



G R E S B

Global Real Estate  
Sustainability Benchmark

**2012 Response**

**HCP, Inc.**

# Management

## Q 1.1 Does your company/fund have a long-term vision on sustainability?

- Yes, the vision on sustainability is publicly available. *Please communicate the vision (maximum 250 words)*

Our long-term vision on sustainability is publicly available in our GRI-based Sustainability Report located on our sustainability webpage and is as follows: To create shareholder value by providing real estate, capital and innovation to our partners and employees to ensure that our facilities integrate sustainable business practices to operate efficiently and support the healthcare industry. We believe that sustainability drives innovation, provides opportunities to increase the value of our company for our stakeholders and positively transforms our business to improve our environment, society and corporate governance for the long-term. HCP embraces sustainability as a core value of our business, and we are committed to being an environmentally conscious, socially responsible and ethical company. We strive to deliver superior returns to our stockholders, lead with integrity and demonstrate responsibility with respect to our people, partners and planet.

**Please provide the corresponding hyperlink (if applicable). Hyperlink:** <http://www.hcpi.com/sustainability>

- Yes, but the vision on sustainability is not publicly available. *Please communicate the vision (maximum 250 words)*
- No

## Q 1.2 Does your company/fund have specific sustainability objectives for the reporting period?

- Yes, the objectives are publicly available. *Please state the objectives (maximum 250 words)*

Our sustainability objectives, approach and performance are publicly available and are featured throughout the environmental sections of our CDP Response and GRI-based Sustainability Report, each located on our sustainability webpage. In the area of environmental sustainability we have several objectives for the 2012 reporting period. One specific objective, which we obtained, was to decrease our Scope 1 and Scope 2 CO<sub>2</sub>e emissions by 2.5% in 2012. We also have general initiatives to (1) reduce our energy consumption, (2) reduce water usage, (3) reduce waste, (4) obtain tenant usage data from buildings or areas of buildings that are outside our boundary/control and (5) gather and report refrigerant usage data. Additionally, we set an objective to expand our sustainability reporting platform to further increase transparency of our achievements, and we met this objective by submitting our inaugural response to the Dow Jones Sustainability Index Assessment in 2013. We intend to achieve these objectives by applying best practice methodology coupled with energy reduction technologies. When identifying innovative technologies to help us reduce our environmental impacts, we use financial modeling to help us prioritize projects and secure “green budgets” for these capital investments. Sound environmental management practices allow us to replicate success, while reporting helps us track effectiveness over time and evaluate our ongoing commitment to sustainability.

**Please provide the corresponding hyperlink (if applicable). Hyperlink:** <http://www.hcpi.com/sustainability>

- Yes, but the objectives are not publicly available. *Please state the objectives (maximum 250 words)*
- No

**Q 2.1 Who was responsible for implementing your company/fund's sustainability objectives during the reporting period? (multiple answers possible)**

- Dedicated employee(s) for whom sustainability is the core responsibility

Please provide the name and contact details for the most senior of these employees

Name	Job title	E-mail address (optional)

- Employee(s) for whom sustainability is one of the responsibilities

Please confirm the name and contact details for the most senior of these employees

Name	Job title	E-mail address (optional)
Thomas M. Klaritch	EVP - Medical Office Properties and Chair of Sustainability Committee	

- External consultants/managers. Name of the organization \_\_\_\_\_
- Other. Name of the organization \_\_\_\_\_
- None of the above

**Q 2.2 Did your company/fund have a sustainability taskforce or committee at the company/fund management level during the reporting period?**

- Yes
- No

**Q 2.3 Did this sustainability taskforce or committee involve: (multiple answers possible)**

- Senior management board
- Fund/portfolio managers
- Asset managers
- Property managers
- External consultants Name of the organization \_\_\_\_\_
- Other Executive VPs, senior executives, mngmt level employees and other professionals
- Not applicable

**Q 3.1 Is the most senior decision-maker on sustainability issues: (multiple answers possible)**

- A member of the senior management board
- A person who directly reports to the senior management board
- None of the above

Please provide the name and contact details for the most senior decision-maker on sustainability issues

Name	Job title	E-mail address (optional)
James F. Flaherty III	Chairman of the Board, Chief Executive Officer and President	

**Q 3.2 During the reporting period did a representative of the senior management board receive formal updates on the organization's sustainability objectives?**

- Yes, on a monthly basis
- Yes, on a quarterly basis
- Yes, on a bi-annual basis
- Yes, on an annual basis
- Yes, other. At other designated meetings & concurrently with developments or achievements
- None of the above

**Q 3.3 Please describe the process used to inform the senior management board about the sustainability objectives during the reporting period (maximum 250 words)**

The process used to inform the Company's senior management board about the sustainability objectives during the reporting period begins with our Chairman of the Board, Chief Executive Officer and President, James F. Flaherty III. Mr. Flaherty manages this process through his general leadership of the Company through, among other things, (a) the supervision of the Company's Sustainability Committee; (b) quarterly sustainability reports to the Company's Board of Directors; (c) monthly management meetings; (d) general interaction and updates with management and employees. (a) Sustainability Committee – Mr. Flaherty designated Thomas M. Klaritch, Executive Vice President – Medical Office Properties, as the Company's Chair of the Sustainability Committee, an internal management committee. The Sustainability Committee is comprised of senior executives, management level employees, corporate attorneys and other professionals that meet to discuss the status and implementation of the Company's sustainability objectives. (b) Quarterly sustainability reports to the Company's Board of Directors– The BOD receives regular reports regarding strategy, goals and performance metrics associated with sustainability topics and it uses this information to formulate HCP's overall sustainability objectives as well as risk assessment and management matters. (c) Monthly Management Meetings – Mr. Flaherty conducts monthly management meetings with senior management, the leaders of each of the Company's five healthcare segments: senior housing, post-acute/skilled nursing, life science, medical office and hospitals. In addition to presenting financial performance and operational information, each business leader (i.e., an executive vice president) reports on each segment's sustainability objectives, initiatives, awards and other practices that have occurred since the previous meeting.

