

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, with offices in Nashville and San Francisco. Our diverse portfolio is comprised of investments in the following healthcare segments: (i) senior housing triple-net ("SH NNN"), (ii) senior housing operating portfolio ("SHOP"), (iii) life science and (iv) medical office. 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

Fri 01 Jan 2016 - Sat 31 Dec 2016

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, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS 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 in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

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

(i) Senior Managing Director, and Chair of the Sustainability Committee.

(ii) Direct responsibility for climate change within the Company resides with Thomas M. Klaritch, Senior Managing Director – Medical Office Properties, and Chair of our Sustainability Committee. Mr. Klaritch reports directly to our Executive Chairman, Mike McKee, and our Chief Executive Officer, Tom Herzog, both of which are also members of our Board of Directors ("Board").

As the Sustainability Committee Chair, Mr. Klaritch is directly 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 periodically 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 Efficiency 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 shareholder 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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			<p>evaluate performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2017 were based in part on an assessment of performance during 2016. The Company's sustainability performance (which includes climate change performance) is a factor 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 reduction target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB) are considered when calculating incentive awards. Additionally, 2016 sustainability goals for certain executive officers included factors such as meeting 1-2% emission, energy, water, and waste reduction targets as consideration when calculating incentive awards.</p>
Executive officer	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	<p>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.</p>
Management group	Monetary reward	Emissions reduction target Energy reduction target Efficiency target	<p>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 shareholder 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</p>

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			<p>compensation awards granted in January 2017 were based in part on an assessment of performance during 2016. The Company's sustainability performance (which includes climate change performance) is a factor 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 reduction target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB) are considered when calculating incentive awards. Additionally, 2016 sustainability goals for certain executive officers included factors such as meeting 1-2% emission, energy, water, and waste reduction targets as consideration when calculating incentive awards.</p>
Management group	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	<p>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.</p>
Business unit managers	Monetary reward	Emissions reduction target Energy reduction target Efficiency target	<p>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 shareholder 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 2017 were based in part on an assessment of</p>

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			<p>performance during 2016. The Company's sustainability performance (which includes climate change performance) is a factor 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 reduction target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB) are considered when calculating incentive awards. Additionally, 2016 sustainability goals for certain executive officers included factors such as meeting 1-2% emission, energy, water, and waste reduction targets as consideration when calculating incentive awards.</p>
Business unit managers	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	<p>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.</p>
Environment/Sustainability managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	<p>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 shareholder 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 2017 were based in part on an assessment of performance during 2016. The Company's sustainability performance (which includes climate</p>

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			change performance) is a factor 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 reduction target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB) are considered when calculating incentive awards. Accordingly, 2016 sustainability goals for certain executive officers included factors such as meeting 1-2% emission, energy, water, and waste reduction targets as consideration when calculating incentive awards. Additionally, a "spot" bonus may be allocated to a sustainability manager/director for target achievement and/or sustainability reporting performance.
Environment/Sustainability 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, 2016, we had 802 properties in the United States ("U.S.") and Europe; therefore all U.S. geographical areas are considered within the continental U.S., as well as areas of Europe in which our properties are located.	> 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, and likelihood, as well as 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 from 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 R/Os and determine if any should be removed from the current period, and assesses other potential R/Os that should be added to the universe. 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 the survey information is evaluated, a facilitated session is held to discuss the 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 2015 and 2016, and the survey is being re-assessed for re-deployment in 2017-2018.

