CDP 2013 Investor Information Request (2012 Reporting Year)

HCP Inc.

Module: Introduction

Page: Introduction

0.1 Introduction

Please give a general description and introduction to your organization

HCP, Inc. (www.hcpi.com) (HCP or the Company), an S&P 500 company, invests primarily in real estate serving the healthcare industry in the United States. We are a self-administered, Maryland real estate investment trust (REIT) organized in 1985. We are headquartered in Long Beach, California, with offices in Nashville, Tennessee and San Francisco, California. We acquire, develop, lease, manage and dispose of healthcare real estate, and provide financing to healthcare providers. Our portfolio is comprised of investments in the following five healthcare segments: (i) senior housing, (ii) post-acute/skilled nursing, (iii) life science, (iv) medical office and (v) hospital. We make investments within our healthcare segments using the following five investment products: (i) properties under lease, (ii) debt investments, (iii) developments and redevelopments, (iv) investment management and (v) REIT Investment Diversification and Empowerment Act (RIDEA), which represents investments in senior housing operations utilizing the structure permitted by the Housing and Economic Recovery Act of 2008.
The delivery of healthcare services requires real estate and, as a result, tenants and operators depend on real estate, in part, to maintain and grow their businesses. We believe that the healthcare real estate market provides investment opportunities due to the following: (i) compelling demographics driving the demand for healthcare services; (ii) specialized nature of healthcare real estate investing; and (iii) ongoing consolidation of a fragmented healthcare real estate sector.

0.2 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
Sun 01 Jan 2012 - Mon 31 Dec 2012

0.3 Country list configuration

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

Select country
United States of America

0.4 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($)

0.6 Modules

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

Module: Management [Investor]

Page: 1. Governance

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

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

1.1a Please identify the position of the individual or name of the committee with this responsibility

i. Chairman of the Board, Chief Executive Officer
ii. The highest level of direct responsibility for climate change within the Company resides with our Chairman of the Board, Chief Executive Officer and President, James F. Flaherty III. Mr. Flaherty manages this responsibility though his general leadership of the Company through, among other things, (a) the supervision of the Company's Sustainability Committee; (b) quarterly earnings releases and conference calls with the Company's stockholders and the public; (c) quarterly reports on climate change and sustainability (in general) to the Company's Board of Directors; and (d) monthly management meetings.
(a) Sustainability Committee – Mr. Flaherty has designated Thomas M. Klaritch, Executive Vice President – Medical Office Properties, as the Company's Chair of the Sustainability Committee, an internal management committee. The Sustainability Committee is comprised of Mr. Klaritch, James W. Mercer, Executive Vice President, General Counsel and Corporate Secretary, Edward J. Henning, Executive Vice President and other senior executives, management level employees and attorneys that regularly to discuss the status and implementation of several of the Company's objectives. Additionally, Mr. Flaherty serves on the Board of Governors of the National Association of Real Estate Investment Trusts (NAREIT), and Mr. Klaritch serves on NAREIT's sustainability committee, giving HCP added insight to sustainability issues relative to the healthcare real estate sector.
Mr. Klaritch, as Chair of HCP's Sustainability Committee, has the responsibility for the Company's sustainability efforts including increasing the Company's performance and transparency by implementing energy efficiency measures, responding to reporting initiatives such as the CDP Information Request and the Global Real Estate Sustainability Benchmark (GRESB) survey, keeping inventory of our energy, water, waste, and greenhouse gas (GHG) data, and publishing the Company's annual Sustainability Report consistent with the Global Reporting Initiative (GRI) framework.
(b) Quarterly Conference Calls – Each quarter, the Company hosts a public earnings release conference call and webcast to review its financial performance and operating results. During these calls, Mr. Flaherty frequently reports material initiatives and awards regarding sustainability.
(c) Quarterly reports on climate change and sustainability to the Company's Board of Directors- The BOD receives regular reports regarding strategy, goals and performance metrics associated with sustainability topics and it uses this information to formulate HCP's overall climate change strategy and risk assessment and management.
(d) Monthly Management Meetings – Each month, Mr. Flaherty conducts a management meeting with senior management, the leaders of each of the Company's five healthcare segments, which are diversified among five distinct sectors: senior housing, post-acute/skilled nursing, life science, medical office and hospitals, as well as offices from tax and internal audit. In addition to presenting a discussion regarding financial performance and operational information, each business leader (i.e., an executive vice president) frequently reports on each sector's sustainability initiatives, awards and other practices that have occurred since the previous meeting.

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

Yes

1.2a Please complete the table

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
		considered in the financial compensation for members of our Sustainability Committee, as well as other employees in the five business sectors involved in HCP's sustainability initiatives. For example, factors such as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB, GRI) are considered when calculating our incentive awards. Additionally, our 2012 sustainability goals for certain executive officers included factors such as meeting a 2.5% emission or energy reduction target as consideration when calculating our incentive awards.
Executive officer	Recognition (non-monetary)	To the extent that the Company receives external recognition (e.g. U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) certification, U.S. Environmental Protection Agency (EPA) Energy Star certification, NAREIT's Leader in the Light Award and Innovator Award) for its sustainability efforts, internal acknowledgement of efforts are recognized.
Management group	Monetary reward	The Company's current compensation program is based on three components, which are designed to be consistent with our compensation philosophy: (i) base salaries; (ii) incentive cash bonuses; and (iii) incentive long-term stock awards, including stock options and awards of restricted stock units that are subject to both performance-based and time-based vesting requirements. Elements of our compensation program such as annual bonuses and long-term equity incentives are designed to reward performance and provide incentives that seek to create stockholder value. Annual bonuses are primarily intended to incentivize employees to achieve specific strategies and operating objectives. For a given fiscal year, the Compensation Committee and/or our senior executives make incentive compensation decisions retrospectively for both annual and long-term incentives after the end of the year, evaluating performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2013 were based in part on an assessment of performance during 2012. The Company's sustainability performance (which includes climate change performance) is a factor that was considered in the financial compensation for members of our Sustainability Committee, as well as other employees in the five business sectors involved in HCP's sustainability initiatives. For example, factors such as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB, GRI) are considered when calculating our incentive awards.
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Business unit managers	Monetary reward	The Company's current compensation program is based on three components, which are designed to be consistent with our compensation philosophy: (i) base salaries; (ii) incentive cash bonuses; and (iii) incentive long-term stock awards, including stock options and awards of restricted stock units that are subject to both performance-based and time-based vesting requirements. Elements of our compensation program such as annual bonuses and long-term equity incentives are designed to reward performance and provide incentives that seek to create stockholder value. Annual bonuses are primarily intended to incentivize employees to achieve specific strategies and operating objectives. For a given fiscal year, the Compensation Committee and/or our senior executives make incentive compensation decisions retrospectively for both annual and long-term incentives after the end of the year, evaluating performance during that year. That is, bonus payments and long-term incentive compensation awards granted in January 2013 were based in part on an assessment of performance during 2012. The Company's sustainability performance (which includes climate change performance) is a factor that was considered in the financial compensation for members of our Sustainability Committee, as well as other employees in the five business sectors involved in HCP's sustainability initiatives. For example, factors such as meeting an annually established emission or energy production target and participation in and performance of sustainability surveys and reports (e.g., CDP, GRESB, GRI) are considered when calculating our incentive awards.
Business unit managers	Recognition (non-monetary)	To the extent that the Company receives external recognition (e.g. U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) certification, U.S. Environmental Protection Agency (EPA) Energy Star certification, NAREIT's Leader in the Light Award and Innovator Award) for its sustainability efforts, internal acknowledgement of efforts are recognized.