Not applicable

**Q 4 Did your company/fund have a structured approach for communicating its sustainability strategy to employees and external asset/property managers during the reporting period?**

Yes. *Please describe the process (maximum 250 words)*

HCP's approach for communicating our sustainability strategy to employees and external asset/property managers includes (a) engaging our Green Team; (b) sponsoring HCP's annual Medical Office Building ("MOB") Conference; and (c) quarterly public conference calls. (a) Our Green Team meets regularly to discuss the status and implementation of our strategy with employees and external asset/property managers. By encouraging effective management, we can mitigate negative environmental impacts in our partnerships with our property managers. Additionally, we conduct regular rotational property visits and engage in constructive dialogue with our operators and property management companies to identify sustainability related strengths and weaknesses within the facilities. Internally, the Green Team brings our employees up to date on environmental policy development and implementation. (b) Sustainability awareness occupies a significant portion of our annual MOB Conference agenda. Agenda items include energy reduction, water conservation and preventive and corrective maintenance techniques. Knowledge sharing is essential to understanding the environmental issues that present risks to our business. Property managers and engineering personnel are engaged in discussions around environmental industry trends and best practices. Our Sustainability Committee Chairman has the responsibility for our sustainability efforts including increasing performance and transparency by implementing energy efficiency measures, responding to reporting initiatives, keeping inventory of our energy, water, waste, and GHG data, and publishing our annual GRI-based Sustainability Report. (c) Each quarter, HCP hosts a public earnings release conference call and webcast to review its financial performance and operating results. During these calls, our CEO reports material initiatives and awards regarding sustainability.

No

**Q 5 Did your company/fund include sustainability factors in the annual performance review of the following employees during the reporting period? (multiple answers possible)**

- Senior management board
- Fund/portfolio managers
- Asset managers
- Property managers
- Other Executive VPs, senior executives, mngmt level employees & other professionals
- None of the above

**Q 6 Is your company/fund currently involved in nationally/internationally recognized committees or working groups concerning sustainability?**

- Yes. *Please provide the name of the committee or working group and a brief description of its/their objectives (maximum 100 words)*

HCP actively participates in the following sustainability committees and/or working groups: 1) NAREIT Sustainability Committee – addresses issues pertinent to REITs, including climate change legislation and sustainability advances; 2) Leader in the Light working group – recognizes those demonstrating superior, sustained energy practices; 3) Leadership in Energy & Environmental Design (LEED)– framework for implementing measurable green building construction, operations and maintenance solutions; and 4) We support REITPAC, the political action committee (PAC) formed by NAREIT. REITPAC makes financial contributions to federal campaign candidates who understand the concerns of the REIT and publicly traded real estate industry.

- No, but the parent organization/investment house is. *Please provide the name of the committee(s) or working group(s) and a brief description of its/their objectives (maximum 100 words)*
- No involvement during the reporting period

**Q 7 During the reporting period did your company/fund receive sustainability awards or other recognition related to the implementation of sustainability best practices?**

- Yes. *Please provide the name of the award and a brief description (maximum 100 words)*

(i) HCP received a total of 35 ENERGY STAR certifications in 2012. (ii) HCP received NAREIT’s Healthcare Leader in Light Award in 2012. (iii) HCP was named as a constituent to the FTSE4Good Index Series for meeting globally recognized corporate responsibility standards. (iv) HCP earned the designation of Best LEED Platinum Project from the San Diego Chapter of the US Green Building Council for our Soledad Business Park in San Diego, CA. (v) HCP was named Sector Leader in the “Other” category in the 2012 GRESB Survey, and received a Green Star designation.

- No

# Policy and Disclosure

**Q 8** How did your company/fund disclose its sustainability performance during the reporting period? (multiple answers possible)

- Section in Annual Report, page 2 FILE ID: 11249 or provide Hyperlink <http://ir.hcpi.com/phoenix.zhtml?c=67541&p=irol-reportsAnnual>
- Stand-alone Corporate Social Responsibility or Corporate Sustainability Report,  
\_\_\_\_\_
- or provide Hyperlink [www.hcpi.com/sustainability](http://www.hcpi.com/sustainability)
- Integrated Report (sustainability disclosure fully integrated into the Annual Report), page \_\_\_\_\_
- or provide Hyperlink \_\_\_\_\_
- Dedicated section on corporate website, provide Hyperlink <http://www.hcpi.com/sustainability>
- Section in Fund reporting to investors. State frequency \_\_\_\_\_ and upload specific page(s) on sustainability  
\_\_\_\_\_
- Other [2012 CDP Investor Response](#) FILE ID: 11250
- None of the above

**Q 9.1** Was the disclosure of the sustainability performance of your company/ fund during the reporting period externally assured?

- Yes, fully assured by a third party. Name of the organization \_\_\_\_\_
- Yes, partially assured by a third party. Name of the organization [PricewaterhouseCoopers LLP](#)
- No, but a third party reviewed the information. Name of the organization \_\_\_\_\_
- No, the information has not been assured or reviewed by a third-party
- Not applicable

**Q 9.2** Which framework was used to disclose information related to sustainability performance during the reporting period?