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. Influence on business strategy. The primary element of our business strategy is to invest and manage our real estate portfolio for the long-term to maximize the benefit to our stakeholders. Our strategy has increasingly focused on engaging stakeholders in implementing sustainability measures including those related to climate change. Our internal data collection and reporting processes have directly influenced our strategy, including data from our: a) annual tenant and employee satisfaction surveys; b) investors who incorporate climate change aspects into their investment decisions; and c) internal research regarding how sustainability may generate cost savings and create value including potential increases to returns on investment. The stakeholder data is reported to our business segments to target, develop and implement energy reduction strategies, resulting in the outcomes of the identification of climate change risks and opportunities. We then utilize process outcomes to make necessary strategy adjustments to achieve maximum benefits for our stakeholders.
- ii. Examples of influence on business strategy. Amending our tenant satisfaction survey to include questions regarding our green initiatives, our Code of Conduct to include a sustainability section, and implementing a Vendor Code of Conduct are prime examples of climate change initiatives that have influenced our business strategy. Incorporating such sustainability initiatives into our policies have directly influenced our business strategy to invest for the long-term to maximize stakeholder benefits.
- iii. Aspects of climate change that have influenced the strategy. Approximately 85% of our carbon footprint is related to electricity usage; therefore, energy management is a primary cost reduction and climate change driver for us. Approximately 10% of our operating costs at the property level are electricity expenses, and a large portion of our GHG emissions are attributable to purchased electricity. Each of these climate change aspects have 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. Thirdly, reputational risk associated with sustainability performance, as assessed by the investor community, is an important aspect influencing our strategy for acquisitions.
- iv. Climate change influence on short-term strategy. The most important components of our short-term (0-3 yrs) strategy influenced by climate change include the continued implementation of best practices, such as participation in sustainability reporting initiatives, and to improve efficiency across our properties. For example, efficiency measures at our buildings produce immediate cost savings for our tenants in the form of lower monthly utility bills. 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 action, which directly results in the influence to, and 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, we seek to develop and implement mitigation plans, including but not limited to the implementation of alternative energy (solar) projects, for example.
- v. Climate change influence on long-term strategy. Attaining our future goals of reducing emissions, energy consumption and maximizing efficiency are important components of our long-term (4+ yrs) strategy influenced by climate change. Such components have led to increased focus on best operating practices, expanded training, the development of long-term energy reduction goals (15% by 2020, from 2011 baseline), and monitoring and reporting of results, each of which has directly resulted in the influence to, and adjustment of, our long-term business (and sustainability) strategy. Furthermore, these long-term initiatives are enhanced by the development of detailed and systematic processes to invest in more energy efficient technologies, which, over the long-term, enhance our portfolio thus maximizing benefits to our stakeholders.
- vi. Competitive advantages. Our continued implementation of more robust energy, emissions, water and waste saving measures will provide us with an advantage over our competitors not employing these strategies. Passing on cost-savings from our efficiency measures to our tenants makes our properties more desirable and affordable to lease than those of our competitors that have higher leasing rates to cover costs of their inefficient buildings. Additional examples of advantages include obtaining new tenants seeking energy efficient facilities and new investors who prefer to invest in companies that address climate change.
- vii. Substantial business decisions influenced by climate change driven aspects of strategy. One of our substantial business decisions made in 2016 was to invest in several of our aging buildings through modernization upgrades. Climate change aspects, including but not limited to warmer temperatures and more severe droughts, directly influenced this decision, as we implemented high efficiency HVACs and water-resistant landscaping, instead of a just a fresh coat of paint and more modern furniture. Another substantial business decision made in 2016 was to assess the common areas of several of our current and newly acquired properties for renovation needs. We determined to implement a Common Area LED Lighting Retrofit Program, to improve lighting quality for our tenants as well as reduce our GHG emissions, energy consumption and costs. These climate change aspects (reduced consumption thus reducing emissions) directly influenced our decision to

create this program to focus on the benefits of LED lighting for our common areas to enhance the traditional renovations we typically implemented.

viii. Paris Agreement influence on business strategy. This agreement does not currently have an influence on our strategy due to the recent (and unfortunate) U.S. political considerations to remove the U.S. from the agreement.

ix. Use of forward-looking scenario analyses. We are in the process of developing these at this time.

CC2.2b

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

CC2.2c

Does your company use an internal price on 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 on 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	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 2016, HCP supported NAREIT's legislative agenda by organizing a voluntary executive fundraising effort for REITPAC that contributed over \$20,000.

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

CC2.3d

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

CC2.3e

Please provide details of the other engagement activities that you undertake

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

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.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

Absolute target
Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-	95%	1%	2015	375416	2016	No, but we anticipate	The total emissions calculated for Scope 1 and 2 in 2015 were 373,836 (t Co2e), which covered the 463 properties

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
	based)						setting one in the next 2 years	in our boundary. The 2015 total emissions amount was adjusted but not re-assured in 2016 to reflect a rolling base year according to our methodology, as well as acquisitions and dispositions affecting our boundary. Our absolute reduction target for 2016 using our 2015 base year was 1-2%. We achieved a reduction of 4.1%. 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 covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	95%	1%	Metric tonnes CO2e per square foot*	2015	0.009445	2016	No, but we anticipate setting one in the next 2 years	We implemented an intensity target for 2016 based on metric tonnes per square foot which we feel is a relevant measurement for real estate properties. Our 2016 intensity reduction target using our 2015 rolling base year was 1-2%.