Page: 2. Strategy

2.1 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

2.1a Please provide further details

(i) *Scope of Procedures*
HCP regularly assesses risks and opportunities with regard to climate change through specific risk management procedures that are increasingly integrated company-wide by means of a multi-disciplinary approach. The scope of such procedures includes (i) the assessment of regulatory issues at the company level; (ii) the assessment of weather-related implications at the asset level; and (iii) the assessment of other developments such as reputational considerations at the company level. The results of such assessments are initially reported in our monthly management meetings and then reviewed by our Board of Directors at regularly scheduled meetings or sooner if required.
(ii) Risk/Opportunities Assessment at the Company Level
Regulatory and reputational climate change risks/opportunities are regularly assessed at the company level. Regulatory risks/opportunities are coordinated and assessed by the applicable leaders of each of the Company's business segments, which are diversified among five distinct segments: senior housing, post-acute/skilled nursing, life science, medical office and hospitals. These leaders identify risks/opportunities through regular interaction with various national trade associations such as NAREIT.
As an example of this process, the Sustainability Committee collaborated with our internal Green teams to create a set of goals and targets, which include goals that address climate change risks and opportunities. For example, several of these goals are focused on metrics to measure emissions reduction and energy efficiency. These goals were approved by the Board and comprise HCP's strategic framework regarding sustainability. Performance against these goals are measured, reported and communicated to the Sustainability Committee and the Board at least annually. As HCP meets or exceeds these targets, we establish new goals and strive for continual improvement.
Reputational considerations are also assessed at the company level, although on an as-needed basis. Any risks/opportunities associated with reputational concerns are also coordinated and assessed by chief-level (c-level) officers, as well as the applicable leaders of each of our five business sectors. These leaders identify risks/opportunities through tenant feedback and investor inquiries.
Reputational, Operational and Regulatory risks are assessed each quarter at the executive management level and reviewed at the board level. This assessment includes a discussion of the risk, its potential impact, likelihood and a determination as to whether the risk is growing, stable or declining. The risk is also measured against the previous assessment and mitigants are discussed. In addition, our semi-annual Enterprise Risk Assessment survey is utilized to consider the key business risks which could impact HCP's ability to achieve its primary business objectives, including our sustainability initiatives.
As part of this process our executive team, as well as all senior vice presidents, review the prior year's top risks and determine if any risks should be removed in the current period. The group then assesses other potential risks that should be added to the risk universe. For each of the risks chosen the participants then assess the impact, likelihood and directional trend of the risk. Finally, the risks are assessed based on residual risk, which is the remaining risk after consideration of mitigating controls currently in place. After survey results are evaluated, a facilitated session is held to discuss the survey results as well as mitigating activities and controls in place within the organization. Results of the assessment are presented to the board of directors**.**
(iii) *Risk/Opportunity Assessment at the Asset Level*
Weather-related implications are an example of climate change risks/opportunities that are assessed at the asset level. These risks/opportunities are facilitated by our executives in charge of the Company's various segments, and other departments such as risk management and asset management. These individuals and departments develop strategies for addressing weather-related risks/opportunities in addition to the facilitation and implementation of any necessary course of action to be taken by the Company.

Our Capital Asset Management department continually monitors weather across our portfolio. In the event of severe weather conditions that could result in hurricanes, tornados, flooding, drought or wind storms, action plans are implemented which include conversations with on-site management and engineers regarding readiness preparations – boarding up the facility, turning off major equipment, activating call trees, reviewing emergency contacts for local authorities and utilities and staging emergency equipment and manpower. Post storm preparations are also put in place such as positioning additional personnel, deploying experts to sites and positioning remediation contractors.

With regard to other reputational, political, regulatory and climate change risks, our asset management department is in constant contact with on-site property managers regarding issues at the property and in the local market. Monthly reports are submitted and reviewed regarding the operations at each property and any developing risks that could affect the property. In addition, our annual budget process includes an assessment of strengths, weaknesses, opportunities and threats at the asset level.

(iv) *Frequency of Monitoring*

The monitoring frequency of all risks/opportunities occurs quarterly; however, such frequency is increased in certain situations in which immediate action is necessary.

(v) *Materiality/Priorities*

The degree of materiality of any climate change risk/opportunity is assessed and measured by the applicable leaders of each of our five business segments and prioritized accordingly. From a general perspective, the Company reviews the significance of each risk based on potential impact, likelihood, and time frame.

(vi) *Reporting of Results*

The results of any determinations made regarding climate change risks/opportunities are reported to our General Counsel and our Board of Directors.

2.2 Is climate change integrated into your business strategy?

Yes

2.2a Please describe the process and outcomes

(i) Process by which the business strategy has been influenced. HCP's business strategy has been increasingly focused on developing and implementing sustainability practices, including those related to climate change, within our five healthcare segments. The development of our business strategy has been influenced by a number of factors, including (i) information from tenants (and potential tenants) who desire to lease from environmentally responsible companies and desire sustainable and energy efficient buildings; (ii) information from investors who incorporate sustainability data and climate change information into their investment decisions; (iii) information from other key stakeholders concerned with energy, environment and climate change issues; (iv) understanding how sustainability may generate cost savings and other strategic opportunities including potential increases to returns on investment; and (v) the possibility of a return on investment. For example, our annual tenant satisfaction survey includes questions regarding our green initiatives and the tenant's willingness to participate in these initiatives. We utilize the results of this survey to make changes in our business strategy.

Further, a significant portion of HCP's GHG emissions are attributable to purchased electricity, and thus, our climate change strategy is closely related to our energy management strategy. As a result, this positions us to take advantage of opportunities presented by integrating climate change into our medical office building (MOB) and life science portfolios. To guide our business strategy, each HCP business segment has and continues to identify, target, develop and implement energy reduction strategies.

(ii) Climate change aspects that have influenced the strategy. 88% of HCP's carbon footprint is related to its use of electricity. As such, energy management is a primary cost reduction and climate change driver for HCP. Within the facilities identified by our boundary, approximately 14% of HCP's operating costs at the property-level are electricity expenses. As such, reducing energy usage, and consequently carbon emissions, while ensuring that the quality of our facilities support our tenant's operations, is a fundamental strategy in both the short and long term to maximize the operating performance and profitability of each facility. Furthermore, reduced energy use mitigates the impacts of projected electricity cost increases. Accordingly, HCP commits itself to continuous improvement of