- Global Reporting Initiative (GRI, CRESS) level B+
- Carbon Disclosure Project (CDP)
- AA1000
- ISAE 3000
- ISO standard \_\_\_\_\_
- Other [GHG Protocol](#)
- No reporting or accounting standard was used
- Not applicable

**Q 10** During the reporting period, did your company/fund have a policy/policies in place which addressed the following sustainability issues: (multiple answers possible)

- Energy consumption/management
- GHG emissions/management
- Water consumption/management
- Waste management
- Climate change
- Health and safety
- Other [1. Code of Business Conduct and Ethics](#)
- None of the above

Please upload supporting documents for the selected policy/policies FILE ID: 11251

# Risks & Opportunities

Q 11.1 Please confirm the following: (in each case please respond for the reporting period)

Bribery & Corruption	
Does your company/fund have a policy in place, approved by the senior management board, to address the risks from exposure to bribery and corruption? FILE ID: 11252	Yes
Does your company/fund assess the exposure to bribery and corruption risk on a regular basis?	Yes
Does your company/fund have comprehensive systems and procedures in place to ensure the effective implementation of the policy by your own staff as well as its business partners?	Yes
Do you carry out regular training for employees most exposed to corrupt demands?	Yes
The percentage of employees who received training on anti-corruption issues is <u>100</u> %	
Do you have an effective whistle-blower mechanism in place at the senior management level?	Yes
Is bribery and corruption included in the investment due diligence processes of your company/fund, e.g. during mergers and acquisitions and when working with third-party partners?	Yes

Q 11.2 During the reporting period was your company/fund, its employees or business partners involved in any legal cases regarding corrupt practices?

Yes

Please specify the total number of cases in which employees were dismissed or disciplined for corruption \_\_\_\_\_

Please specify the total number of cases when contracts with business partners were not renewed due to violations related to corruption \_\_\_\_\_

No

Q 12 Did your company/fund perform sustainability risk assessments of its standing investments/acquisitions during the last 3 years up to the end of the reporting period, involving one of more of the following: (multiple answers possible)

Issue	Standing Investments	Acquisitions
Flooding risks	Yes	Yes
Extreme weather conditions	Yes	Yes
Vulnerability to (geomagnetic) storms	No	No
Other climate/climate change risks _____	No	No
Extreme volatility in energy prices	Yes	Yes
Energy efficiency of the building	-	Yes
Water efficiency of the building	-	Yes
Contaminated land	Yes	Yes
Irremediable pollution	No	No
Materials used in construction	No	No
Alternative means of transportation	No	No
Severe income disparity	No	No
Other _____	No	No

Please provide supporting documents for the risk assessment procedure in place during the reporting period FILE ID: 11253

**Q 13** Did your company/fund assess the energy performance of the portfolio during the last 3 years up to the end of the reporting period? *(multiple answers possible)*

Type of assessment	100%	>50%	<51%	0%
	(percentage of assets)			
In-house assessment	✔			
External assessment. <i>Name of the assessor</i> _____				✔
External energy audit. <i>Name of the auditor</i> _____				✔

**Q 14.1** Did your company/fund have an energy efficiency or energy conservation program for the portfolio during the last 3 years up to the end of the reporting period? *(multiple answers possible)*

Actions taken	100%	>50%	<51%	0%
	(percentage of portfolio by floor area)			
Wall/roof insulation			✔	
Window replacements			✔	
HVAC upgrades/replacements		✔		
System commissioning		✔		
Building energy management systems		✔		
Lighting upgrades/replacements		✔		
Smart grid/ smart building technologies			✔	
Other _____				✔

**Q 14.2** Please describe the energy efficiency and/or energy conservation program *(maximum 250 words)*

HCP’s energy efficiency program is designed to reduce energy usage and GHG emissions across our projects and includes: (i) Evaluating and replacing older, less efficient HVAC equipment with higher efficiency equivalents, including ultra-high efficient chillers that operate on magnetic bearings (thereby eliminating oil reliance); (ii) Monitoring utility usage for electricity and gas through our utility bill database, which also enables third party management companies to quickly identify usage anomalies and implement corrective actions; (iii) Implementing and upgrading energy management systems within our buildings in order to improve energy performance and allow for optimization of its operation; (iv) Investigating and evaluating new technologies and alternative energy sources including fuel cell technology, photovoltaic panel (solar cell panel) technology, ground coupled heat pump systems, solar water panel systems, and real time power monitoring systems; and (v) Evaluating and effectuating emission reduction projects through: (a) Identifying a dedicated green budget category that includes energy efficiency projects such as lighting retrofit projects, window film applications, and roof replacements using reflective/white roofing materials ; (b) Identifying projects recognized through our best practice philosophy and implementing retro commissioning across our facilities; (c) Calculating financial metrics including return on investment and net present value; (d) Engaging employee and third party managers through annual reviews of their best practices approaches at each facility; and; (e) Implementing new processes and technologies based on best practices and estimating energy and GHG emissions associated with these improvements over an operational period of one year.

Not applicable

**Q 15.1** Has your company/fund implemented a water efficiency and/or water conservation program for the portfolio during the last 3 years up to the end of the reporting period which includes the following elements: *(multiple answers possible)*

- Use of high-efficiency fixtures
- Use of dry fixtures such as composting toilet systems and non-water using urinals
- Use of occupant sensors to reduce the potable water demand
- Reuse of storm water and grey water for non-potable applications
- Options for on-site waste water treatment
- Other reduced landscape watering
- No

**Q 15.2 Please describe the water efficiency and/or water conservation program: (maximum 250 words)**

HCP’s water efficiency program is designed to reduce water usage across our projects and includes: (i) Implementing reduced water usage flush toilets and implementing aerators to reduce faucet flow rates; (ii) Monitoring utility usage for water through the utilization of a utility bill database, which also enables third party management companies to quickly identify usage anomalies and implement corrective actions; (iii) Implementing motion sensors on toilets, urinals and sink faucets to reduce potable water demand; (iv) Implementing the reuse of storm water at several facilities for irrigation water usage; (v) Implementation of water sensors and solenoid controlled shut-off valves on water heaters which serves to avoid additional water usage in the event of small or large heater leaks; (vi) Applying low water consumption plants and landscaping to reduce the amount of irrigation water usage; and (vii) Implementing new processes and technologies based on moisture and weather sensor technology that reduces the amount of irrigation water needed to maintain landscaping.

Not applicable

**Q 16.1 Did your company/fund perform indoor air quality (IAQ) assessments during the reporting period:**

Yes, internal assessments.