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 2016 absolute emissions reduction was 4.1%, which resulted in a decrease in intensity of 3.8%. Our assumptions were that the CO2e emissions in 2016 would decrease from the 2015 rolling base year by 1%, which was estimated to be 3,754 metric tonnes CO2e.

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
----	--------------------------------	-----------	--	---------------------------------	-------------	-----------------------------------	---------

CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	100%	100%	We achieved a 4.1% reduction in our 2016 absolute emissions reduction against a target of 1-2% for our defined boundary buildings for 2016.
Int1	100%	100%	We achieved a 3.8% reduction in our 2016 emissions intensity against our 2015 target of 1-2% for buildings within our boundary. While the numerator (CO2e) decreased by 4.1%, the denominator (square footage of buildings within our boundary) also decreased by 0.3%, thus causing a net effect 3.8% decrease of the intensity factor.

CC3.1f

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

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
----------------------	--	--	---	---	---	---------

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	107	
To be implemented*	107	3747
Implementation commenced*	61	1367
Implemented*	363	5782
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	14 lighting motion and occupancy sensor projects. 355 sensors/timers were installed. This is a voluntary Scope 2 project, with a life of 10 years.	34	Scope 2 (location-based)	Voluntary	11147	13718	1-3 years	6-10 years	
Energy efficiency: Building services	3 evening HVAC building setback projects were implemented to reduce CO2e and energy. This is a voluntary Scope 2 project, with a life of 15 years.	20	Scope 2 (location-based)	Voluntary	4000	575	<1 year	11-15 years	
Energy efficiency: Building services	12 programmable thermostat projects were implemented to reduce CO2e and energy. 29 thermostats were installed. This is a voluntary Scope 1 +2 project with a life of 15 years.	62	Scope 1 Scope 2 (location-based)	Voluntary	5890	2192	<1 year	11-15 years	
Energy efficiency: Building services	20 Energy Management System projects were implemented. This is a voluntary Scope 2 project with a life of 15 years.	1277	Scope 2 (location-based)	Voluntary	294450	1502255	4-10 years	11-15 years	
Energy efficiency: Building services	118 Lighting retrofit projects were implemented, consisting of both fluorescent and LED lighting. This is a voluntary Scope 2 project with a life of 11-15 years.	2124	Scope 2 (location-based)	Voluntary	413751	2952909	4-10 years	11-15 years	
Energy efficiency: Building	13 variable frequency drive projects were implemented. This is a voluntary Scope 2 project with a life of 10 years.	273	Scope 2 (location-based)	Voluntary	58073	119347	1-3 years	11-15 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
services									
Energy efficiency: Building services	128 small Heating Ventilation and AirConditioning (HVAC) equipment replacement projects [(< 10 ton)] were implemented. 328 HVAC units werereplaced. (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.	623	Scope 2 (location-based)	Voluntary	124296	300571	1-3 years	11-15 years	
Energy efficiency: Building services	19 large Heating Ventilation and AirConditioning (HVAC) equipment replacement projects (>= 10 ton) were implemented. 51 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.	899	Scope 2 (location-based)	Voluntary	151062	420877	1-3 years	16-20 years	
Energy efficiency: Building services	10 boiler replacement projectsimplemented. 12 boilers were 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.	196	Scope 1	Voluntary	29334	126930	4-10 years	16-20 years	
Energy efficiency: Building fabric	20 white and/or reflective surface roofprojects. There is no premium cost for a white/reflective roof so the investment for energy savings is zero. This is a voluntary Scope 2 project, with	80	Scope 2 (location-based)	Voluntary	23653	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
	a life of 20 years.								
Energy efficiency: Building services	6 projects installing window tint on existing windows and sealing windows, This is a voluntary Scope 2 project with a life of 15 years.	194	Scope 2 (location-based)	Voluntary	36347	396699	4-10 years	11-15 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