reducing energy usage. Other aspects of climate change that have influenced our strategy are opportunities to develop a green business and the potential of regulatory changes and the need to prepare for those.
In addition, the environmental concerns of our tenants and investors are aspects that have influenced our business strategy with respect to climate change. HCP's commitment to eco-efficiency has given us a competitive advantage by significantly reducing our operating costs. This will open up new opportunities to offer green leasing options to our tenants who also place a high priority on addressing climate change and reducing their environmental impacts.
(iii) Important components of short term strategy influenced by climate change. HCP's strategy to develop a green business and improve the efficiency of our properties include the continued development and implementation of best practices, such as attentive monitoring and participation in sustainability reporting initiatives, are the most important components of our short term (over the next three years) strategy that have been influenced by climate change. Within each of our identified business segments, management conducts monthly reviews of operational results, during which progress in key areas, including energy, are reviewed against applicable budgets. This process includes the monthly delivery of reports to track and benchmark energy data in order to implement information-based actions to address issues. The monthly review of energy data includes comparisons of energy usage against budgeted and historical usage. To the extent that facilities demonstrate significant variances from budget or historical usage, management seeks to develop and implement mitigation plans, including:
• Committing to increase the number of ENERGY STAR properties within the boundary. HCP is committed to growing the number of ENERGY STAR certifications within its boundary. In 2012, we had a goal to increase the number of ENERGY STAR certified buildings by 50%. We not only achieved this but increased the number of ENERGY STAR certified properties by 106% from 17 in 2011 to 35 in 2012. We continue to re-assess all of our properties with scores within the 70 -74 range and implementing best practices to increase performance rating to over 75. Our goal for 2013 is to increase this number to 37 in 2013.
• Expanding the ENERGY STAR program into our Life Science and Senior Housing portfolios
• Implementing best practices regarding recycling and tenant engagement
• Increasing our focus on water management
• Considering the implementation of alternative energy (solar) projects
(iv) Important components of long term strategy influenced by climate change. Attaining our future goals of minimizing carbon emissions, reducing energy consumption and maximizing energy efficiency are some important components of our long term strategy that have been influenced by climate change. This long term strategy has also led to increased focus on best operating practices within each of our identified segments, including training of personnel, development of energy reduction goals and monitoring and reporting of results. Furthermore, these long term initiatives will be enhanced by the development of detailed and systematic processes to invest in more energy efficient technologies related to lighting, HVAC and building control systems. While these long term energy conscious practices have been established regardless of climate change, they also serve as a good protection against climate change risks. HCP will set an annual emissions absolute reduction target based on our defined boundary. HCP's boundary is defined as 321 buildings in our MOB, life science portfolios and assisted living facilities, all of which are under our operational control.
(v) Strategic advantages gained over competitors. Our commitment to sustainability and the implementation of energy saving efforts throughout our properties will provide us with an advantage over our competitors not employing these strategies by targeting tenants that seek facilities that include energy reduction designs and equipment and investors who prefer to invest in companies that address climate change and actively engage in minimizing their carbon footprint. For example in 2012, HCP was named to the FTSE4Good Index Series (the "Series"), an index series that measures the performance of companies that meet globally recognized corporate responsibility standards. Constituents of the Series have demonstrated, among other things, that they are working towards environmental management and climate change mitigation and adaptation. This type of recognition and our inclusion by such a prestigious index series is not only appealing to our tenants and investors preferring to do business with environmentally responsible companies, but gives us an advantage over those competitors not included in the Series.
(vi) Substantial business decisions influenced by climate change driven aspects of the strategy. There are many substantial business decisions that have been influenced by our climate change strategy. HCP has (i) galvanized its leadership in the development of HCP's Sustainability Committee; (ii) adhered voluntarily to third party green building standards; (iii) installed energy efficient equipment throughout properties within our portfolio; (iv) implemented internal awareness practices such as energy and water saving procedures; and (v) identified and elected to participate in key sustainability reporting initiatives (e.g., the CDP Information Request, the Global Real Estate Sustainability Benchmark (GRESB) survey and the publishing of our annual Sustainability Report consistent with the Global Reporting Initiative (GRI) framework).

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

Direct engagement
Trade associations

2.3a On what issues have you been engaging directly?

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
Energy efficiency	Support	In 2010, the EPA's Energy Star program was lacking a tool to benchmark and grade senior housing facilities. HCP, as well as other owners and operators of senior housing properties, worked with the EPA by providing historical utility and demographic data as well as operational characteristics of these properties to develop a new category of rating related to this segment. As part of this effort HCP provided information on over one third of the total buildings used in this survey.	A separate category of Energy Star certification was implemented for the senior housing industry that included criteria specific to these properties.

2.3b Are you on the Board of any trade associations or provide funding beyond membership?

Yes

2.3c 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 postion?
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	HCP attempts to influence NAREIT's and REITPAC's position by supporting their efforts to encourage Congressional leaders to enact comprehensive legislation that encourages greater energy efficiency. HCP is an active member of NAREIT and participates in their conferences and forums throughout the year. HCP's Chairman and CEO serves on the Board of Governors of NAREIT, and HCP's Chair of its Sustainability Committee serves on NAREIT's sustainability committee. Additionally, in 2012, HCP supported NAREIT's legislative agenda by organizing a

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 postion?
		to educate Members of Congress and their staff on the issues that directly affect our industry and support those candidates who understand the interests of the commercial real estate industry. For example, NARIET and REITPAC are involved with encouraging modifications to Section 179D of the Internal Revenue Code, which provides deductions for Energy Efficient Commercial Buildings. Additionally, NAREIT and REITPAC support Congressional efforts to enact comprehensive legislation that encourages greater energy efficiency. To the extent that such legislation authorizes grants for activities designed to encourage greater energy efficiency, NAREIT and REITPAC encourage the adoption of clarifying language to ensure that REITs are able to fully participate in such activities.	voluntary executive fundraising effort for REITPAC that contributed $12,500.

2.3h What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We have several processes in place to ensure that all of our direct and indirect activities that influence policy are consistent with our overall climate change strategy. Generally, all of our Company's procedures are governed by our corporate governance policies and principles, such as the Code of Business Conduct and Ethics, Corporate Governance Guidelines and Grant of Authority, which provide safeguards against practices that are inconsistent with the Company's objectives. Additionally, our Company generally supports 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.

Page: 3. Targets and Initiatives

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

Absolute and intensity targets

3.1a Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
1	Scope 1+2	95%	6.4%	2011	262647	2012	For 2012, HCP implemented a 2.5% absolute reduction target from the 2011 base year. We exceeded the target achieving a reduction of 6.4% for 2012. The 2011 base year was adjusted to reflect a rolling base year and a change in our boundary from 281 properties to 323 properties in our MOB, Life Science and Senior Housing portfolios.

3.1b Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
1	Scope 1+2	95%	6.04%	metric tonnes CO2e per sq. foot	2011	0.012723	2012	We implemented an intensity target for 2012 based on metric tonnes per sq. ft. which we feel is a relevant measurement for real estate properties. Our intensity reduction target from the 2011 base year was 2.5%. We achieved a reduction of 6.04%.

3.1c 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
1	Decrease	2.5	No change	0.0	Our intensity measurement for Scope 1+2 is based on a fixed denominator so we anticipate that the intensity target and absolute target will move in the same direction. We expect to maintain a constant number of employees so we would anticipate flat to no change in the scope 3 emissions.

3.1d Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
1	100.0%	100.0%	During the 2012 calendar year, we exceeded our 2012 absolute emissions reduction target of 2.5% by 3.9% for our defined boundary buildings for 2012.

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

Yes

3.2a Please provide details (see guidance)

(i) How the emissions are/were avoided. HCP identifies and implements projects and initiatives that reduce energy usage and GHG emissions for an entire building, directly enabling third party entities, tenants and operators to achieve emissions reductions. Such emissions were avoided resulting from various activities including:
(a) Providing tools such as a utility bill database to monitor utility usage for electric, gas, and water to our third party management companies so they can quickly identify usage anomalies and implement corrective actions.
(b) Implementing HVAC replacement projects to replace older, less efficient HVAC equipment (such as split system units and rooftop package systems) with higher efficiency systems which are typically 40% more efficient than the older equipment and utilize the refrigerant R-410A, a more environmentally friendly refrigerant than R-22.
(c) Installing ultra-high efficient chillers, including chillers that operate on magnetic bearings which are extremely efficient and eliminate the need for oil.
(d) Upgrading Energy Management Systems (EMS) to improve energy performance of a building and to provide detailed control and monitoring of the HVAC equipment for maximum optimization.
(e) Continually evaluating and implementing new technologies and alternate energy sources such as fuel cell technology, photovoltaic (solar cell) panel technology, ground coupled heat pump systems, solar water panel systems and real time power monitoring systems.
(f) Identifying a dedicated green budget category to include energy efficiency projects.
(g) Engaging employees and third party managers in a review of best practices principles at the facility level on an annual basis.
(h) Instituting new processes based on best practices principles, then estimating the energy and GHG emissions associated with these improvements over a one year operational period.
(ii) Estimate of amount of the emissions that are/were avoided. We have estimated the amount of the emissions that were avoided through our initiatives (noted in item (i) above) for our 2012 reporting year, using 2011 as our baseline year. Our estimated emission reduction activity for 2012 was 3156 metric tonnes of CO2e. The following are examples of estimates of emissions amounts avoided over the 2012 calendar year: (1) 41 lighting motion sensor and timer projects that reduced the annual CO2e by 113 metric tonnes; (2) Renovation of a Building Automation System (BAS) that gave full control of roof top units and variable air volume units allowing for night time and week end setbacks which reduced the annual CO2e by 493 metric tonnes; (3) 52 programmable thermostats installed at one facility reducing the annual CO2e by 71 metric tonnes; and (4) T12 to T5 lighting conversion project, reducing the annual CO2e by 52 metric tonnes at one of our buildings.
(iii) Methodology, assumptions, emissions factors, and global warming potentials used for estimations. (a) The methodology for estimating emission reduction projects utilizes (1) vendor/contractor data was utilized for lighting projects, motion sensors and timers for the annual kWh savings and the electric rates were applied to estimate cost, (2) thermostat energy and cost savings were estimated using a thermostat calculator developed by the EPA and DOE, (3)

