Module: Introduction

Page: Introduction

CC0.1

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

HCP, Inc. ("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 Maryland corporation organized in 1985 and qualify as a self-administered real estate investment trust (REIT). We are headquartered in Irvine, California, and as of December 31, 2014, had offices in Nashville, Tennessee, Los Angeles, California, and San Francisco, California. Our diverse portfolio is comprised of investments in the following healthcare segments: (i) senior housing, (ii) post-acute/skilled nursing, (iii) life science, (iv) medical office and (v) hospital. We invest and manage our real estate portfolio for the long-term to maximize the benefit to our shareholders and support the growth of our dividends.
For more information regarding HCP, please visit our website at www.hcpi.com.

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Wed 01 Jan 2014 - Wed 31 Dec 2014

CC0.3

Country list configuration

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

Select country
United States of America

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 sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.
If you are in these sector groupings (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?

Senior Manager/Officer

CC1.1a

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

(i) Executive Vice President – Medical Office Properties, and Chair of the Sustainability Committee
(ii) Specific responsibility for climate change within the Company resides with Thomas M. Klaritch, Executive Vice President – Medical Office Properties, and Chair of our Sustainability Committee. Mr. Klaritch reports directly to our President and Chief Executive Officer, Lauralee E. Martin, who is also a member of our Board of Directors ("Board").
Mr. Klaritch is the Executive Vice President responsible for the Company's medical office segment. As the Sustainability Committee Chair, Mr. Klaritch is responsible for the Company's sustainability efforts including, among other things, increasing performance and efficiency across our properties, tracking energy, water, waste, and greenhouse gas (GHG) data, and publishing the Company's annual Sustainability Report aligned with the Global Reporting Initiative (GRI) framework. He is also responsible for implementing sustainable best practices and transparency initiatives, including the Company's responses to the CDP Climate Change Information Request (CDP), the Dow Jones Sustainability Index Assessment (DJSI), and the Global Real Estate Sustainability Benchmark Survey (GRESB).
Mr. Klaritch meets quarterly with the Sustainability Committee regarding sustainability goals and the performance metrics associated with the Company's

sustainability initiatives, and this information is utilized to formulate our overall climate change strategy. Additionally, Mr. Klaritch serves on the sustainability committee of the National Association of Real Estate Investment Trusts (NAREIT), giving HCP added insight into current sustainability issues and initiatives relative to the healthcare real estate sector.

CC1.2

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

Yes

CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Corporate executive team	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	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	Emissions reduction target Energy reduction target	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 awards of restricted stock units that are subject to both performance-based and time-based vesting requirements. Elements of our compensation program such

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			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, to evaluate performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2015 were based in part on an assessment of performance during 2014. 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, GRESB) are considered when calculating our incentive awards. Additionally, our 2014 sustainability goals for certain executive officers included factors such as meeting a 1-2% emission or energy reduction target as consideration when calculating our incentive awards.
Executive officer	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	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.
Management group	Monetary reward	Emissions reduction target Energy reduction target	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 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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			retrospectively for both annual and long-term incentives after the end of the year, to evaluate performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2015 were based in part on an assessment of performance during 2014. 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, GRESB) are considered when calculating our incentive awards.
Management group	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	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	Emissions reduction target Energy reduction target	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 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, to evaluate performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2015 were based in part on an assessment of performance during 2014. 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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB) are considered when calculating our incentive awards.
Business unit managers	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	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	Board or individual/sub-set of the Board or committee appointed by the Board	As of December 31, 2014, we had 1,196 properties spanning across the country; therefore all U.S. geographical areas are considered within the continental U.S.	> 6 years	

CC2.1b

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

Company Level. Risk and opportunity ("R/O") identification processes are applied at the company level by our business segment leaders, including our senior executives, through input received from our Board, as well as through feedback received from our stakeholders. R/Os are also assessed monthly by executive management and reviewed by the Board quarterly (such as regulatory and reputational R/Os, for example). This assessment includes a discussion of potential R/Os, and the 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 reviewed and 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. Our R/O identification processes are applied at the asset (or property) level by our profit and loss leaders, and other internal groups such as Risk Management and Capital Asset Management. For example, these groups 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 put into place locally for our affected properties. Our Capital Asset Management group is frequently in contact with our property managers regarding any issues affecting the local market. Monthly reports are submitted and reviewed regarding the operations at each property, along with any developing R/Os that could affect the property. In addition, our annual budget process includes an assessment identifying strengths, weaknesses and threats applied the asset level.

CC2.1c

How do you prioritize the risks and opportunities identified?