Method	Comment
	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	Comment
In voluntary communications	Complete	Response to climate change: PDF pgs. 5, 10 and 17; GHG emissions performance: PDF pgs. 10-13 (Environmental Report); and pgs. 20-21 (Environmental Data)	https://www.cdp.net/sites/2017/17/23217/Climate Change 2017/Shared Documents/Attachments/CC4.1/HCP 2016 Sustainability Report.pdf	
In voluntary communications	Complete	Response to climate change: PDF pgs. 12, 19; GHG emissions performance: PDF pgs. 38-40	https://www.cdp.net/sites/2017/17/23217/Climate Change 2017/Shared Documents/Attachments/CC4.1/GRESB 2017 Response - Final (06.30.17) 9.25am PT.pdf	Our 2017 GRESB Response was completed on June 30, 2017 (attached). It will be published to our website on or about July 6, 2017. All GRESB responses for

Publication	Status	Page/Section reference	Attach the document	Comment
				previous years are published to our website in the Sustainability section.
In voluntary communications	Complete	Screenshot from Sustainability webpage (1 page)	https://www.cdp.net/sites/2017/17/23217/Climate Change 2017/Shared Documents/Attachments/CC4.1/Screenshot of Sustainability Section of HCP website.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 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. For example, California's Building Energy Efficiency	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 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	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 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	The costs associated with the implementation of 363 efficiency improvement projects in 2016 was approximately \$5.8 million. 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
	Standards are now updated on an approximately three-year cycle, and these requirements impact HCP as an owner of properties in California.						generate a substantive change in our capital expenditures over time if not properly mitigated.	standards. For example, in 2016, we proactively and voluntarily implemented 363 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. 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	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								energy rating for each building. Additionally, we believe these proactive actions are likely to reduce our risks associated to changes in efficiency regulations and standards over the next few years, as when and if such regulations are enacted, we will already be adhering to the new standards.	
Product labeling regulations and standards	Risks driven by changes related to labeling regulations and standards include governing bodies mandating certifications (i.e., labels) such as ENERGY STAR and LEED. Such risks could affect HCP by exposing us to higher capital costs to meet the requirements of these programs.	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 estimate such costs could increase incrementally between \$800,000 and \$1.0 million for a new building	Methods we are using to manage these risks include voluntarily and proactively constructing or retrofitting to higher-than-required ENERGY STAR and LEED (labeling) standards in advance of any newly required labeling standards. This practice	The cost associated with the implementation of 5 drought resistant landscape projects and 3 "smart" control irrigation projects in 2016 was approximately \$99,000. There is no cost (\$0.00) associated with utilizing the ENERGY STAR

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							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.	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 2016, we proactively and voluntarily installed drought resistant landscaping to reduce water consumption at 5 buildings, and upgraded the irrigation controls to "smart" controls for 3 of our buildings. Further, we utilize the ENERGY STAR Portfolio Manager to track our	Portfolio Manager tool.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								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 changes 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)	Risks driven by changes in physical climate	Increased operational cost	3 to 6 years	Direct	More likely than not	Medium	The estimated financial implications	Methods we are using to manage risks driven by	We estimate the costs of proactively

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
temperature	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.						include increased costs from higher cooling and/or heating expenses due to changes in mean (average) temperature. We spent \$58.2 million in utility expenses on our boundary properties in 2016. A 1% increase in such expenses due to a change in mean (average) temperature could cost us an additional \$582,000 annually as compared to 2015. According to NOAA, the average annual temperature in 2016 was 2.9 degrees Fahrenheit greater than the average temperature for the 20th century. We believe this trend could continue	changes in physical climate parameters such as mean (average) temperature include voluntarily and proactively constructing or retrofitting buildings to more efficient systems and construction standards in advance of any change in climate. For example in 2016 we proactively and voluntarily implemented 363 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 for potential retrofit, we utilize the ENERGY STAR (ES) Portfolio Manager tool to	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
							<p>throughout the 21st century on a global level. Such average annual temperature increases could increase our utility costs by an estimated \$320,000 to \$580,000.</p>	<p>track our buildings that do not currently meet ES requirements, and we proactively schedule upgrades for those buildings. This enables us to implement energy upgrades in an efficient manner over an extended period of time and begin incurring energy savings in advance of any changes in climate parameters. Adapting such practices now will aid in mitigating the risks of any increased costs now and in the future. The ES Portfolio Manager is a benchmarking tool that models the building based on consumption and generates an energy rating. Additionally, we believe these proactive actions are likely to reduce our risks associated</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								to changes in physical climate parameters over the next few years, because as climate change produces increasingly severe weather, we will already have procedures and equipment in place to mitigate the risks.	
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	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 \$287,000 in flood insurance premiums in 2016. A 5% to 10% increase in such expenses due to a rise in sea level could cost us an additional \$14,350 to \$28,700 annually as compared to 2015. We believe	Methods we are using to manage the risks driven by changes in physical climate parameters associated with a rise in sea level include negotiating competitive insurance rates through a bidding process to ensure the lowest rates. Additionally, maintaining and building upon our investment grade corporate financial structure aids in decreasing our insurance rates as a result of	There are no (\$0.00) costs associated with negotiating competitive insurance rates through a bidding process as a method of risk management. In 2016, we spent approximately \$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
	(insurance deductibles) due to increased claims (e.g., from flooding).						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 over time if not properly mitigated.	demonstrating our financial stability. Additionally, we believe these proactive actions are likely to reduce our risks associated to changes in physical climate parameters over the next few years, because as climate change produces increasingly severe weather, we will already have procedures and equipment in place to mitigate the risks.	
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	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 \$2.4 million in wind insurance premiums in 2016. A 5% to 10% increase in such expenses due to extreme	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	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 2016