Replacement HVAC equipment kWh savings were estimated by 2 methods - vendor supplied data and a Seasonal Energy Efficiency Ratio (SEER) calculator and the annual costs were based average electrical rates and the pay back was based upon the cost of the premium efficiency equipment estimated at a 15% premium over standard equipment, (4) White roof projects kWh savings were based on a roofing calculator program, (5) Building automation systems and variable frequency drive installations were estimated for kWh savings by vendor data or by assuming a conservative payback period and (6) All estimated Kwh savings were run through the GHG Protocol tools to estimate the CO2e emissions.
(b) The assumptions used for estimating emissions for transport vehicles for diesel and gasoline consumption was an average miles per gallon of 20 mpg for cars and 10 mpg for buses and trucks. The assumptions for refrigerant emissions were based upon a 5% annual loss due to operating equipment per US EPA guidance which is consistent with the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas inventories.
(c) Emission Factors were obtained using various GHG Protocol Tools were used to obtain emission factors and global warming potentials (WRI Emission Factors Compilation from Cross Sector Tools. Version 1.0 July 2009; Emission factors: natural gas (117.69 lb CO2e per million Btu), diesel gas oil (22.40 lb CO2 per gallon), motor gasoline (19.56 lb C02 per gallon), LPG (12.643 lb CO2e per gallon); electricity - US eGRID Data Base (http://www.epa.gov/cleanenergy/energy-resources/egrid/index.html); eGRID Table is attached to the report due to numerous building locations reported on).
(d) The global warming potentials used for estimations (GWPs) used in the HCP GHG Inventory are IPCC 2nd Assessment Report which are 1 (CO2), 21 (CH4), 310 (N2O), and 1300 (HFC-134a). The GWPs used for estimations for additional refrigerants are referenced in ASHRAE STD 34

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

Yes

3.3a 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	59	
To be implemented*	63	1619
Implementation commenced*	17	939
Implemented*	213	3156
Not to be implemented	0	0

3.3b For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Energy efficiency: Building fabric	41 lighting motion sensor or timer projects. 358 sensors/timers were installed. This is a voluntary Scope 2 project, with a life of 10 years.	113	17605	39410	1-3 years
Energy efficiency: Building services	6 building automation systems (energy management systems) where 2 were renovated and 4 were modified to reduce CO2e and energy. This is a voluntary Scope 2 project, with a life of 15 years.	643	44124	20690	<1 year
Energy efficiency: Building services	2 heating water resets were modified to reduce CO2e and energy. This is a voluntary Scope 2 project with a life of 15 years.	41	5250	0	<1 year
Energy efficiency: Building services	6 programmable thermostat projects were implemented to reduce CO2e and energy. 72 thermostats were installed. This is a voluntary Scope 1 +2 project with a life of 15 years.	83	23129	6300	<1 year
Energy efficiency: Building services	10 Energy Management System projects were implemented. This is a voluntary Scope 2 project with a life of 15 years.	461	66075	280173	4-10 years
Energy efficiency: Building services	71 Lighting retrofit projects were implemented. This is a voluntary Scope 2 project with a life of 10 years.	412	79146	227302	1-3 years
Energy efficiency: Building services	5 variable frequency drive projects were implemented. This is a voluntary Scope 2 project with a life of 10 years.	297	40814	89742	1-3 years
Energy efficiency: Building services	48 small Heating Ventilation and Air Conditioning (HVAC) equipment replacement projects (< 10 ton) were implemented. 119 HVAC units were replaced. (note: Investment required is the premium cost for a high efficiency replacement over a standard efficiency unit.) This is a voluntary Scope 2 project, with a life of 15 years.	230	38263	93339	1-3 years
Energy efficiency: Building services	10 large Heating Ventilation and Air Conditioning (HVAC) equipment replacement projects (>= 10 ton) were implemented. 13 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.	444	75222	218026	1-3 years
Energy efficiency: Building services	1 Timer project implemented on a domestic water heater. This is a voluntary Scope 1 project with a life of 15 years.	12	2562	1500	<1 year
Energy efficiency: Building services	5 boiler replacement projects implemented. 6 boilers replaced. This is a voluntary Scope 1 + 2 project with a life of 20 years.	288	30878	194837	4-10 years
Energy efficiency: Building fabric	6 white and/or reflective surface roof projects. There is no premium cost for a white/reflective roof so the investment for energy savings is zero. This is a voluntary Scope 2 project, with a life of 20 years.	115	20953	0	<1 year
Energy efficiency: Building fabric	2 window tinting projects implemented. This is a voluntary Scope 2 project with a 15 year life.	17	2664	13320	4-10 years

3.3c What methods do you use to drive investment in emissions reduction activities?

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

3.2a. Attachments https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/3. TargetsandInitiatives/eGRID SummaryTables.pdf

Page: 4. Communication

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

Publication	Page/Section reference	Attach the document
In voluntary communications (underway) - previous year attached	HCP 2012 Sustainability Report (YE 2011). Pages: 3, 7, 19, 20, 36-40, 42-44, 46-48, 50-55, 68, 72, 75-77	https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/ Attachments/ Investor-4.1-C3-IdentifytAttachment/2012 HCP Annual GRI Sustainability Report - December 12, 2012.pdf
In voluntary communications (underway) - previous year attached	HCP 2012 GRESB survey response (YE 2011). Pages: 2, 4-6, 9	https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/ Attachments/ Investor-4.1-C3-IdentifytAttachment/2012 Global Real Estate Sustainability Benchmark (GRESB) Response - June 29, 2012.pdf
In voluntary communications (underway) - previous year attached	HCP 2012 Leader in the Light application (YE 2011). Pages: 1, 3-5, 7 and appendix	https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/ Attachments/Investor-4.1-C3-IdentifytAttachment/2012 Leader in the Light NAREIT Supplemental.pdf
In voluntary communications (underway) - this is our first year	First Year to Respond: HCP 2013 Dow Jones Sustainability Index Assessment response	
In voluntary communications (complete)	HCP Sustainability Webpage	https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/ Attachments/ Investor-4.1-C3-IdentifytAttachment/ HCP sustainability webpage.pdf

Module: Risks and Opportunities [Investor]

Page: 5. Climate Change Risks

5.1 Have you identified any climate change risks (current or future) 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

5.1a Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
RR1	Product efficiency regulations and standards	Risks driven by changes related to efficiency regulations and standards include legislation mandating the enactment of new building codes governing minimum product performance and national ratings similar to those used in Australian and European building ratings. Such related risks would affect HCP by exposing us to higher capital costs to purchase and install additional costly equipment that is more energy efficient.	Increased capital cost	1-5 years	Direct	About as likely as not	Low-medium
RR2	Product labeling regulations and standards	Risks driven by changes related to labeling regulations and standards include governing bodies mandating certifications such as Energy Star and LEED. Such related risks would affect HCP by causing us to incur higher capital costs to meet the requirements of these programs.	Increased capital cost	1-5 years	Direct	About as likely as not	Low-medium

5.1b Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions

RR1: Product efficiency regulations and standards
(i) Potential financial Implications of the risk before taking action
The potential financial implications of risks driven by regulatory changes related to product (i.e. our buildings) efficiency standards such as new building codes include higher construction costs to purchase and install equipment that is more energy efficient. In a typical medical office building new construction project, we estimate construction costs would increase between $400,000 and $600,000. To retrofit an existing building, we estimate construction costs would be between $350,000 and $550,000. We expect these costs will increase annually, as we believe product efficiency standards will be applicable to an increased number of buildings and will become more stringent in its requirements each year. Such cost increases would not significantly affect our overall business operations.