Our semi-annual Enterprise Risk Assessment survey is utilized to prioritize risks and opportunities ("R/Os"). The survey provides critical information regarding opportunities and key business risks which could impact our ability to achieve our primary business objectives, including our sustainability initiatives. As part of our R/O identification 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, and assesses potential opportunities as well. For each of the R/Os identified, the impact, likelihood, and directional trend is assessed. The risks are then assessed based on residual risk, which is the remaining risk after

consideration of mitigating controls currently in place. After survey the information is evaluated, a facilitated session is held to discuss the survey results as well as mitigating activities and the controls in place within the Company. Finally, a summary of the survey results is presented to the Board of Directors for strategic prioritization.
Additionally, in 2014, our Sustainability Committee completed a Strategic Sustainability Survey aimed at identifying and prioritizing key areas of focus with respect to sustainability. The core aspects of the Survey were assessed based on our ability to deliver strategy and create long-term value for our stakeholders. In our process of prioritization, we also factored in our level of control over each individual aspect. The results from this Survey were integrated into our reporting strategy for this year.

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. How the business strategy has been influenced. Our business strategy has been increasingly focused on engaging stakeholders in implementing sustainability practices including those related to climate change. Our internal processes regarding the collection and reporting of sustainability data have directly influenced our strategy. Such data includes information a) from our annual tenant satisfaction survey; b) from investors who incorporate climate change aspects into their investment decisions; and c) from internal research regarding how sustainability may generate cost savings and other strategic opportunities including potential increases to returns on investment. Amending our annual tenant satisfaction survey to include questions regarding our green initiatives is a prime example of a process that has influenced our business strategy. Additionally, the collected stakeholder data and research is reported to each of our business segments in order

to target, develop and implement energy reduction strategies, resulting in the outcomes of the identification of climate change risks and opportunities. We then utilize such process outcomes to make any necessary strategy adjustments.
ii. Climate change aspects that have influenced the strategy. Approximately 88% of our carbon footprint is related to electricity usage; therefore, energy management is a primary cost reduction and climate change driver for us. Additionally, approximately 10% of our operating costs at the property level (within our boundary) are electricity expenses, and a significant portion of our GHG emissions are attributable to purchased electricity. Each of these climate change aspects has influenced our business strategy, requiring adaptation. As such, reducing energy usage (and consequently carbon emissions) while ensuring that the quality of our facilities support our tenants' operations, are fundamental strategy components in both the short- and long-term to maximize efficient operating performance and profitability. Furthermore, reduced energy usage aids in mitigating the impacts of projected electricity cost increases. An additional climate change aspect that has influenced our strategy is the potential for efficiency-related regulatory changes, and the need to prepare for such changes in advance of regulatory enactment.
iii. Important components of short-term strategy influenced by climate change. The most important components of our short-term (over the next three years) strategy that have been influenced by climate change include the continued development and implementation of best practices, such as participation in sustainability reporting initiatives, and to improve energy efficiency across our properties. 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 address issues and implement information-based actions, which directly results in the influence to, and subsequent adjustment of, our short-term strategy. Further, 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 but not limited to the implementation of alternative energy (solar) projects, for example.
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 (4+ years) strategy that have been influenced by climate change. Such components have led to increased focus on best operating practices, expanded training of personnel, the development of long-term energy reduction goals, and the monitoring and reporting of results, each of which has directly resulted in the influence to, and subsequent adjustment of, our long-term strategy. Furthermore, these long-term initiatives will be enhanced by the development of detailed and systematic processes to invest in more energy efficient technologies.
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. Examples of such advantages include obtaining new tenants seeking energy efficient facilities, and new investors who prefer to invest in companies that address climate change.
vi. Substantial business decisions during the reporting year influenced by climate change driven aspects of the strategy. There are many substantial business decisions that are influenced by our climate change strategy including a) voluntarily adhering to third party green building standards; b) installation of energy efficient equipment throughout our portfolio; and c) implementation of internal awareness practices such as energy and water saving procedures and waste reduction. A specific example of a substantial business decision influenced by climate change driven aspects of our strategy includes the implementation of our first solar panel project in 2014. The decision to implement the solar project was directly influenced by the climate change aspect of the increasing need to utilize alternative forms of energy.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

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

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

CC2.3

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

Trade associations

CC2.3a

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

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution

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, NAREIT and REITPAC are involved with 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.	HCP supports the position of NAREIT and REITPAC to encourage Congressional leaders to enact comprehensive legislation that benefits the healthcare real estate industry and encourages greater energy efficiency. HCP is an active member of NAREIT and we participate in their conferences and forums throughout the year. Our President and CEO serves on the Board of Governors of NAREIT, and Our Sustainability Committee Chair serves on NAREIT's sustainability committee. Additionally, in 2014, HCP supported NAREIT's legislative agenda by organizing a voluntary executive fundraising effort for REITPAC that contributed over $15,000.

CC2.3d

Do you publicly 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, and Corporate Governance Guidelines, each of which provide safeguards against practices that are inconsistent with the Company's objectives. These policies are reviewed annually and updated accordingly to ensure that our activities that influence policy are consistent with our overall climate change strategy. 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

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

No opinion

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

As previously discussed in our CDP Response, we have a Sustainability Committee that is responsible for the development, execution and review of our sustainability initiatives and practices, including reviewing market trends, risks and opportunities, and policy implementation. Accordingly, in the event that the agreement is adopted at the 2015 United Nations Climate Change Conference in Paris, our Sustainability Committee, in the regular course of its practice, will review and evaluate the agreement to determine its applicability and report to the Board as appropriate.

