancy. This estimate percentage was then used to determine HCP's portion of consumption against total property consumption.

Approximately less than 1% of the water withdrawal has been estimated by HCP for the calendar year 2013.

Estimation methodology for waste

For the properties where no actual or estimated weight is provided by the waste management company, HCP has estimated the weight of waste disposed of based on the following:

- For containers/bins: The (1) number of containers/bins, (2) size of the container/bin (in yards), (3) number of pick-ups per week and (4) an average weight per yard for trash and for recycled. For almost all properties, the number of containers/bins, size (in yards) of the container/bin and number of pick-ups per week were provided by the waste management company, provided on waste invoices or provided on service contracts.
- For compactors: The (1) number of compactors, (2) size of compactors (in yards), (3) the number of pick-ups per week, (4) a 3:1 compaction ratio and (5) an average weight per yard for trash and for recycled.
- For totes: The (1) number of totes, (2) size of the tote in US gallons (dry) converted to cubic yards, (3) number of pick-ups per week and (4) an average weight per yard for trash and for recycled.

In addition, in the case where there is no means to estimate waste through waste management companies or environmental waste management consultants in collaboration with the property manager, lb/square foot factors for trash and recycled is used to estimate the annual average usage.

HCP recognizes that the level of estimation uncertainty for the waste metric is higher than for the other environmental metrics, primarily because of the estimation methodology that is based on an average weight per yard that does not take into account the actual density of the waste, as well as the measurement technique that assumes waste containers are fully loaded for each pick up.

Data related to waste metrics is subject to inherent limitations given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements.

Approximately 75% of the waste disposal reported by HCP for the calendar year 2013 included the use of the weight estimation methodology described above.