Yes, external assessments. *Name of the organization* Gobbel Hayes & Partners

No

**Q 16.2 Did the indoor air quality (IAQ) assessment include the following elements: (multiple answers possible)**

Type of assessment	100%	>50%	<50%	0%
(percentage of portfolio by floor area)				
Mold testing			✔	
Air sampling			✔	
HVAC inspection			✔	
Duct inspection			✔	
Legionella risk assessments			✔	
Other _____				✔

**Q 17.1 Voluntary question: please provide an example of the use of an innovative sustainability technology for an asset within your portfolio**

Asset characteristics

Name of the asset Sunrise Tower IV

Innovative technology used Magnetic Bearing Technology on 3 MagLev Multistack high efficiency chillers.

Floor area covered 60,430 ft2

Amount of initial investment \$350,685

Expected return on investment (ROI) The ROI based upon the cost premium (15%) over a standard chiller is 38%.

Other \_\_\_\_\_

Expected improvement in sustainability performance: (e.g. in MWh, savings, etc) 200 MWh annual reduction

**Q 17.2 Please describe the asset and why the technology used is innovative (maximum 250 words)**

Sunrise Tower IV is a medical office building (MOB) located in Las Vegas, Nevada. The building HVAC system was provided by one 230 ton water cooled chiller. A capital asset project was approved to replace the old chiller (a water cooled screw compressor design built in 1964) with a more efficient design. Three 80 ton MagLev Multistack chillers were installed and the project was completed at the end of June, 2010. The MagLev water cooled multistack design chiller provided the best value for increased efficiency and flexibility in operation, and eliminated the need for oil in the refrigerant while utilizing an innovative magnetic bearing technology. This high efficiency chiller design allowed us to reduce the annual energy consumption by an estimated 200 MWh. The magnetic bearing technology not only eliminates the need for oil in the bearings which conventional chiller compressors require, it also provides quiet operation of the chiller resulting in noise reduction. Additionally, the innovative control system automatically seeks out the optimal combination of loading compressors, meaning the three 80 ton chiller units can act independently or in conjunction with each other, allowing for increased energy efficiency. The MagLev installation is implemented as a first step when HCP evaluates future needs for chiller replacements or new installations. HCP considers magnetic bearing chiller designs as an innovative technological option based upon the specific applications to our buildings.

*Please upload a picture of the asset FILE ID: 11254*

# Monitoring & Environmental Management Systems

**Q 18.1 Did your company/fund have an Environmental Management System (EMS) in place during the reporting period? (multiple answers possible)**

- Yes, at corporate level
- Yes, at asset level. Please specify the percentage of your whole portfolio covered by an EMS: 22 % and the percentage of your managed portfolio (landlord controlled) covered by an EMS: 86 %
- No

Please upload supporting documents for the selected answer FILE ID: 11255

**Q 18.2 Has the EMS been certified by a third party during the last 3 years up to the end of the reporting period?**

- Yes, the EMS has been certified by a third party. *Name of certifying organization*
- No, but a third party verified the EMS. *Name of the organization*
- No, the EMS has not been certified or verified by a third party
- Not applicable

**Q 19 What aspects are covered by the Environmental Management System (EMS)? (multiple answers possible)**

- Energy consumption/management
- Water consumption/management
- GHG emissions/ management
- Waste management
- Refrigerants
- Health and safety
- Business travel
- Other \_\_\_\_\_
- No EMS in place

**Q 20 How did your company/fund monitor the energy consumption of the portfolio during the reporting period? (multiple answers possible)**

- Automatic meter readings. Please specify the percentage of the whole portfolio covered by floor area: 17 %
- Based on invoices. Please specify the percentage of the whole portfolio covered by floor area: 83 %
- By taking manual–visual readings. Please specify the percentage of the whole portfolio covered by floor area: \_\_\_\_\_ %
- Other. Please specify \_\_\_\_\_. Please specify the percentage of the whole portfolio covered by floor area: \_\_\_\_\_ %
- None of the above

**Q 21 How did your company/fund monitor the water consumption of the portfolio during the reporting period? (multiple answers possible)**

- Automatic meter readings. Please specify the percentage of the whole portfolio covered by floor area: 11 %
- Based on invoices. Please specify the percentage of the whole portfolio covered by floor area: 89 %
- By taking manual–visual readings. Please specify the percentage of the whole portfolio covered by floor area: \_\_\_\_\_ %
- Other. Please specify \_\_\_\_\_. Please specify the percentage of the whole portfolio covered by floor area: \_\_\_\_\_ %
- None of the above

# Performance Indicators

Please complete the following sections per property type

## Healthcare

### Q 22.1 Energy consumption

	Energy consumption	Absolute measurement		Like for like data	
		2011	2012	2011	2012
1	Fuels (natural gas, gasoline, etc.) for shared landlord services (for common parts and tenant areas on un-metered basis) in MWh	130197	129490	127166	126211
2	District heating and cooling for shared landlord services (for common parts and tenant areas on un-metered basis) in MWh	2482	3673	2482	3673
3	Electricity consumption for shared landlord services (for common parts and tenant areas on un-metered basis) in MWh	354848	338353	344115	327715
4	Fuels (natural gas, gasoline, etc.) for exclusive tenant consumption (on (sub) metered* basis) in MWh	8576	8485	7409	7281
5	District heating and cooling for exclusive tenant consumption (on (sub) metered* basis) in MWh	0	0	0	0
6	Electricity consumption for exclusive tenant consumption (on (sub)metered* basis) in MWh	55743	61764	51582	57890
7	Corresponding floor area for data in rows 1-6 in m <sup>2</sup> /sq.ft./units	20552249	20465357	18689714	
8	Tenant obtained energy consumption in MWh	0	0		
9	Corresponding floor area for tenant obtained energy in m <sup>2</sup> /sq.ft./units	0	0		
10	Total energy consumption (Rows 1-6 and 8) in MWh	551846	541765		
11	Total corresponding floor area (Rows 7 and 9) in m <sup>2</sup> /sq.ft./units	20552249	20465357		
12	Occupancy rate (%)			88	88
13	Percentage of the floor area of your <u>managed</u> portfolio (landlord controlled) that is covered?	100	100	91	
14	Percentage of the <u>whole</u> portfolio <u>that</u> is covered?	100	100	91	
15	Number of assets included in disclosure	317	323	296	
16	Total energy expenditures in €/\$/£	42881638	40659798	41194715	39192984
17	Total renewable energy produced onsite in MWh	0	0	0	0
18	Total renewable energy generated offsite in MWh	0	0	0	0