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%	1%	2013	288053	2014	The total emissions calculated for Scope 1 and 2 in 2013 were 252,461 (t Co2e), which covered the 339 properties in our boundary. The 2013 total emissions amount was adjusted but not re-assured in 2014, to reflect a rolling base year according to our methodology, as well as acquisitions and dispositions affecting our boundary. Our absolute reduction target for 2014 using our 2013 base year was 1-2%. We achieved a reduction of 0.2%. Emissions not included in the scope are refrigerant from sources other than HVAC, and fuel from non-company owned vehicles used in the course of work.

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%	1%	metric tonnes CO2e per square foot	2013	0.008485	2014	We implemented an intensity target for 2014 based on metric tonnes per square foot which we feel is a relevant measurement for real estate properties. Our 2014 intensity reduction target using our 2013 rolling base year was 1-2%. We incurred a slight increase of 0.1%, due to a minor difference in our boundary square footage in 2013 as compared to 2014.

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	1			Our intensity measurement for Scope 1+2 is based on an equivalent denominator, so we anticipate that the intensity target and absolute target would increase or decrease in the same direction as the percentage change, but not necessarily equate to the percentage change. Our 2014 absolute emissions reduction was 0.2%, which resulted in a minor increase in intensity due to the slight change in the equivalent denominator. Our assumptions were that the CO2e emissions in 2014 would decrease from the 2013 rolling base year by 1%, which was estimated to be 2,880 metric tonnes CO2e.

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%	20%	We achieved a 0.2% reduction in our 2014 absolute emissions reduction against a target of 1-2% for our defined boundary buildings for 2014.
Int1	100%	0%	We incurred a slight increase in our 2014 emissions intensity against our 2014 target of 1-2% for buildings within our boundary. While the numerator (CO2e) decreased by 0.2%, the denominator (square footage of buildings within our boundary) also decreased by 0.35%, thus causing a net effect 0.14% increase of the intensity factor.

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 emissions are avoided by third parties. We implement emission reduction projects, equipment and initiatives (i.e., goods/services) in our buildings that directly enable GHG emissions to be avoided by the third party entities that occupy the building– our tenants and operators. By reducing emissions in our buildings, our partners living and/or working there may also reap the benefits of avoiding emissions, as well as lower energy costs. Below are a few examples of how our services and equipment implementations directly enabled emissions to be avoided by our third party entities:
a) We provide utility database monitors to our operators to monitor utility usage for electric, gas, and water, so that they may quickly identify usage anomalies and engage in corrective actions.
b) We implement HVAC projects to replace older, less efficient HVAC equipment (such as split system units) with higher efficiency systems. These systems are typically 40% more efficient than the older equipment and utilize the refrigerant R-410A, a more environmentally friendly refrigerant than R-22.
c) We install ultra-high efficient chillers, including those that operate on magnetic bearings which not only eliminate the need for oil, but are extremely efficient.
d) We upgrade current Energy Management Systems (EMS) to improve building energy performance and to provide detailed control and monitoring of HVAC equipment for maximum optimization.
ii. We estimate the amount of emissions that were avoided due to the emission reduction projects, equipment and initiatives we implemented in 2014 to be 5658 metric tonnes of CO2e. Set forth below are a few specific examples of our emissions avoiding activities and estimates of the amount of emissions that were avoided during this one year period: 1) 28 lighting motion and occupancy sensors reduced the annual CO2e by 422 metric tonnes, 2) installed and upgraded 22 energy management systems increasing our control of energy usage enabling us to reduce CO2e by 1771 metric tonnes, 3) completed 123 HVAC projects reducing our CO2e by 1078 metric tonnes,and 4) implemented 69 lighting retrofit projects that reduced our CO2e by 875 metric tonnes.
iii. Methodology, assumptions, emissions factors, and GWPs used for estimations.
a) Methodology used: 1) vendor/contractor data 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; and 6) all estimated Kwh savings were calculated using the GHG Protocol tools to estimate the C02e emissions.
b) Assumptions used if actual vendor data was not available: 1) estimated average electric rate of $0.10 per kWh; 2) estimated average natural gas rate of $0.69 per therm; 3) estimated payback for EMS system = 5 years; and 4) estimated payback of VFD = 2 years.
c) Emission factors used: Various GHG Protocol Tools were used to obtain emission factors: 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 this report due to numerous building locations reported on).
d) GWPs used are those reflected in our response to question 7.3 in this CDP Information Request.
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/or implementation phases)