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>resulting from higher insurance costs (premiums) and uninsured repair costs (insurance deductibles) due to increased claims (e.g., from wind damage).</p>						<p>winds could cost us an additional \$120,000-\$240,000 annually as compared to 2015. We believe physical climate parameter risks such as tropical cyclones could increase and could have the potential to generate a substantive change in our expenditures over time if not properly mitigated.</p>	<p>planning for extreme weather extremes events through the development and implementation of a comprehensive business continuity plan. Our business continuity plan is a comprehensive plan which, in the event of a serious business disruption affecting the operation of our business functions is designed to (i) provide a 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</p>	<p>we spent approximately \$2 million in costs related to credit ratings, although such costs are factored into and included as a part of our regular business activity.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>employees. Additionally, maintaining and building upon our investment grade corporate financial structure aids in decreasing our insurance rates as a result of demonstrating our financial stability. Additionally, we believe these proactive actions are likely to reduce our risks associated to changes in physical climate parameters over the next few years, because as climate change produces increasingly severe weather, we will already have procedures and equipment in place to mitigate the risks.</p>	

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
Changing consumer behavior	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 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 were unable to provide energy efficient space to those tenants and potential tenants that prefer it.	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. We earned \$1.41 billion in rental related revenues within our boundary in 2016. A 1% decrease from lost tenants could cost us \$14.1 million in lost revenues annually as compared to 2015. We believe other climate-related risks such as	Methods we are using to manage the risks driven by changes in other climate-related developments such as changed consumer behavior include pursuing LEED and ENERGY STAR (ES) certifications, involving tenants in our sustainable business strategy though our annual tenant satisfaction survey and the promotion of water and energy saving procedures. For example, HCP is the cumulative ES program leader for the MOB category and we are continuing to pursue ES as well as the LEED certifications. In 2016, our tenant satisfaction survey was delivered to 2,327 of our tenants and we achieved a	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
							<p>changing consumer behavior could increase and could have the potential to generate a substantive change in our revenues over time if not properly mitigated.</p>	<p>response rate of 89%. The survey included 18 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 water and energy savings procedures communicated to our tenants include reminders, and the implementation of these measures and practices will appeal those tenants who prefer to do business with more sustainable companies. Additionally, we believe these</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								proactive actions are likely to reduce our risks associated with climate-related developments such as changes in consumer behavior over the next few years, as we strive to increase the number of LEED certified buildings in our portfolio and sustainability-related questions in our satisfaction survey each year.	
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,	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 \$1.41 billion in rental related revenues within	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	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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>resulting in a decrease in revenues, if any of our tenants chose to relocate due to our reputation being perceived as an unsustainable company.</p>						<p>our boundary in 2016. A 1% decrease from lost tenants could cost us \$14.1M in lost revenues annually as compared to 2015. We believe other climate-related risks such as a perceived negative sustainability reputation could increase and could have the potential to generate a substantive change in our revenues over time if we do not retain our esteemed sustainability reputation.</p>	<p>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 certifications. In 2016, our tenant satisfaction survey was delivered via a web based methodology to 2,327 of our tenants and we achieved a response rate of 89%. The survey included 18 questions related to Green Initiatives including tenant satisfaction with our commitment to sustainability, their likelihood of</p>	<p>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.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>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 to and the implementation of these measures and practices will appeal those tenants who prefer to do business with more sustainable companies.</p>	