(ii) Methods we are using to manage this risk

Methods we are using to manage the risks associated with regulatory changes related to product efficiency standards include voluntarily and proactively constructing or retrofitting to higher-than-required standards in advance of any newly mandated building codes. This practice enables us to schedule, implement and complete upgrades in an efficient manner over an extended period of time, thus mitigating the risk of waiting to upgrade until new standards are enacted and having to complete those upgrades in the shorter period of time imposed by such newly mandated standards. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. The ENERGY STAR Portfolio Manager is a benchmarking tool that models the building based on consumption and generates an energy rating. Beginning in July 2013, pursuant to California Assembly Bill 1103, all owners of commercial real estate properties in California with a total gross floor area of more than 50,000 square feet will be required to disclose the building's energy usage for the previous year when deciding to sell, lease or refinance such building, and the same bill will apply in 2014 to all commercial real estate properties in California with a total gross floor area of below 50,000 square feet. By utilizing the ENERGY STAR Portfolio Manager to track our building energy usage and proactively constructing or retrofitting to higher-than-required standards in advance of these standards being mandated, we are already prepared for such regulatory changes. For example, in 2012, we proactively implemented 213 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.

(iii) Costs associated with these actions

The incremental cost associated with the implementation of 213 efficiency improvement projects in 2012 was approximately $1.9 million. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

RR2: Product labeling regulations and standards

(i) Potential financial implications of the risk before taking the action

The potential financial implications of risks driven by regulatory changes related to product labeling standards such as mandated ENERGY STAR and LEED building certifications include increased construction costs to build or retrofit to more stringent building labeling standards. In a typical medical office building new construction project, we estimate such construction costs would increase between $800,000 and $1,000,000. To retrofit an existing building, we estimate such construction costs to be between $700,000 and $900,000. We expect these costs will increase annually, as we believe product labeling standards will be applicable to an increased number of buildings and will become more stringent in its requirements each year. Such cost increases would not significantly affect our business operations.

(ii) Methods we are using to manage this risk

Methods we are using to manage the risks 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 2012, we implemented HVAC upgrade projects at four buildings that resulted in them becoming ENERGY STAR certified and,as part of the re-development of two buildings, we upgraded HVAC systems to more efficient equipment, installed drought resistant landscaping to reduce water consumption and upgraded window and roof systems to a more efficient product to help meet the requirements of LEED certification. Further, we utilize the ENERGY STAR Portfolio Manager to track our buildings that already meet ENERGY STAR requirements, and we proactively schedule ENERGY STAR and LEED-specific upgrades for those buildings. This practice enables us to implement such upgrades in an efficient manner over an extended period of time, thus mitigating the risk of waiting to upgrade until new labeling standards are enacted and having to complete those upgrades by a short period of time imposed by newly mandated labeling standards. The ENERGY STAR Portfolio Manager is a benchmarking tool that models the building based on consumption and generates an energy rating.

(iii) Costs associated with these actions

The cost associated with the implementation of four HVAC upgrade projects in 2012 was approximately $38,000, while the incremental cost to meet LEED requirements in our two re-development projects was $740,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

5.1c Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact
PR1	Change in mean (average) temperature	Changes in physical climate parameters include the risk of a higher mean (average) temperature. We have properties located throughout the country including the upper Midwest, Southwest and Southeast. Changes in climate in any of our locations affect our properties and our ability to operate, causing increased cooling and heating expenses and possible interruption of services.	Increased operational cost	Current	Direct	More likely than not	Medium
PR2	Sea level rise	Changes in physical climate parameters include the risk of increased incidences of a rise in sea level. Such increased incidents would affect HCP by exposing us to higher operational expenses resulting from higher operational costs resulting from higher insurance costs (premiums) and uninsured repair costs (insurance deductibles) due to increased claims (e.g., from flooding).	Increased operational cost	>10 years	Direct	Unlikely	Medium
PR3	Tropical cyclones (hurricanes and typhoons)	Changes in physical climate parameters include the risk of more frequent occurrences of tropical cyclones (hurricanes and typhoons). Such increased occurrences would affect HCP by exposing us to higher operational expenses resulting from higher insurance costs (premiums) and uninsured repair costs (insurance deductibles) due to increased claims (e.g., from wind damage).	Increased operational cost	>10 years	Direct	About as likely as not	Medium

5.1d Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

PR1: Change in mean (average) temperature

(i) Potential financial implications of the risk before taking action

The potential financial implications of risks driven by changes in physical climate parameters such as a change in mean (average) temperature include increased operational costs as a result of higher heating and cooling expenses. In 2012, HCP spent approximately $36.6 million in utility expenses across properties within our boundary. If such energy expenses were to increase by 1% due to a higher mean (average) temperature, it would cost us an additional $366,000 annually as compared to 2012 energy expenditures. According to the National Oceanic and Atmospheric Administration ("NOAA"), 2012 was the hottest year on record for the contiguous 48 states, and the average annual temperature was 3.3 degrees greater than the average temperature for the 20th century. We expect this trend to continue throughout the 21st century on a global level.

(ii) Methods we are using to manage this risk

Methods we are using to manage the risks driven by changes in physical climate parameters such as a change in mean (average) temperature include voluntarily and proactively constructing or retrofitting buildings to more efficient systems and construction standards in advance of any dramatic change in physical climate parameters. For example, to identify properties for potential retrofit, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. This practice enables us to implement energy upgrades in an efficient manner over an extended period of time and to begin incurring energy savings in advance of any changes in physical climate parameters. Adapting such practices now will aid in mitigating the risks of any increased costs now and in the future. The ENERGY STAR Portfolio Manager is a benchmarking tool that models the building based on consumption and generates an energy rating.

(iii) Costs associated with these actions

We estimate the costs of proactively constructing or retrofitting buildings to more efficient systems and construction standards in advance of any dramatic change in physical climate parameters as a method of risk management to be between $400,000 and $600,000 per building for new construction, and between $350,000 and $550,000 per building to retrofit existing buildings. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

PR2: Sea level rise

(i) Potential financial implications of the risk before taking action

The potential financial implications of risks driven by changes in physical climate parameters associated with a rise in sea level include increased operational costs as a result of higher insurance costs (premiums) due to increased claims (e.g., from flooding damage). In 2012, HCP spent $473,000 in flood insurance premiums across our boundary properties. If such operating expenses were increased by 5% - 10% due to higher insurance expenditures as a result of changes in physical climate parameters, it would cost us an additional $24,000 to $47,000. We expect these costs will increase annually, as we believe physical climate parameters will become more extreme each year. Such cost increases would not significantly affect our business operations as our lease structures generally have provisions to pass this cost through to our tenants.

(ii) Methods we are using to manage this risk

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. For example, remediation costs for two facilities which suffered flooding due to Superstorm Sandy initially totaled approximately $2.1 million, and we were able to limit our costs to our $25,000 insurance deductible. Additionally, maintaining and building upon our investment grade (BBB+ credit rating) corporate financial structure aids in decreasing our insurance rates as a result of demonstrating our financial stability.

(iii) Costs associated with these actions

There are no ($0.00) costs associated with negotiating competitive insurance rates through a bidding process as a method of risk management. In 2012, we spent approximately $2.7 million costs related to credit ratings, although such costs are factored into and included as a part of our normal business activity.

PR3: Tropical Cyclones (Hurricanes and Typhoons)

(i) Potential financial implications of the risk before taking action

The potential financial implications of risks driven by changes in physical climate parameters associated with cyclones, hurricanes and/or typhoons include increased operational costs as a result of higher insurance costs (premiums) and uninsured repair costs (insurance deductibles) due to increased claims (e.g., from wind damage). In 2012, HCP spent $3.1 million in wind insurance premiums across our boundary properties. If such operating expenses were increased by 5% - 10% due to higher insurance expenditures as a result of changes in physical climate parameters, it would cost us $155,000 to $310,000 in additional premiums. We expect these costs will increase annually, as we believe physical climate parameters will become more extreme each year. Such cost increases would not significantly affect our business operations.