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	87	
To be implemented*	87	2173
Implementation commenced*	18	555
Implemented*	303	5658
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)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	28 lighting motion and occupancy sensor projects. 754 sensors/timers were installed. This is a voluntary Scope 2 project, with a life of 10 years.	422	Scope 2	Voluntary	66314	104703	1-3 years	6-10 years	
Energy efficiency: Building services	18 evening lighting setback projects were implemented to reduce CO2e and energy. This is a voluntary Scope 2 project, with a life of 15 years.	859	Scope 2	Voluntary	122292	6170	<1 year	11-15 years	
Energy efficiency: Building services	2 heating water reset projects were implemented to reduce CO2e and energy. This is a voluntary Scope 2 project with a life of 15 years.	31	Scope 2	Voluntary	3550	14351	4-10 years	11-15 years	
Energy efficiency: Building services	11 programmable thermostat projects were implemented to reduce CO2e and energy. 260 thermostats were installed. This is a voluntary Scope 1 +2 project with a life of 15 years.	63	Scope 1 Scope 2	Voluntary	20171	63472	1-3 years	11-15 years	
Energy efficiency: Building services	22 Energy Management System projects were implemented. This is a voluntary Scope 2 project with a life of 15 years.	1771	Scope 2	Voluntary	309489	1244739	4-10 years	11-15 years	
Energy efficiency: Building services	69 Lighting retrofit projects were implemented. This is a voluntary Scope 2 project with a life of 10 years.	875	Scope 2	Voluntary	174391	806535	4-10 years	6-10 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	5 variable frequency drive projects were implemented. This is a voluntary Scope 2 project with a life of 10 years.	369	Scope 2	Voluntary	121701	341117	1-3 years	6-10 years	
Energy efficiency: Building services	104 small Heating Ventilation and Air Conditioning (HVAC) equipment replacement projects (< 10 ton) were implemented. 178 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.	546	Scope 2	Voluntary	91175	169424	1-3 years	11-15 years	
Energy efficiency: Building services	19 large Heating Ventilation and Air Conditioning (HVAC) equipment replacement projects (>= 10 ton) were implemented. 21 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.	532	Scope 2	Voluntary	103021	344056	1-3 years	16-20 years	
Energy efficiency: Building services	14 boiler replacement projects implemented. 23 boilers replaced. This is a voluntary Scope 1 project with a life of 20 years. Note: Investment required is the premium cost for a high efficiency replacement, over a standard efficiency unit.	169	Scope 1	Voluntary	24383	75313	4-10 years	16-20 years	
Energy efficiency:	12 white and/or reflective surface roof projects. There is no premium cost for a	21	Scope 2	Voluntary	8903	0	<1 year	16-20 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Building fabric	white/reflective roof so the investment for energy savings is zero. This is a voluntary Scope 2 project, with a life of 20 years.								

CC3.3c

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

Method	Comment
Dedicated budget for energy efficiency	Our dedicated energy efficiency ("green") budget identifies projects with energy savings opportunities and identifies green initiatives in the capital expenditure annual budget. Based upon the input from our Capital Asset Management team and our third party management companies, projects are identified that are capable of reducing emissions and are added to the green budget. We also employ internal best practices to identify potential efficiency savings that may be incurred at our properties, and assess a comprehensive range of projects and practices that can reduce emissions and water consumption, all of which aid in driving investments in our emissions reduction activities.
Financial optimization calculations	Payback in number of years and Return on Investment (ROI) are key components to any energy saving/emission reduction project and aid in driving investments in our emissions reduction activities.
Internal incentives/recognition programs	Each year, we host an annual conference 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. Achievements are highlighted and recognition awarded for emission reduction activities such as ENERGY STAR certifications, which drives investments in our future emission reduction activities. The feedback received and information at the recognition programs held at our annual conference drive energy reduction and best practice initiatives through our 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	Status	Page/Section reference	Attach the document
In mainstream financial reports in accordance with the CDSB Framework	Complete	PDF pg. 23 / Sustainability; PDF pg. 181/Sustainability Report	
In mainstream financial reports but have not used the CDSB Framework	Complete	pg. 3 / Sustainability	https://www.cdp.net/sites/2015/17/23217/Climate Change 2015/Shared Documents/Attachments/CC4.1/HCP 2014 and 4Q Supplemental Report.pdf
In mainstream financial reports but have not used the CDSB Framework	Complete	PDF pg. 10 / 2014 Sustainability Leadership	https://www.cdp.net/sites/2015/17/23217/Climate Change 2015/Shared Documents/Attachments/CC4.1/HCP 2015 Proxy Statement (FINAL).pdf
In voluntary communications	Underway - previous year attached	All / All	https://www.cdp.net/sites/2015/17/23217/Climate Change 2015/Shared Documents/Attachments/CC4.1/GRESB Response (07.11.14) FINAL.pdf
In voluntary communications	Complete	All / Sustainability Webpages	https://www.cdp.net/sites/2015/17/23217/Climate Change 2015/Shared Documents/Attachments/CC4.1/Sustainability Webpage screenshot.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