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 changes in 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
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. For example,	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 2016, we spent \$58.2M in utility expenses within our boundary. A 1% decrease in such expenses could save us an additional \$582,000 annually as compared to 2015. We believe such savings could increase annually, as we believe opportunities related 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 2016, we implemented 363 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting to a more efficient product and the	The incremental cost associated with: 1) the implementation of 363 efficiency improvement projects in 2016 was approximately \$5.8 million; 2) the implementation of "smart" building technology for 8 buildings in 2016 was approximately \$143,000; and 3) the implementation of drought resistant landscaping and upgrades to "smart" irrigation controllers in 2016 was approximately \$99,000. There is no cost (\$0.00) associated with utilizing the ENERGY STAR

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>California's Building Energy Efficiency Standards are now updated on an approximately three-year cycle, and these requirements impact HCP as an owner of properties in California and have provided cost-savings opportunities derived from the benefits of implementing the required efficiency measures.</p>						<p>efficiency standards could become more prevalent due to increasing tenant interest in efficiency, and will have the potential to generate a substantive change in our costs over time.</p>	<p>installation of energy management systems. In addition, "smart" building technology was implemented for 8 buildings utilizing real time utility monitoring to enhance energy reduction opportunities. We also installed drought resistant landscaping to reduce water consumption at 5 buildings and we installed upgrades to our irrigation controls for 3 buildings to "smart" controllers. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently</p>	<p>Portfolio Manager tool.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>meet ENERGY STAR requirements, and we proactively schedule 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. Additionally, we believe these proactive pre-regulatory</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								actions are likely to increase the opportunities related to efficiency standards over the next few years.	
Product labeling regulations and standards	Opportunities driven by changes related to product (i.e., our buildings) labeling regulations and standards include 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	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 the improved-efficiency equipment installed as required by labeling regulations. In 2016, we spent \$58.2M in utility expenses within our boundary. A 1% decrease in such expenses could save us an additional \$582,000 annually as	Methods we are using to manage the opportunities associated with regulatory changes related to product labeling standards include voluntarily and proactively constructing or retrofitting to higher-than-required ENERGY STAR and LEED standards in advance of any newly mandated labeling standards. In 2016 for example, we installed drought resistant landscaping to	The incremental cost associated with the implementation of drought resistant landscaping and upgrades to “smart” irrigation controllers in 2016 was approximately \$99,000. 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
	implement to comply with such labeling standards.						compared to 2015. 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, and will have the potential to generate a substantive change in our costs over time.	reduce water consumption at 5 buildings and made upgrades to our irrigation controls for 3 buildings to "smart" controllers to help meet the requirements of LEED certification although it was not required. 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. This practice enables us to implement upgrades	

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

CC6.1b

Please describe your 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	Adapting to changes in	Premium price	3 to 6 years	Direct	More likely than not	Medium-high	The estimated financial	Methods we are using to manage	The annual cost to prepare, assure

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
(average) temperature	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 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.	opportunities					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. We earned \$1.41 billion in rental related revenues within our boundary in 2016. A 1% increase in such revenue could result in an additional \$14.1M annually as compared to 2015. We believe such revenue resulting in premium price opportunities could increase	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 tenants interested in leasing space from sustainable companies. We also implement energy efficient measures as an added attraction for tenants. For example, we implemented 363 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting	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 363 efficiency projects in 2016 was approximately \$5.8 million; and the implementation of "smart" building technology for 8 buildings in 2016 was approximately \$143,000.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							annually due to increasing tenant interest in energy efficiency, and could have the potential to generate a substantive change in our revenue over time.	to a more efficient product and the installation of energy management systems. We also implemented "smart" building technology for 8 buildings in 2016. Additionally, we believe these actions will likely increase the opportunities derived from changes in physical climate parameters such as an increase in the mean (average) temperature over the next few years.	