### Q 22.2 Has the above energy consumption data been externally verified/ assured/ audited?

- Yes, externally verified. *Name of the organization*
- Yes, externally assured. *Name of the organization* PricewaterhouseCoopers, LLP
- Yes, externally audited. *Name of the organization*
- No
- Not applicable

**Q 23.1 GHG emissions**

	GHG emissions	Absolute measurement		Like-for-Like	
		2011	2012	2011	2012
1	<b>Scope 1</b> Direct green-house gas emissions by weight in metric tonnes CO2	28198	28940	27348	27933
2	<b>Scope 2</b> Indirect green-house gas emissions by weight in metric tonnes CO2	234449	216887	225993	208848
3	<b>Scope 3</b> Emissions by tenants in metric tonnes CO2	0	0	0	0

**Q 23.2 Has the above GHG emissions data been externally verified/ assured/ audited?**

- Yes, externally verified. *Name of the organization*
- Yes, externally assured. *Name of the organization* PricewaterhouseCoopers, LLP
- Yes, externally audited. *Name of the organization*
- No
- Not applicable

**Q 24.1 Water consumption**

	Water consumption	Absolute measurement		Like-for-Like	
		2011	2012	2011	2012
1	Water consumption for shared landlord services (for common parts and tenant areas on un-metered basis) in m3/year	2710305	2731073	2617682	2645221
2	Water consumption for exclusive tenant consumption (on (sub)metered basis) in m3/year	30150	48467	28568	46419
3	Corresponding floor area in m <sup>2</sup> /sq.ft./units	20552249	20465357	18869714	
4	Number of assets included in disclosure	317	323	296	
5	Total water expenditures in €/\$/£	3764876	3877658	3758040	0

**Q 24.2 Has the above water consumption data been externally verified/ assured/ audited?**

- Yes, externally verified. *Name of the organization*
- Yes, externally assured. *Name of the organization* PricewaterhouseCoopers, LLP
- Yes, externally audited. *Name of the organization*
- No
- Not applicable

**Q 25.1 Waste management**

Waste management	Absolute measurement		Like for like data	
	2011	2012	2011	2012
Total weight of hazardous waste	0	0	0	0
Total weight of non-hazardous waste	18017	15317	17617	14896
<b>Proportion of waste by disposal route (% of total by weight)</b>				
- Recycling	8	7	8	7
- Incineration	0	0	0	0
- Landfill	92	93	92	93
Corresponding floor area	20552249	20465357	18689714	
Number of assets included in disclosure	317	323	296	

**Q 25.2 Has the above water management data been externally verified/ assured/ audited?**

- Yes, externally verified. *Name of the organization*
- Yes, externally assured. *Name of the organization* PricewaterhouseCoopers, LLP
- Yes, externally audited. *Name of the organization*
- No
- Not Applicable

**Q 26.1 Has your company/fund set any annual reduction targets for the next reporting period?**

	Annualized target (%)	Are these targets communicated externally?	
		Yes	No
Energy consumption	3	<input checked="" type="radio"/>	<input type="radio"/>
GHG emissions	3	<input checked="" type="radio"/>	<input type="radio"/>
Water consumption	2	<input type="radio"/>	<input checked="" type="radio"/>
Waste diverted from landfill		<input type="radio"/>	<input type="radio"/>
Other _____		<input type="radio"/>	<input type="radio"/>
No			

**Q 26.2 Has your company/fund set any annual reduction targets for the next reporting period?**

	Reduction target (%)	Base year	End year	Are these targets communicated externally?	
				Yes	No
Energy consumption	15	2011	2020	<input checked="" type="radio"/>	<input type="radio"/>
GHG emissions	15	2011	2020	<input checked="" type="radio"/>	<input type="radio"/>
Water consumption	5	2011	2020	<input type="radio"/>	<input checked="" type="radio"/>
Waste diverted from landfill				<input type="radio"/>	<input type="radio"/>
Other _____				<input type="radio"/>	<input type="radio"/>
No					

**Q 25.3 If you wish to provide additional information regarding the collection of data for this section of the survey, please do so (maximum 250 words)**

Our third party auditor, PricewaterhouseCoopers, LLP, provided limited assurance under AICPA standards on selected sustainability metrics for the year ended December 31, 2012, including direct energy consumption, indirect energy consumption, direct and indirect greenhouse gas (“GHG”) emissions, total water withdrawal, and total weight of waste and percentage by disposal method. The scope of the review was limited to the properties where HCP determines it has operational control, in alignment with the GHG protocol (323 facilities in the reporting year 2012). The third party assurance status is complete, and is discussed in the Management Assertions and Measurement Techniques attached to our GRI-based Sustainability Report located on our sustainability webpage.

# Building Certification & Benchmarking

## Healthcare

**Q 27** Please specify the percentage of your portfolio certified by the following schemes (multiple answers possible). Please complete the following table per property type.