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

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

CC5.1a

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Product efficiency regulations and standards	Risks driven by changes related to efficiency regulations and standards include additional legislation mandating the enactment of new building codes governing minimum product	Increased capital cost	3 to 6 years	Direct	About as likely as not	Low-medium	The estimated financial implications include higher costs to purchase improved-efficiency energy equipment. We estimate the costs to purchase and install such additional	Methods we are using to manage these risks include voluntarily and proactively constructing or retrofitting to higher-than-required regulatory standards in advance of any newly mandated	The costs associated with the implementation of 303 efficiency improvement projects in 2014 was approximately $3.3 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
	performance and the institution of national ratings similar to those used in Australian and European building rating systems. Such risks could affect HCP by exposing us to higher capital costs to purchase and install additional improved-efficiency equipment, in order to comply with such new codes and rating parameters.						equipment could increase incrementally between $400,000 and $600,000 for a new building and $350,000 and $550,000 to retrofit an existing building. We believe these costs could increase annually, as we believe efficiency regulations will be more stringent and apply to an increased number of buildings each year. Such increased costs could have the potential to generate a substantive change in our capital expenditures over time if not properly mitigated.	legislation and/or building codes. This practice enables us to schedule, implement and complete upgrades in an efficient manner over an extended period of time (in lieu of waiting to upgrade until new standards are enacted), and aids in mitigating the risk of being required to complete those upgrades in the shorter period of time imposed by such newly mandated efficiency standards. For example, in 2014, we proactively and voluntarily implemented 303 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 efficiency upgrades for those buildings. The ENERGY STAR Portfolio Manager is a benchmarking tool that tracks energy consumption and generates an energy rating for each building.	
Product labelling regulations and standards	Risks driven by changes related to labeling regulations and standards include governing bodies mandating certifications (i.e., labels) such as	Increased capital cost	3 to 6 years	Direct	About as likely as not	Low-medium	The estimated financial implications include higher costs to build/retrofit to more stringent building labeling standards. We	Methods we are using to manage these risks include voluntarily and proactively constructing or retrofitting to higher-than-required ENERGY	The cost associated with the implementation of 70 drought resistant landscape projects and 1 "smart" control irrigation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	ENERGY STAR and LEED. Such risks could affect HCP by exposing us to higher capital costs to meet the requirements of these programs.						estimate such costs could increase incrementally between $800,000 and $1.0 million for a new building and $700,000 and $900,000 to retrofit an existing building. We believe these costs could increase annually, as we believe labeling regulations will become more stringent and apply to more buildings each year. Such increased costs could have the potential to generate a substantive change in our capital expenditures over time if not properly mitigated.	STAR and LEED (labeling) standards in advance of any newly required labeling standards. This practice enables us to implement upgrades in an efficient manner over an extended period of time (in lieu of waiting to upgrade until new labeling standards are required), and aids in mitigating the risk of being required to complete those upgrades in the shorter period of time imposed by such new labeling standards. For example, in 2014, we proactively and voluntarily installed drought resistant landscaping to reduce water consumption at 70 buildings, and upgraded the irrigation controls to “smart” controls for	project in 2014 was approximately $67,000. 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
								1 of our buildings. Further, we utilize the ENERGY 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. The ENERGY STAR Portfolio Manager is a benchmarking tool that tracks energy consumption and generates an energy rating for each building.	

CC5.1b

Please describe your inherent 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	Risks driven by changes in physical climate parameters include the risk of a higher mean (average) temperature. We have properties located throughout the U.S. including the upper Midwest, Southwest and Southeast. Changes in climate in any of our locations affect our properties and our ability to operate, causing increased cooling and heating expenses and possible interruption of services.	Increased operational cost	3 to 6 years	Direct	More likely than not	Medium	The estimated financial implications include increased costs from higher cooling and/or heating expenses due to changes in mean (average) temperature. We spent $44.9 million in utility expenses on our boundary properties in 2014. A 1% increase in such expenses due to a change in mean (average) temperature could cost us an additional $449,000 annually as compared to 2014. According to NOAA, the average annual temperature in 2014 was 0.5 degrees greater than the average temperature for the 20th century. We believe this trend could	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 example, in 2014, we proactively and voluntarily implemented 303 projects to improve the efficiency of our buildings including HVAC upgrades, lighting retrofits and energy management systems resulting in these buildings becoming a more efficient product. Additionally, to identify properties	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 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
							continue throughout the 21st century on a global level. Such average annual temperature increases could increase our utility costs by an estimated $220,000 to $400,000.	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 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.	
Sea level rise	Risks driven by 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	The estimated financial implications include higher insurance premiums from increased claims due to flood damage. We spent $333,000 in flood insurance premiums in 2014. A 5% to 10% increase in such expenses due to a rise in sea level could cost us an additional $16,650 to $33,000 annually as compared to 2014. We believe physical climate parameter risks such as a rise in sea level could increase and could have the potential to generate a substantive change in our expenditures	Methods we are using to manage the risks driven by changes in physical climate parameters associated with a rise in sea level include negotiating attaining 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 2014, we spent approximately $2.2 million in costs related to credit ratings, although such costs are factored into and included as a part of our regular business activity.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							over time if not properly 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	The estimated financial implications include higher insurance premiums from increased claims due to wind damage. We spent $2.7 million in wind insurance premiums in 2014. A 5% to 10% increase in such expenses due to extreme winds could cost us an additional $135,000-$270,000 annually as compared to 2014. We believe physical climate parameter risks such as tropical cyclones could increase and could have the potential to generate a substantive change in our	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	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 2014 we spent approximately $2.2 million in costs related to credit ratings, although such costs are factored into and included as a part of our regular business activity.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							expenditures over time if not properly mitigated.	is designed to (i) provide a 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 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 inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated 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 demand for our buildings, resulting in 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	The estimated financial implications from reduced demand for buildings resulting in decreased tenant revenue from a perceived negative sustainability reputation could be significant. We earned $727.8 million in rental related revenues within our boundary in 2014. A 1% decrease from lost tenants could cost us $7.3M in lost revenues annually as compared to 2014. We believe other climate-related risks such as a perceived negative sustainability reputation could increase and	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 tenant satisfaction survey and the promotion of water conservation and energy saving procedures. For example, HCP is the cumulative ENERGY STAR program leader for the medical office building category and we are continuing to pursue ENERGY STAR certifications as well as LEED	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 there are no costs ($0.00) associated with the promotion of sustainability and internal awareness of water conservation and energy savings to our tenants. The cost of our annual tenant 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
							could have the potential to generate a substantive change in our revenues over time if we do not retain our esteemed sustainability reputation.	certifications. In 2014, 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. Our water conservation and energy savings procedures communicated to our tenants include reminders for them	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								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 and leasing renewal decisions. Such a risk would affect HCP by causing a decrease in demand for our buildings, resulting in a decrease in revenues, if we	Reduced demand for goods/services	Up to 1 year	Direct	About as likely as not	Medium	The estimated financial implications from reduced demand for our buildings resulting in decreased rental revenue from lost tenants and potential tenants that prefer more energy efficient space could be significant. Tenants are increasingly requesting ENERGY STAR and/or LEED certified space. A 1% decrease from lost tenants could cost us $7.3 million in lost revenues annually as	Methods we are using to manage the risks driven by changes in other climate-related developments such as changes in consumer behavior include pursuing LEED and ENERGY STAR certifications, involving tenants in our sustainable business strategy though our annual tenant satisfaction survey and the promotion of water conservation and energy saving procedures. For example, HCP is the cumulative ENERGY STAR	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 there are no costs ($0.00) associated with the promotion of sustainability and internal awareness of water conservation and energy savings to