(ii) Methods we are using to manage this risk

Methods we are using to manage the risks driven by changes in physical climate parameters associated with cyclones, hurricanes and/or typhoons include (a) negotiating competitive insurance rates through a bidding process to ensure the lowest rates and (b) proactively planning for extreme weather extremes events through the development and implementation of a comprehensive business continuity plan. Our business continuity plan is a comprehensive plan which, in the event of a serious business disruption affecting the operation of our business functions is designed to (i) provide a framework to ensure the continuity of the business; (ii) outline the general procedures to be taken; (ii) incorporate input received from internal business process owners whereby key processes, individuals and necessary tools and equipment are identified; and (iii) ensure the safety of our employees. Additionally, maintaining and building upon our investment grade (BBB+ credit rating) corporate financial structure aids in decreasing our insurance rates as a result of demonstrating our financial stability.

(iii) Costs associated with these actions

There are no ($0.00) costs associated with negotiating competitive insurance rates through a bidding process as a method of risk management. The cost of developing and implementing our business continuity plan included a one-time expense of approximately $65,000, and will cost approximately $20,000 annually to maintain. In 2012, we spent approximately $2.7 million costs related to credit ratings, although such costs are factored into and included as a part of our normal business activity.

5.1e Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OR1	Reputation	Changes related to other climate-related developments include the reputational risk of not being perceived as a sustainable or green-minded company. Such a risk would affect HCP by causing a decrease in revenues, if any of our tenants chose to relocate due to our reputation being perceived as an unsustainable company.	Reduced demand for goods / services	Current	Direct	About as likely as not	Medium
OR2	Changing consumer behaviour	Changes related to other climate-related developments include the risk of changing consumer behavior, as there are a growing number of tenants who consider sustainability as a key factor in their leasing decisions. Such a risk would affect HCP by causing a decrease in revenues if we were unable to provide energy and cost efficient space to those tenants that prefer it.		Current	Direct	About as likely as not	Medium

5.1f Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

OR1: Reputation

(i) Potential financial implications of the risk before taking action

The potential financial implications of risks driven by changes in other climate-related developments such as a negative reputation include decreased revenues by losing those tenants that perceive our reputation as being non-sustainability oriented. For example, in 2012, rental and related revenues across our boundary properties were $475 million. If such revenues were to decrease by 1% due to tenants choosing to relocate due to our reputation being perceived as an unsustainable company, it could cost us approximately $4.8 million in lost revenues. We expect these costs will decrease annually, as we believe risks related to other climate-related developments such as reputation will become mitigated due to our esteemed reputation as a sustainable-oriented company, and thus not significantly affect our business operations.

(ii) Methods we are using to manage this risk

Methods we are using to manage the risks driven by changes in other climate-related developments such as reputation include pursuing LEED and ENERGY STAR Certifications, involving our tenants in our sustainable business strategy though the use of our annual customer satisfaction survey, publishing a GRI based sustainability reports and participating in surveys such as CDP and instituting water conservation and energy saving procedures company-wide. For example, HCP is the ENERGY STAR program leader for the Medical Office Building category and we are continuing to expand this program as well as the pursuit of LEED certifications. In 2012, our tenant satisfaction survey was delivered via a web based methodology to 2,611 of our tenants and we achieved a response rate of 82.1%. The survey included 25 questions related to Green Initiatives including the tenants satisfaction with our commitment to sustainability, their likelihood of participating in various programs, how various initiatives would influence their rental decision and the importance of sustainability to their employees and customers. Our water conservation and energy savings procedures communicated to our tenants 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.

(iii) Costs associated with these actions

The costs associated with LEED and ENERGY STAR certified properties can cost anywhere between $400,000 and $600,000 for new construction, and between $350,000 and $550,000 to retrofit an existing building, while the costs of implementing such practices as the promotion of sustainability and internal awareness of water conservation and energy savings are $0.00 as this is included in our normal business activity. The cost of our annual customer satisfaction survey is approximately $55,000.

OR2: Changing consumer behavior

(i) Potential financial implications of the risk before taking action

The potential financial implications of risks driven by changes in other climate-related developments such as changing consumer behavior include decreased revenues by losing those tenants that prefer energy and cost efficient space. While slowly developing, tenants are increasingly requesting ENERGY STAR rated and/or LEED certified space. For example, in 2012, rental and related revenues across our boundary properties were $475 million. If such revenues were to decrease by 1% due to tenants choosing to relocate due to our inability provide ENERGY STAR rated and/or LEED certified space, it could cost us approximately $4.8 million in lost revenues. We expect these costs will decrease annually, as we believe risks related to other climate-related developments such as changing consumer behavior will become mitigated due to our esteemed reputation as a sustainable-oriented company, and thus not significantly affect our business operations.

(ii) Methods we are using to manage this risk

Methods we are using to manage the risks driven by changes in other climate-related developments such as changing consumer behavior include pursuing LEED and ENERGY STAR Certifications, involving our tenants in our sustainable business strategy though the use of our annual customer satisfaction survey and instituting water conservation and energy saving procedures company-wide. For example, HCP is the ENERGY STAR program leader for the Medical Office Building category and we are continuing to expand this program as well as the pursuit of LEED certifications. In 2012, our tenant satisfaction survey was delivered via a web based methodology to 2,611 of our tenants and we achieved a response rate of 82.1%. The survey included 25 questions related to Green Initiatives including the tenants satisfaction with our commitment to sustainability, their likelihood of participating in various programs, how various initiatives would influence their rental decision and the importance of sustainability to their employees and customers. We are currently analyzing the results of this survey and will be developing property level action plans to follow-up with tenants on specific projects. Our water conservation and energy savings procedures communicated to our tenants include a list of best practices for energy and water savings. For example at our Centennial campus in Nashville we distribute tenant newsletters which include energy and water savings tips such as watching for leaky faucets, efficient use of dishwashers how to take advantage of window blinds at critical times. The implementation of these measures and practices will appeal those tenants who prefer to do business with more sustainable companies.

(iii) Costs associated with these actions

The costs associated with LEED and ENERGY STAR certified properties can cost anywhere between $400,000 and $600,000 for new construction, and between $350,000 and $550,000 to retrofit an existing building, while the costs of implementing such practices as the promotion of sustainability and internal awareness of water conservation and energy savings are $0.00 as this is included in our normal business activity. The cost of our annual customer satisfaction survey is approximately $55,000.

Page: 6. Climate Change Opportunities

6.1 Have you identified any climate change opportunities (current or future) 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

6.1a Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of impact
RO1	Product efficiency regulations and standards	Opportunities driven by changes related to product (i.e., our buildings) efficiency regulations and standards include improved energy efficiency for our buildings. Such an opportunity affects HCP by lowering our operating costs.	Reduced operational costs	Current	Direct	More likely than not	Medium-high
RO2	Product labeling regulations and standards	Opportunities driven by changes related to product (i.e., our buildings) labeling regulations and standards include improved energy efficiency for our buildings. Such an opportunity affects HCP by lowering our operating costs.	Increased demand for existing products / services	1-5 years	Direct	More likely than not	Medium

6.1b Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and(iii) the costs associated with these actions

RO1: Product efficiency regulations and standards

(i) Potential financial implications of the opportunity

The potential financial implications of the opportunities resulting from regulatory changes related to product efficiency standards such as new building codes include lower operating expenses as a result of the cost savings achieved through the use of the energy equipment installed due to newly mandated efficiency regulations. In 2012, HCP spent approximately $36.6 million in utility expenses across properties within our boundary. If such energy expenses were to decrease by 1% due to savings related to complying with product efficiency regulations and standards we would save an additional $366,000 annually as compared to 2012 energy expenditures. We expect these opportunities will increase annually, as we believe opportunities related to product efficiency standards will become more prevalent due to tenants increasing interest in energy efficiency. These opportunities could significantly affect our business operations.

ii) Methods we are using to manage this opportunity

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 2012, we implemented 213 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting to a more efficient product and the installation of energy management systems. In addition, as part of the re-development of two buildings we upgraded HVAC systems to more efficient equipment, installed drought resistant landscaping to reduce water consumption and upgraded window and roof systems to a more efficient product. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. 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.