CC6.1c

Please describe your 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 recognized as a leader in the healthcare real	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 \$1.41 billion in rental related revenues within our boundary in 2016. A 1% increase in such revenue due to increased demand could result in an additional \$14.1 million annually as compared to 2015. We believe such revenue resulting from	Methods we are using to maximize the opportunities and related potential positive financial implications 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. Additionally, the awards we have received for our sustainability	The annual cost to prepare, assure and publish our annual Sustainability Report and to respond to various sustainability surveys is approximately \$350,000. The incremental costs associated with the implementation of 363 efficiency projects in 2016 was approximately \$5.8 million; and the implementation of "smart" building technology for 8 buildings in 2016 was approximately \$143,000.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>estate sector. Recognition such as this improves our reputation and increases the interests of new potential tenants.</p>						<p>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.</p>	<p>reporting efforts solidifies our reputation in the eyes of current and potential tenants. We also implement energy efficient measures as an added attraction for tenants, which aids in boosting our sustainability reputation. For example in 2016, we implemented 363 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 8 buildings in</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								2016. Additionally, we believe these actions will likely increase reputational-related opportunities over the next few years.	
Changing consumer behavior	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 programs that we implement at our buildings. Such an opportunity could affect HCP by reducing operational costs due to the	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 the energy and water savings tips we provide. We incurred approximately \$58.2 million in energy expenses within our boundary in 2016. A 1%	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 conservation and energy saving procedures. For example, at our Centennial campus in Nashville, we email tenant newsletters	The annual 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
	<p>savings incurred from the reduced utility bills resulting from the tenants changing behavior to become more involved in energy and water reduction programs.</p>						<p>decrease in such expenses due to energy savings to from increased tenants' changing conservation behavior could save us approximately \$582,000 annually as compared to 2015. We believe such decrease in operational expenses resulting from tenants becoming more active in our reduction programs could increase annually due to increasing tenant interest in efficiency and will have the potential to generate a substantive change in our costs over time.</p>	<p>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.</p>	

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 changes in 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	Thu 01 Jan 2015 - Thu 31 Dec 2015	54262
Scope 2 (location-based)	Thu 01 Jan 2015 - Thu 31 Dec 2015	321154
Scope 2 (market-based)	Thu 01 Jan 2015 - Thu 31 Dec 2015	321154

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 Fifth Assessment Report (AR5 - 100 year)
N2O	IPCC Fifth Assessment Report (AR5 - 100 year)
CO2	IPCC Fifth Assessment Report (AR5 - 100 year)
HFCs	IPCC Fifth Assessment Report (AR5 - 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	53.115	Other: kg C02e per million BTU	Emission Factors for Greenhouse Gas Inventories
Diesel/Gas oil	74.203	Other: kg C02e per million BTU	Emission Factors for Greenhouse Gas Inventories
Motor gasoline	8.812	Other: kg C02e per gallon	Emission Factors for Greenhouse Gas

Fuel/Material/Energy	Emission Factor	Unit	Reference
			Investories
Liquefied petroleum gas (LPG)	5.704	Other: kg CO2e per gallon	Emission Factors for Greenhouse Gas Investories
Electricity		lb CO2e per MWh	EPA eGRID 2014 v2
Cooling	88.411	Other: kg CO2e per million BTU	EIA Emissions Factors for Steam and Chilled Hot Water
Steam	52.677	Other: kg CO2e per million BTU	EIA Emissions Factors for Steam and Chilled Hot Water

Further Information

*CC7.4 Electricity Emission Factor: There is no one factor for electricity usage because we use the eGRID Table.

Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)

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

52257

CC8.3

Please describe your approach to reporting Scope 2 emissions

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

CC8.3a

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
307890	311254	We obtained the required detail from each provider, and were able to prepare and present the market-based figures in 2017 for the 2016 reporting year.

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

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 location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	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 (location-based)	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.
Scope 2 (market-based)	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.

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data

CC8.6

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

Third party verification or assurance process in place

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/17/23217/Climate Change 2017/Shared Documents/Attachments/CC8.6a/EY Assurance Letter for HCP 2016 ENV Data.pdf	Pages 1-8	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 Emission 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 at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/17/23217/Climate Change 2017/Shared Documents/Attachments/CC8.7a/EY Assurance Letter for HCP 2016 ENV Data.pdf	Pages 1-8	Attestation standards established by AICPA	100

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
						(AT101)	

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.	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 2016 - 31 Dec 2016)

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 CO ₂ e

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	17824
Life Science	6753
Senior Housing	27680