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	were unable to provide energy efficient space to those tenants and potential tenants that prefer it.						compared to 2014. We believe other climate-related risks such as changing consumer behavior could increase and could have the potential to generate a substantive change in our revenues over time if not properly mitigated.	program leader for the MOB category and we are continuing to pursue ENERGY STAR as well as the LEED certifications. In 2014, 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 sustainability to their employees and customers.	our tenants. The cost of our annual tenant 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
								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.	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent 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 inherent 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 inherent 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 inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

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

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management

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 legislation requiring improved energy efficiency standards for our buildings. Such an opportunity could affect HCP by reducing our operational costs as a result of savings incurred from the energy efficient measures we implement to comply with such standards.	Reduced operational costs	Up to 1 year	Direct	More likely than not	Medium-high	The estimated financial implications include reduced operational costs resulting from improved-efficiency energy equipment savings. In 2014, we spent $44.9M in utility expenses within our boundary. A 1% decrease in such expenses could save us an additional $449,000 annually as compared to 2014. We believe such savings could increase annually, as we believe opportunities related to efficiency standards could become more prevalent due to	Methods we are using to manage the opportunities associated with regulatory changes related to product efficiency standards include voluntarily and proactively constructing or retrofitting to higher-than-required standards in advance of any newly mandated building codes. In 2014, we implemented 303 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, "smart"	The incremental cost associated with: 1) the implementation of 303 efficiency improvement projects in 2014 was approximately $3.3 million; 2) the implementation of "smart" building technology for 5 buildings in 2014 was approximately $192,000; and 3) the implementation of drought resistant landscaping and upgrades to “smart” irrigation controllers in 2014 was approximately $67,000. 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
							increasing tenant interest in efficiency, and will have the potential to generate a substantive change in our costs over time.	building technology was implemented for 5 buildings utilizing real time utility monitoring to enhance energy reduction opportunities. We also installed drought resistant landscaping to reduce water consumption at 70 buildings and we installed upgrades to our irrigation controls for 1 building 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	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								upgrades for those buildings. This practice enables us to 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 labelling regulations and standards	Opportunities driven by changes related to product (i.e., our buildings) labeling regulations and standards include	Reduced operational costs	1 to 3 years	Direct	More likely than not	Medium	The estimated financial implications include reduced operational costs resulting from savings derived from	Methods we are using to manage the opportunities associated with regulatory changes related to product labeling standards	The incremental cost associated with the implementation of drought resistant landscaping and upgrades to “smart” irrigation controllers in