	LEED	BREEAM	Green Star	HQE	DGNB	CASBEE	Other: _____
% of portfolio by floor area	2						

**Q 28.1** Please specify the percentage of your portfolio which has an energy rating awarded by a public agency: (multiple answers possible). Please complete the following by property type

- EPC (energy performance certificates): \_\_\_\_\_ % of the portfolio by floor area. Please specify the percentage of the portfolio by floor area rated with EPC label A: \_\_\_\_\_ %, EPC label B: \_\_\_\_\_ %, EPC label C: \_\_\_\_\_ %, EPC label D: \_\_\_\_\_ %, EPC label E: \_\_\_\_\_ %, EPC label F: \_\_\_\_\_ and EPC label G: \_\_\_\_\_ %
- NABERS Energy: \_\_\_\_\_ % of the portfolio by floor area. Floor area weighted score: \_\_\_\_\_
- Energy Star: 14 % of the portfolio by floor area. Floor area weighted score: 76.9
- Other rating \_\_\_\_\_ for \_\_\_\_\_ % of the portfolio by floor area
- None of the above

If the EPC measurement system applicable to the largest proportion of portfolio assets differs from the A-G labeling system outlined above, in the box below please (a) name the country with the largest proportion of assets and (b) specify the percentage of the portfolio by floor area rated with each level of EPC label (maximum 100 words).

**Q 28.2** Please specify the percentage of the portfolio benchmarked using an internationally recognized scheme in the last 3 years up to the end of the reporting period: (multiple answers possible)

Benchmarking Scheme	100%	>50%	<50%	0%
(percentage of portfolio by floor area)				
International Sustainability Alliance (ISA)				✔
IPD EcoPAS				✔
Greenprint				✔
Green Rating Alliance (GRA)				✔
Other <u>ENERGY STAR Portfolio Manager</u>		✔		

# Stakeholder Engagement

Q 29 Did your company/fund have an employee policy in place during the reporting period, covering the following: (multiple answers possible)

- Attracting, developing and retaining qualified personnel
- Diversity (gender, region, type of contract)
- Equal career opportunities for men and women
- Collective bargaining agreements
- Retention rates after parental leave by gender
- Other \_\_\_\_\_
- No

Please upload supporting documents for the selected policy/policies FILE ID: 11256

Q 30.1 Did your company/fund have a remuneration policy in place during the reporting period?

- Yes
- No

Q 30.2 Did this policy include a clause on equal remuneration for men and women?

- Yes
- No
- Not applicable

Q 30.3 Does this policy include long-term incentives?

- Yes, those incentives are performance related
- Yes, those incentives are not performance related
- No
- Not applicable

Q 31 Did your company/fund have an independent remuneration committee in place during the reporting period?

- Yes
- No

Q 32 Did the employees of your company/fund receive regular performance and career development reviews during the reporting period?

- Yes. Percentage of the employees 100 %
- No

Q 33.1 Did the employees of your company/fund receive training during the reporting period?

- Yes. Percentage of the employees 100 %
- No

Q 33.2 Was part of that training specifically related to sustainability?

- Yes. Percentage of the training 100 %
- No

Q 34 Did your company/fund undertake an employee satisfaction survey during the last 3 years up to the end of the reporting period?

- Yes, undertaken by a third party for 52 % employees. Name of the organization PricewaterhouseCoopers, LLP
- Yes, undertaken in-house for \_\_\_\_\_ % employees
- No

**Q 35.1 Did your company/fund undertake a survey on health and safety during the last 3 years up to the end of the reporting period?**

- Yes, undertaken by a third party for \_\_\_\_\_ % employees. *Name of the organization* \_\_\_\_\_
- Yes, undertaken in-house for \_\_\_\_\_ % employees
- No

**Q 35.2 Did your company/fund have an internationally recognized occupational health and safety management system in place during the reporting period?**

- Yes, OHSAS 18001
- Yes, covered by ISO 9001
- Yes, covered by ISO 14001
- Yes, other \_\_\_\_\_
- No

**Q 35.3 Did your company/fund report or receive on occupational health and safety indicators during the reporting period? (multiple answers possible)**

- Yes. Please specify the Injury Rate 0%
- Yes. Please specify the Lost Day Rate 0%
- Yes. Please specify the Absentee Rate 0%
- No

**Q 36.1 During the reporting period did your company/fund have a tenant engagement program in place to address sustainability issues? (multiple answers possible)**

	100%	>50%	<50%	0%
	(percentage of tenants)			
Tenant sustainability guide			<input checked="" type="radio"/>	
Tenant engagement meetings			<input checked="" type="radio"/>	
Sustainability training			<input checked="" type="radio"/>	
Events focused on increasing sustainability awareness			<input checked="" type="radio"/>	
Provide tenants with feedback on energy/water/waste consumption			<input checked="" type="radio"/>	
Other <u>tenant survey</u>		<input checked="" type="radio"/>		

**Q 36.2 Please describe the fund/company tenant engagement program: (maximum 250 words)**

In 2012 HCP implemented the HCP Green Challenge Competition for our Life Science properties. The competition rated various sustainability metrics for tenants in the Bay Area and the San Diego portfolios in California. Trophies and tenant events were awarded to winners in each sub market categorized as large labs (50,000 square feet or greater), smaller labs (less than 50,000 square feet) and offices. One of our third party property management companies, manages 1.5 million ft<sup>2</sup> for HCP and they worked in tandem with the tenants to complete the scorecard and review energy savings. HCP sponsored an awards luncheon for those tenants who reduced their annual energy use. In addition, our annual tenant satisfaction survey includes questions regarding our green initiatives and the tenants' willingness to participate in such initiatives. We utilize the results of this survey to make changes in our business strategy. In 2012, our tenant satisfaction survey was delivered via a web based methodology to 2,611 of our tenants and we achieved a response rate of 82.1%. The survey included 25 questions related to green initiatives including the tenants' 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 included reminders to implement these measures and practices.