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	49768
CH4	87

GHG type	Scope 1 emissions (metric tonnes CO2e)
N2O	38
HFCs	2364

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
----------	--

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

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, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (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, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Medical Office	162446	166979
Life Science	10047	8770
Senior Living	135397	135505

CC10.2b

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
----------	--	--

CC10.2c

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

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (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 5% but less than or equal to 10%

CC11.2

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

Energy type	MWh
Heat	0
Steam	5039
Cooling	5327

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

242164

CC11.3a

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

Fuels	MWh
Natural gas	226822
Diesel/Gas oil	146
Motor gasoline	10242
Liquefied petroleum gas (LPG)	4954

CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0		

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
610002	609526	476	476	476	

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	Please explain and include calculation
Emissions reduction activities	2.6	Decrease	We implemented 695 projects which include 2016 projects and any 2015 projects that impacted 2016. Last year (including those 2015 projects that impacted 2016), 9,910 metric tonnes CO2e were reduced by our emissions reduction activities, and our total Scope 1 and Scope 2 emissions in the previous year (rolling 2015 base year) was 375,416, therefore we arrived at 2.40% using the calculation: $(9910/375416) \times 100 = 2.60\%$.
Divestment	0		
Acquisitions	0		
Mergers	0		
Change in output	0		
Change in methodology	2.0	Decrease	Used updated E-Grid factors for 2016 GHG calculations.
Change in boundary	0		
Change in physical operating conditions	0		
Unidentified	2.5	Decrease	The formula for this item is as follows: $-2.6 - 2.0 + 3.0 + X = -4.1$ ($X = -2.5$)
Other	3.0	Increase	Our data shows a GHG intensity (Total Scope 1 and 2 CO2e/yearly sum of degree days) of 0.047 in 2015 and 0.039 in 2016. There was a 12% increase in total degree days between 2015 and 2016, which reflected in a decrease in overall intensity between 2015 and 2016. We use the geolocation of nearby weather stations and the building zip code to get these numbers. Thus weather normalizing for 2016 against the baseline of 2015 shows a Kbtu decrease of 3% which equates to a 3% increase for 2016.

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

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 (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.00025435	metric tonnes CO2e	1415949002	Location-based	1.4	Decrease	The primary reason for the decrease in the intensity factor resulted from a 11.2% increase in revenue, due to changes in our boundary building mix in 2016. The secondary reason for the decrease in the intensity factor was a decrease in Scope 1 and 2 emissions by 4.1%, which was due mostly to emission reduction activities.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
1916	metric tonnes CO2e	full time equivalent (FTE) employee	188	Location-based	4.2	Decrease	One reason for the decrease in the intensity factor resulted from a 0.5% increase in total FTEs in 2016. The primary reason for the decrease in the intensity factor was a decrease in Scope 1 and 2 emissions by 4.1%, which was due mostly to emission reduction activities.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, but we 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?

We are still in the early discussion stages regarding the possible participation in any emissions trading schemes.

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 CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	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	13606	Using the waste reduction model (WARM) for landfill waste of 35,560 metric tonnes (39,198 short tons), the Scope 3 emissions were calculated using the mixed solid waste (MSW) category. The Scope 3 emissions were 13,606 metric tonnes CO2e.		Utilized the waste reduction model (WARM), New Model Version 14 updated March 2016 (http://epa.gov/epawaste/conserves/tools/warm)
Business travel	Relevant, not yet calculated				
Employee commuting	Relevant, calculated	573	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
			<p>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 3.05 metric tonnes CO2e per employee (excluding biofuel CO2). Multiplying this result by the number of HCP employees (188) results in total emissions of 573 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.</p>		

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 goods that are sold.
Downstream leased assets	Relevant, not yet calculated				
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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported 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	2.5	Increase	Our total number of employees of 187 in 2015 increased to 188 in 2016 which represented at 0.5% increase and the main reason for the increase is the GHG tool factor revision that changed from 2.99 metric tonnes per year per employee in 2015 to 3.05 metric tonnes per year per employee in 2016 which is a 2% increase.
Waste generated in operations	Change in output		Increase	The increase was due to an increase in landfill waste due to property acquisitions, divestations and shifting in the number and type of our boundary building group resulting in a different property building mix to our boundary.

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 2016 annual conference attracted over 400 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

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
--------------------	---------------------	--	----------------------

CC14.4c

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

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
Mike McKee	Executive Chairman	Board/Executive board

Further Information

CDP