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	governing bodies mandating certifications (i.e., labels) such as ENERGY STAR and LEED. Such an opportunity could affect HCP by reducing our operating costs as a result of savings incurred from the energy efficient measures we implement to comply with such labeling standards.						the improved-efficiency energy equipment installed as required by labeling regulations. In 2014, we spent $44.9M in utility expenses within our boundary. A 1% decrease in such expenses could save us an additional $449,000 annually as compared to 2014. We believe such savings could increase annually, as we believe opportunities related to efficiency labeling standards could become more prevalent due to increasing tenant interest in efficiency,	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 2014 for example, we installed drought resistant landscaping to reduce water consumption at 70 buildings and made upgrades to our irrigation controls for 1 building to "smart" controllers to help meet the requirements of LEED certification although it was not required. Further, we utilize the ENERGY STAR	2014 was approximately $67,000. 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 will have the potential to generate a substantive change in our costs over time.	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 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	

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

CC6.1b

Please describe the inherent 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 assist in mitigating physical climate parameters, such	Premium price opportunities	3 to 6 years	Direct	More likely than not	Medium-high	The estimated financial implications include increased lease revenue derived from the premium price opportunity. Energy efficient equipment installed to alleviate utility expenses will attract green-minded new tenants that are willing to pay a premium for efficient space.	Methods we are using to manage the opportunities associated with a change in mean (average) temperature include making our green initiatives more transparent by publishing an annual Sustainability Report and responding to surveys such as CDP, DJSI, and GRESB to attract green-minded	The annual cost to prepare, assure and publish our annual Sustainability Report and to respond to various sustainability surveys is approximately $350,000. Additionally, the incremental costs associated with the implementation of 303 efficiency projects in 2014 was approximately $3.3 million; and the implementation

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	equipment attracts new tenants who prefer to lease space that utilizes energy efficient equipment and are willing to pay a premium for it. This influx of new efficient-minded tenants could increase our revenues and affect our company significantly.						We earned $727.8 million in rental related revenues within our boundary in 2014. A 1% increase in such revenue could result in an additional $7.3M annually as compared to 2014. We believe such revenue resulting in premium price opportunities could increase annually due to increasing tenant interest in energy efficiency, and could have the potential to generate a substantive change in our revenue over time.	tenants interested in leasing space from sustainable companies. We also implement energy efficient measures as an added attraction for tenants. For example, we implemented 303 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. We also implemented "smart" building technology for 5 buildings in 2014.	of "smart" building technology for 5 buildings in 2014 was approximately $192,000.

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Changes related to other climate-related developments include the reputational opportunity of being perceived as a sustainable or green-minded company. Such an opportunity affects HCP by potentially increasing the demand for our properties, which could increase our rental related 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 reporting efforts have resulted in HCP being	Increased demand for existing products/services	1 to 3 years	Direct	More likely than not	Medium	The estimated financial implications include increased lease revenue derived from the increased demand for our space due to the attraction of new tenants who choose to relocate to one of our properties due to our reputation as a sustainable company. We earned $727.8 million in rental related revenues within our boundary in 2014. A 1% increase in such revenue due to increased demand could result in an additional $7.3 million annually as compared to 2014. We believe such	Methods we are using to manage the financial implication of opportunities resulting from other climate-related developments such as reputation include making our green initiatives more transparent by publishing an annual Sustainability Report and responding to surveys such as CDP, DJSI, and GRESB to attract green-minded tenants interested in leasing space from reputable sustainable companies. The awards we have received for our sustainability reporting efforts	The annual cost to prepare, assure and publish our annual Sustainability Report and to respond to various sustainability surveys is approximately $200,000. Additionally, the incremental costs associated with the implementation of 303 efficiency projects in 2014 was approximately $3.3 million; and the implementation of "smart" building technology for 5 buildings in 2014 was approximately $192,000.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	recognized as a leader in the healthcare real estate sector. Recognition such as this improves our reputation and increases the interests of new potential tenants.						revenue resulting from increased demand for our buildings due to increasing tenant interest leasing efficient space from companies with an esteemed sustainability reputation could have the potential to generate a substantive change in our revenue over time.	solidifies our reputation in the eyes of current and potential tenants.	
Changing consumer behaviour	Changes related to other climate-related developments include opportunities resulting from changes in consumer behavior such as tenants becoming more willing to participate in our energy and water reduction	Reduced operational costs	1 to 3 years	Direct	More likely than not	Medium	The estimated financial implications include reduced operational costs as a result of increased participation (i.e., changing behavior) by our tenants in our energy and water reduction programs and taking advantage of	Methods we are using to manage the potential financial implication of opportunities associated with other climate-related developments such as changing consumer behavior include promoting water	The costs associated with promoting water conservation and energy saving procedures are $0.00, as this is included in our regular business activities.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	programs that we implement at our buildings. Such an opportunity could affect HCP by reducing operational costs due to the savings incurred from the reduced utility bills resulting from the tenants changing behavior to become more involved in energy and water reduction programs.						the energy and water savings tips we provide. We incurred approximately $44.9 million in energy expenses within our boundary in 2014. A 1% decrease in such expenses due to energy savings to from increased tenants' changing conservation behavior could save us approximately $449,000 annually as compared to 2014. We believe such decrease in operational expenses resulting from tenants becoming more active in our reduction programs could increase annually due to	conservation and energy saving procedures. For example, at our Centennial campus in Nashville, we email tenant newsletters which include energy and water savings tips such as watching for leaky faucets, efficient use of dishwashers, and how to take advantage of window blinds at critical times.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							increasing tenant interest in efficiency and will have the potential to generate a substantive change in our costs over time.		