(iii) Costs associated with these actions

The incremental cost associated with the implementation of 213 efficiency improvement projects in 2012 was approximately $1.29 million, while the incremental cost upgrade the redevelopment properties was $740,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

RO2: Product labeling regulations and standards

(i) Potential financial implications of the opportunity

The potential financial implications of the opportunities resulting from regulatory changes related to product labeling standards such as mandated ENERGY STAR and LEED building specifications include lower operating expenses as a result of the cost savings achieved through the use of the higher efficiency energy equipment installed due to newly mandated labeling regulations. In 2012, HCP spent approximately $36.6 million in utility expenses across properties within our boundary. If such energy expenses were to decrease by 1% due to savings related to complying with product labeling regulations and standards we would save an additional $366,000 annually as compared to 2012 energy expenditures. We expect these opportunities will increase annually, as we believe opportunities related to product labeling regulations and standards will become more prevalent due to tenants increasing interest in energy efficiency. These opportunities could significantly affect our business operations.

(ii) Methods we are using to manage this opportunity

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 2012, we implemented HVAC upgrade projects at 4 buildings that resulted in them becoming ENERGY STAR certified and,as part of the re-development of two buildings, we upgraded HVAC systems to more efficient equipment, installed drought resistant landscaping to reduce water consumption and upgraded window and roof systems to a more efficient product to help meet the requirements of LEED certification. Further, we utilize the ENERGY STAR Portfolio Manager to track our buildings that already meet ENERGY STAR requirements, and we proactively schedule ENERGY STAR and LEED-specific upgrades for those buildings. This practice enables us to implement such upgrades sooner, thus taking advantage of the opportunities of waiting to upgrade until new labeling standards are enacted and having to complete those upgrades by a short period of time imposed by newly mandated labeling standards. The Energy Star Portfolio Manager is a benchmarking tool that models the building based on consumption and generates an energy rating.

(iii) Costs associated with these actions

The cost associated with the implementation of 4 HVAC upgrade projects in 2012 was approximately $378,000 while the incremental cost to meet LEED requirements in our two re-development projects was $740,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool.

6.1c Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PO1	Change in mean (average) temperature	Adapting to changes in physical climate parameters such as an increase in the mean (average) temperature can present opportunities, such as attracting new tenants. As we install energy efficient equipment to assist in mitigating physical climate parameters, such equipment attracts new tenants who prefer to lease space that utilizes energy efficient equipment. This influx of new efficient-minded tenants could increase our revenues and affect our company significantly.	Increased demand for existing products/services	Current	Direct	More likely than not	Medium-high

6.1d Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

PO1: Change in mean (average) temperature

(i) Potential financial implications of the opportunity

The potential financial implications of opportunities associated with changes in physical climate parameters such as a change in mean (average) temperature include increased revenue from lease income. The energy efficient equipment that we installed as a method to alleviate increased utility expenses associated with such changes in physical climate parameters will attract new green-minded tenants. For example in 2012, rental and related revenues for properties within our boundary were $475 million. If those revenues increased by 1% from additional tenants opting to lease from us due to our implementation of energy efficient equipment, it could earn us approximately $4.8 million in additional annual revenues. We expect these opportunities will increase annually, as we believe opportunities related to a change in mean (average) temperature will become more prevalent due to tenants increasing interest in energy efficiency. These opportunities could significantly affect our business operations.

(ii) Methods we are using to manage this opportunity

Methods we are using to manage the potential financial implication of opportunities associated with changes in physical climate parameters such as a change in mean (average) temperature include pursuing LEED and ENERGY STAR Certifications, making our green initiatives more transparent by publishing a GRI based sustainability report and responding to surveys such as CDP and instituting water conservation and energy saving procedures company-wide as an added attraction for tenants. For example, HCP is the Energy Star program leader for the Medical Office Building category and we are continuing to expand this program as well as the pursuit of LEED certifications. In 2012, we implemented 213 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting to a more efficient product and the installation of energy management systems. In addition, as part of the re-development of two buildings we upgraded HVAC systems to more efficient equipment, installed drought resistant landscaping to reduce water consumption and upgraded window and roof systems to a more efficient product. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. This recognition makes our sustainability efforts more transparent and improves our reputation in the eyes of current and potential tenants.

(iii) Costs associated with these actions

The incremental cost associated with the implementation of 213 energy efficiency improvement projects in 2012 was approximately $1.9 million, while the incremental cost to upgrade the redevelopment properties was $740,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool and the annual cost to prepare, assure and publish our sustainability report and various NGO surveys is approximately $250,000, while the costs of implementing such practices as the promotion of sustainability and internal awareness of water conservation and energy savings are $(0.00) as this is included in our normal business activity.

6.1e Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OO1	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 causing an increase in revenues, due to the attraction of new tenants who choose to relocate to one of our properties due to our reputation as a sustainable company. Our sustainability efforts and substantial work with the ENERGY STAR program have resulted in HCP being recognized as a leader in the healthcare	Increased demand for existing products/ services	Current	Direct	More likely than not	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		real estate sector. We have been recognized by NAREIT in their "Leader in the Light Award" for five of the past six years, including the Innovator Award in 2011 and the Healthcare Leader in the Light Award in 2012. Recognition such as this improves our reputation and increases the interests of new potential tenants.					
OO2	Changing consumer behaviour	Changes related to other climate-related developments include opportunities resulting from changes in consumer behavior such as increased interest in green buildings as well as willingness to participate in environmentally friendly programs. Such opportunities affect HCP by causing an increase in revenues due to potential new tenants attracted to these sustainability initiatives.	Reduced operational costs	1-5 years	Direct	More likely than not	Medium

6.1f Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

OO1: Reputation

(i) Potential financial implications of the opportunity

The potential financial implications of opportunities resulting from changes in other climate-related developments such as reputation include increased revenue from lease income due to the attraction of new green-minded tenants. Reputation is a key opportunity associated with sustainability, and being perceived as a sustainable-minded company could attract those tenants and investors who prefer to do business with more sustainably responsible companies. For example in 2012, rental and related revenues for properties within our boundary were $475 million. If those revenues increased by 1% from additional tenants opting to lease from us due to our reputation being perceived as a sustainable company, it could earn us approximately $4.8 million in additional annual revenues. We expect these opportunities will increase annually, as we believe opportunities related to other climate-related developments such as reputation will become more prevalent as our esteemed reputation as a sustainable-oriented company grows. These opportunities could significantly affect our business operations.

ii) Methods we are using to manage this opportunity

Methods we are using to manage the potential financial implication of opportunities resulting from other climate-related developments such as reputation include pursuing LEED and ENERGY STAR Certifications, making our green initiatives more transparent by publishing a GRI based sustainability report and responding to surveys such as CDP and instituting water conservation and energy saving procedures company-wide as an added attraction for tenants. For example, HCP is the Energy Star program leader for the Medical Office Building category and we are continuing to expand this program as well as the pursuit of LEED certifications. In 2012, we implemented 213 projects to improve the efficiency of our buildings including HVAC upgrades, retrofitting lighting to a more efficient product and the installation of energy management systems. In addition, as part of the re-development of two buildings we upgraded HVAC systems to more efficient equipment, installed drought resistant landscaping to reduce water consumption and upgraded window and roof systems to a more efficient product. Further, we utilize the ENERGY STAR Portfolio Manager tool to track our buildings that do not currently meet ENERGY STAR requirements, and we proactively schedule upgrades for those buildings. This recognition makes our sustainability efforts more transparent and improves our reputation in the eyes of current and potential tenants.