- Not applicable

**Q 37 Did your company/fund carry out tenant (customer) satisfaction surveys during the reporting period?**

- Yes, for 73 % tenants/customers
- No

Please upload a copy of the Survey undertaken during the reporting period FILE ID: 11257

**Q 38 During the reporting period did your company/fund have a fit-out and refurbishment program in place for tenants incorporating sustainability issues?**

- Yes, tenant fit-out guide for \_\_\_\_\_ % tenants
- Yes, tenant fit-out and refurbishment assistance for \_\_\_\_\_ % tenants
- Yes, minimum fit-out standards are prescribed for tenants.
- No

**Q 39 Did your company/fund have green leases or MoUs in place during the reporting period?**

- Yes, 0 % of the leases are green leases
- Yes, \_\_\_\_\_ % of the leases include MoUs addressing sustainability issues
- No

**Q 40.1 Did your company/fund have sustainability requirements in place for external property/ asset managers during the reporting period?**

- Yes, for 100 % external property/asset managers
- No

**Q 40.2 During the reporting period how did your company/fund monitor external property/ asset managers' compliance with your sustainability requirements? (multiple answers possible)**

- Received update reports from service providers
- Discussed during regular meetings with service providers
- Checks performed by fund/company employees
- Checks performed by external consultants. *Name of the organization* \_\_\_\_\_
- Other \_\_\_\_\_
- No

**Q 41.1 Did your company/fund have in place any sustainability requirements in place for direct/external suppliers/service providers during the reporting period?**

- Yes, integrated into contracts for 4 % suppliers/service providers
- No

**Q 41.2 During the reporting period how did your company/fund monitor direct external suppliers' and/or service providers' compliance with its sustainability requirements? (multiple answers possible)**

- Received update reports from suppliers
- Regular meetings with suppliers
- Checks performed by company/fund employees
- Checks performed by external consultants. *Name of the consultant* \_\_\_\_\_
- Certification requirements. Please specify \_\_\_\_\_
- Other \_\_\_\_\_
- No

**Q 42** Did your company/fund have a community engagement program in place (or similar) for sustainability issues during the reporting period? *(multiple answers possible)*

- Sustainability education programs
- Sustainability enhancement programs for public spaces
- Employment creation in local communities
- Research and networking activities
- Supporting charities and community groups
- Other \_\_\_\_\_
- No

# New Construction & Major Renovations

**Q 1 Please confirm the following (only applicable for New Construction and Major Refurbishments)**

Floor area of new developments completed during the reporting period: 337093 m2

Total number of new developments during the reporting period: 5

Value of all new developments completed during the reporting period: 112

Total number of major refurbishment projects completed during the reporting period: 38

**Q 2 For what percentage of your new Construction & major renovations completed during the reporting period did your company/fund receive green building certifications?**

	% portfolio by floor area
BREEAM	1
LEED	
Green star	
CASBEE	
DGNB	
Other _____	

**Q 3 Did your company/fund have minimum sustainable site selection requirements for new construction projects completed during the reporting period, covering the following: (multiple answers possible)**

Issue	
Flooding risks	No
Extreme weather conditions	No
Vulnerability to (geomagnetic) storms	No
Other climate/climate change risks: _____	No
Extreme volatility in energy prices	No
Contaminated land	No
Irremediable pollution	No
Other _____	No

**Q 4 Did your company/fund have minimum sustainable site development requirements for new construction projects completed during the reporting period, covering the following: (multiple answers possible)**

- Reduction of pollution and land development impacts from automobile use
- Minimize site disruption by using the most sustainable building footprint
- Protection or restoration of habitats and promotion of biodiversity
- Implementation of a storm water management plan
- Reduction of heat island effects to minimize impact on microclimate and human and wildlife habitat
- Minimize light pollution
- Other \_\_\_\_\_
- No

**Q 5 Does your company/fund have a policy on construction materials, covering the following:**

Issue	Yes	No
Use of building materials or products that have been locally extracted or recovered		No
Blacklist of non-sustainable materials that should not be used in any of your projects		No
Use of rapidly renewable materials and recycled content materials		No
Use of wood-based materials and products that are certified in accordance with the Forest Stewardship Council (FSC) principles and criteria		No

Use of low-emitting (low Volatile Organic Compounds) materials, including adhesives and sealants, paints and coatings, and flooring systems

Yes

**Q 6 Did your company/fund have minimum energy efficiency requirements for New Construction & Major Renovations completed during the reporting period covering the following: (multiple answers possible)**

- Energy performance that exceeds applicable -mandatory requirements by at least 10% for new buildings and 5% for major renovations
- Fundamental refrigerant management
- Development and implementation of a commissioning plan
- Verification of the installation and performance of the systems
- Other \_\_\_\_\_
- No

**Q 7 What percentage of your new construction & major renovations completed during the reporting period are designed to generate energy from on-site renewable sources?**

	% of projects	% energy use generated by renewable sources out of total energy use:	Absolute energy
Solar/ photovoltaic			
Wind			
Geothermal			
Hydro			
Biomass			
Co/tri-generation			
Other _____			
None of the above			

**Q 8 Did your company/fund have minimum water efficiency requirements for new construction & major renovations completed during the reporting period, covering the following: (multiple answers possible)**

- Use of high-efficiency fixtures
- Use of dry fixtures such as composting toilet systems and non-water using urinals
- Use of occupant sensors to reduce the potable water demand
- Re-use of storm water and grey water for non-potable applications
- Options for on-site waste water treatment
- Other \_\_\_\_\_
- No

**Q 9.1 Did your company/fund have a waste policy in place for new construction & major renovations completed during the reporting period?**

- Yes. *Please upload supporting documentation for the waste policy in place* [Download](#)
- No

**Q 9.2 Does the waste policy at construction sites include one or more of the following:**

- Waste management plans
- Project specific targets with regard to waste reduction, recycling or reuse
- Incentives for contractors for recovering and recycling building materials
- Relevant employees are educated about waste management techniques
- Other perform waste management according to LEED
- Not applicable

**Q 10.1 Does your company/fund have sustainability guidelines for contractors specified in the contract?**

- Yes, implemented for \_\_\_\_\_ % of contracts
- No

**Q 10.2 How do you ensure contractors are compliant with your sustainability guidelines? (multiple answers possible)**

- Construction company needs to have an international verified standard (e.g. ISO 14001)
- Contractor needs to have sustainability resource/staff on site
- Contractor provides update reports on environmental and social aspects during construction
- Internal audits. Percentage of projects audited during the reporting period: \_\_\_\_\_ %
- External audits by third-party. Percentage of projects audited during the reporting period: \_\_\_\_\_ %
- Ad-hoc visits to sites. Percentage of projects visited during the reporting period: \_\_\_\_\_ %
- Require contractors to include sustainability clauses in subcontractor agreements
- Other \_\_\_\_\_
- Not applicable