CC6.1d

Please explain why you do not consider your company to be exposed to inherent 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 inherent 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 inherent 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)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Tue 01 Jan 2013 - Tue 31 Dec 2013	34277
Scope 2	Tue 01 Jan 2013 - Tue 31 Dec 2013	253776

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)
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/2015/17/23217/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/CC7.4 - eGRID Factors.pdf

Page: CC8. Emissions Data - (1 Jan 2014 - 31 Dec 2014)

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

33152

CC8.3

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

254310

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	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	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 data for both items mentioned in Scope 1, we chose “more than 5% but less than 10%”.
Scope 2	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. Based on actual and estimated data, we chose “more than 5% but less than 10%”. These estimates were originally based on metering.

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/2015/17/23217/Climate Change 2015/Shared Documents/Attachments/CC8.6a/PwC report - HCP sustainability assurance opinion 2014_for combined report.pdf	1-6	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 reported Scope 2 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/17/23217/Climate Change 2015/Shared Documents/Attachments/CC8.7a/PwC report - HCP sustainability assurance opinion 2014_for combined report.pdf	1-6	Attestation standards established by AICPA (AT101)	100

CC8.8

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

Additional data points verified	Comment
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 2014 - 31 Dec 2014)

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)
Medical Office	18134
Life Science	4011
Senior Housing	11007

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	31829
CH4	59
N2O	21
HFCs	1243

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 2014 - 31 Dec 2014)

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 in 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)
Medical Office	197146
Life Science	6562
Senior Living	50602

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 10% but less than or equal to 15%

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	156810
Electricity	457337
Heat	0
Steam	4403
Cooling	1085

CC11.3

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

Fuels	MWh
Natural gas	153488
Diesel/Gas oil	559
Motor gasoline	2763
Liquefied petroleum gas (LPG)	0.3

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

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	3.0	Decrease	We implemented 542 projects which include 2014 projects and any 2013 projects that impacted 2014. Last year (including those 2013 projects that impacted 2014), 8670 metric tonnes CO2e were reduced by our emissions reduction activities, and our total Scope 1 and Scope 2 emissions in the previous year (rolling 2013 base year) was 288053, therefore we arrived at 3.00% using the calculation: (8670 / 288053) x 100 = 3.00%.
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	2.7	Increase	The formula for this item is as follows: -3.0 + 0.1 + X = -0.2 (with X equal to = 2.7)
Other	0.1	Increase	Weather normalized data on benchmarked building portfolio for 100% benchmarked buildings shows a 0.1% increase for KBtu over 2013. There was a 10% decrease in heating degree days and a 2% increase in cooling degree days in 2014 as compared to 2013, reflecting that 2014 was warmer than 2013 resulting in our buildings using more energy in 2014 as compared to 2013.

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
0.000394948	metric tonnes CO2e	unit total revenue	22.3	Decrease	The primary reason for the decrease in the intensity factor resulted from a 46.5% increase in revenue, due to the additional properties added to our boundary in 2014.

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
1691	metric tonnes CO2e	FTE employee	9.6	Decrease	The primary reason for the decrease in the intensity factor resulted from a 10.4% increase in total FTEs in 2014. This change accounted for 98% of the decrease, while the remaining 2% was due to 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
0.00849659	metric tonnes CO2e	square foot	0.14	Increase	The slight increase in the intensity factor resulted from a 0.35% decrease in the equivalent boundary square footage and a 0.2% decrease in emissions.

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 data obtained from suppliers or value chain partners	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	9959	Using the waste reduction model (WARM) for landfill waste of 18,708 metric tonnes (20,622 short tons), the Scope 3 emissions were calculated using the mixed solid waste (MSW) category. The Scope 3 emissions were 9,959 metric tonnes CO2e.		Utilized the waste reduction model (WARM), New Model Version updated March 2015 (http//epa.gov/epawaste/conserve/tools/warm)
Business travel	Relevant, not yet calculated				
Employee commuting	Relevant, calculated	508	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 16.5 miles (one-way), which		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			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 (170) results in total emissions of 508 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.		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
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 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 and do not own franchises.
Investments	Relevant, not yet calculated				
Other (upstream)	Not relevant, explanation provided				None identified.
Other (downstream)	Not relevant, explanation				None identified.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
	provided				

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 physical operating conditions	10.4	Increase	Our total number of employees of 154 in 2013 increased to 170 in 2014.
Waste generated in operations	Change in output	99.1	Increase	12.2% of the increase was due to an increase in landfill waste due to property acquisitions resulting in additional properties being added to our boundary. The remaining increase was due to changing methodology from average data method to the WARM waste reduction model.

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. Our 2014 annual conference attracted over 280 participants each of which gained insight regarding achieving environmental targets as well as sustainability management techniques.
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
Lauralee Martin	President and Chief Executive Officer	Chief Executive Officer (CEO)

Further Information

CDP