**Q 11.1 Did your company/fund have an internationally recognized occupational health and safety management system in place during the reporting period?**

- Yes, OHSAS 18001
- Yes, covered by ISO 9001
- Yes, covered by ISO 14001
- Yes, other \_\_\_\_\_
- No

**Q 11.2 Did your company/fund report on health and safety indicators at construction sites during the reporting period? (multiple answers possible)**

- Yes. Please specify the Injury Rate: \_\_\_\_\_
- Yes. Please specify the Lost Day Rate: \_\_\_\_\_
- Yes. Please specify the Absentee Rate: \_\_\_\_\_
- No

# Leader in the Light Supplement

**Q 1 Define the key financial performance indicators that your company uses for measuring the success of its sustainability strategy (maximum 200 words)**

HCP uses a variety of financial indicators and metrics to measure the success of our sustainability strategy. The financial performance indicators used for property and portfolio measurements include (i) percent reduction of both utility costs and energy consumption; (ii) annualized energy saving dollars on utilities; and (iii) utility cost per total rentable square foot. For project measurements, financial performance indicators include (i) the evaluation of return on investment (ROI); (ii) payback in years (for project cost recovery); and (iii) net present value (NPV). HCP's energy projects have paybacks ranging from two to five years. HCP measures ROI and payback differently with respect to elective projects (those implemented solely to generate energy efficiency) and replacement projects (those replacing current equipment with higher efficiency equipment). The ROI for elective projects is based upon the total investment cost, while for replacement projects is calculated on the incremental cost of high efficiency equipment over the base investment of standard efficiency equipment. Another key financial indicator is the ratio of metric tons of CO2e to total unit revenue which was 0.000513991 Tons/\$ for 2012 which is reported in our recently submitted 2013 CDP report.

**Q 2 Energy Efficiency Please describe maximum 5 projects which best describe the implementation of energy efficiency measures across your portfolio**

Project Type	% of Portfolio by floor area covered by the project	Total Capital Investment (\$)	Total Expense Investment (\$)	Total Annual Projected Savings (kWh)	Total Annual Projected Savings (\$)	Notes & Comments
Lighting Control	9.869999999999999	39410	0	191232	17605	41 lighting motion sensor or timer projects were implemented at a total project cost of \$39,401 with a ROI of 44.7% and a payback of 2.2 years. 358 sensors/timers were installed. This project has a life of 10 years.
Lighting Retrofit Project	10.6	227302	0	815619	79146	71 Lighting retrofit projects were implemented at a total project cost of \$277,302 with a ROI of 34.8% and a payback of 2.9 years. This project has a life of 10 years.

Building Automation System Projects	3.89	280173	0	824940	66075	10 Energy Management System projects were implemented at a total project cost of \$280,173 with a ROI of 23.5% and a payback of 4.2 years. This project has a life of 15 years.
HVAC Upgrades or Replacements	9.49	93339	0	428198	38263	48 small HVAC equipment replacement projects (< 10 ton) were implemented at a total project cost of \$622,257. The premium investment ROI was 41% with a payback of 2.4 years.
HVAC Upgrades or Replacements	4.86	218026	0	835140	75222	10 large HVAC equipment replacement projects (>= 10 ton) were implemented at a total project cost of \$1,453,507. The premium investment ROI was 34.5% with a payback of 2.9 years.

**Q 3 Water Efficiency Please describe maximum 5 projects which best describe the implementation of water efficiency measures across your portfolio**

Project Type	% of Portfolio by floor area covered by the project	Total Capital Investment (\$)	Total Expense Investment (\$)	Total Annual Projected Savings (gallons)	Total Annual Projected Savings (\$)	Notes & Comments
Water heater moisture alarms and solenoid shutoff valves	9.67	443509	0	20496	200000	167 water sensor/valve installations
Water reducing sprinkler heads and adjustment of watering times	4.32	0	14055	3538704	18755	Implemented at 6+ buildings
Installation for drought resistant landscaping	0.62	11762	16436	423325	2244	Installed at 4 buildings in Texas
Low Flush Toilet Projects	4.08	15775	10000	184827	980	63 were installed in 10 buildings

Motion Sensors on Faucets	0.96	17200	0	156024	827	44 sensors installed in 3 buildings
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**Q 4 Renewable energy Please describe maximum 5 projects which best describe the implementation of renewable energy technologies across your portfolio**

Project Type	% of Portfolio by floor area covered by the project	Total Capital Investment (\$)	Total Expense Investment (\$)	Total Annual Projected Savings (kWh)	Total Annual Projected Savings (\$)	Notes & Comments
Solar Cell Panel - Maintained by the Utility Company	0.03	0	0	0	0	HCP allowed a California utility to install a100KW solar cell panel
Solar Cell Panel - Maintained by the tenant	0.01	0	0	524179	0	A tenant at a building in California maintains a solar cell panel

**Q 5 Waste Management Please describe maximum 5 projects which best describe the implementation of waste management across your portfolio**

Project Type	% of Portfolio by floor area covered by the project	Total Capital Investment (\$)	Total Expense Investment (\$)	Total Annual Projected Savings (lbs)	Total Annual Projected Savings (\$)	Notes & Comments
Recycling Programs	22.14		109554	2387969		7.1% of the total non-hazardous waste is recycled
Contract Waste Removal Landfill	76.14		1583076	5199043		92.9% of total non-hazardous waste is landfill
Copy paper reduction program				652	267	Utilized electronic reports, reduced number of hardcopy reports
Demo Materials on Renovation/Redevelopment Projects	0.29	3700		100000	1200	Implemented at a renovation project in California
Recycled roof ballast rock and Recycled to off-site vendor	0.89			134140	3500	Project implemented at 2 MOBs