(iii) Costs associated with these actions

The incremental cost associated with the implementation of 213 energy efficiency improvement projects in 2012 was approximately $1.9 million, while the incremental cost to upgrade the redevelopment properties was $740,000. There is no cost ($0.00) associated with utilizing the ENERGY STAR Portfolio Manager tool and the annual cost to prepare, assure and publish our sustainability report and various NGO surveys is approximately $250,000, while there are no costs ($0.00) associated with implementing such practices as the promotion of sustainability and internal awareness of water conservation and energy savings, as this is included in our normal business activity.

OR2: Changing consumer behavior

(i) Potential financial implications of the opportunity

The potential financial implications of opportunities resulting from changes in other climate-related developments such as changing consumer behavior include increased revenues from lease income due to the attraction of new-green minded tenants and decreased operating costs as a result of communicating of energy and water savings tips to our tenants. Being perceived as a sustainable-minded company could attract those tenants and investors who prefer to do business with more sustainable companies. For example in 2012, rental and related revenues for properties within our boundary were $475 million. If those revenues increased by 1% from attracting additional tenants desiring green and/or ENERGY STAR / LEED certified space, it could earn us approximately $4.8 in additional revenues. We expect these opportunities will increase annually, as we believe opportunities related to other climate-related developments such as reputation will become more prevalent as our esteemed reputation as a sustainable-oriented company grows. These opportunities could significantly affect our business operations. Further, according to a study completed by researchers from Georgetown University, University of Wisconsin-Madison and University of Notre Dame (Firm-Value Effects of Carbon Emissions and Carbon Disclosures) "…the median firm value of firms that disclose their carbon emissions is about $2.3 billion higher than the median value of nondisclosing firms...".

ii) Methods we are using to manage this opportunity

Methods we are using to manage the potential financial implication of opportunities associated with other climate-related developments such as changing consumer behavior include pursuing LEED and ENERGY STAR Certifications and instituting water conservation and energy saving procedures company-wide as an added attraction for tenants. For example, HCP is the Energy Star program leader for the Medical Office Building category and we are continuing to expand this program as well as the pursuit of LEED certifications. Our water conservation and energy savings procedures communicated to our tenants include a list of best practices for energy and water savings. For example at our Centennial campus in Nashville we distribute tenant newsletters which include energy and water savings tips such as watching for leaky faucets, efficient use of dishwashers how to take advantage of window blinds at critical times. This recognition makes our sustainability efforts more transparent and improves our attractiveness in the eyes of tenants.

(iii) Costs associated with these actions

The costs associated with LEED and ENERGY STAR certified properties can cost anywhere between $400,000 and $600,000 for new construction, and between $350,000 and $550,000 to retrofit an existing building, while the costs of implementing such practices as the promotion of sustainability and internal awareness of water conservation and energy savings are $0.00 as this is included in our normal business activity.

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

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

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base yearemissions (metric tonnes CO2e)
Sat 01 Jan 2011 - Sat 31 Dec 2011	28198	234449

7.2 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

7.2a If you have selected 'Other', please provide details below

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

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

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	117.69	lb CO2e per million BTU	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009
Diesel/Gas oil	22.40	lb CO2e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009
Motor gasoline	19.56	lb CO2e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009
Liquefied petroleum gas (LPG)	12.643	lb CO2e per gallon	WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. July 2009
Electricity		lb CO2 per MWh	*US EPA eGRID database

Further Information

*US EPA eGRID database: eGRID table is attached for the Emission Factor for Electricity due to the numerous building locations reported on.

Attachments

https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/eGRID SummaryTables.pdf

Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

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

Operational control

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

28940

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

216887

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

No

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

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

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

Third party verification or assurance complete

8.6a Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	Attestation standards established by AICPA (AT101)	https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/Attachments/Investor-8.6b-C3-RelevantStatement/PwC report and HCP Management Assertion - Final signed.pdf

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

Third party verification or assurance complete

8.7a Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	Attestation standards established by AICPA (AT101)	https://www.cdproject.net/sites/2013/17/23217/Investor CDP 2013/Shared Documents/ Attachments/ Investor-8.7b-C3-RelevantStatement/PwC report and HCP Management Assertion - Final signed.pdf

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

No

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

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

No

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

By business division
By GHG type

9.2a Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
MOB	18015
Life Science	5122
Senior Housing	5803

9.2c Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	28008
CH4	52
N2O	18
HFCs	862

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

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

No

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

By business division

10.2a Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
MOB	182233
Life Science	6672
Senior Living	27982

Page: 11. Energy

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

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

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

Energy type	MWh
Fuel	137975
Electricity	400117
Heat	
Steam	3514
Cooling	159

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

Fuels	MWh
Natural gas	135016
Diesel/Gas oil	1333
Motor gasoline	1624
Liquefied petroleum gas (LPG)	2

11.4 Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

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

Page: 12. Emissions Performance

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

Decreased

12.1a Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	3.8	Decrease	We implemented 323 projects in 2012 and 2011 representing an estimated 3156 and 843 metric tonnes CO2e respectively. The percentage of CO2e reduction based upon the building group where these projects were implemented is 3.8%.
Divestment			N/A
Acquisitions	2.85	Increase	Buildings were acquired in the months of May through October which added 1,153,560 square feet of boundary building control area which added 7002 metric tonnes of CO2e.

Reason	Emissions value (percentage)	Direction of change	Comment
Mergers			N/A
Change in output			N/A
Change in methodology	0.35	Increase	Refrigerant was not reported in 2011. 862 metric tonnes of Co2e was estimated based upon a 5% refrigerant leakage rate for HVAC equipment based on actual and estimated refrigerant charge levels. We will continue to gather more HVAC refrigerant charge data in 2013.
Change in boundary	4.46	Increase	Buildings were added to the 2012 boundary buildings which added 1,164,980 square feet of boundary building control area which added 10957 metric tonnes of CO2e.
Change in physical operating conditions			N/A
Unidentified			N/A
Other	1.8	Decrease	The emission reduction obtained on the remaining buildings in our boundary was 1.8%.

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000513991	metric tonnes CO2e	unit total revenue	6.21	Decrease	The majority of the reason for the decrease in the intensity factor is a combination of emission reduction activities and updated emission factors.

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
1642	metric tonnes CO2e	FTE employee	7.69	Decrease	The majority of the reason for the decrease in the intensity factor is a combination of emission reduction activities and updated emission factors.

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.011954357	metric tonnes CO2e	square foot	6.04	Decrease	The majority of the reason for the decrease in the intensity factor is a combination of emission reduction activities and updated emission factors.

Page: 13. Emissions Trading

13.1 Do you participate in any emissions trading schemes?

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

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

No

Page: 14. Scope 3 Emissions

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, not yet calculated				

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
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, not yet calculated				
Business travel	Relevant, not yet calculated				
Employee commuting	Relevant, calculated	445	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 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, 2008, GHG Protocol tool for mobile combustion, version 2.3) 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 3.058 metric tonnes CO2e per employee (excluding biofuel CO2). Multiplying this result by the number of HCP employees (149) results in total emissions of 455 metric tonnes CO2e. This total likely overestimates HCP's Scope 3 emissions for employee commuting given that it assumes 100% of employees commute to work via passenger car, and that each employee always commutes alone to work.		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Upstream leased assets	Relevant, not yet calculated				
Investments	Not relevant, explanation provided		Little or no related investment activities		
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 require transportation or distribution.		
Use of sold products	Not relevant, explanation provided		We are a real estate services company and do not produce goods that require transportation or distribution.		
End of life treatment of sold products	Not relevant, explanation provided		We are a real estate services company and do not produce goods that require transportation or distribution.		
Downstream leased assets	Relevant, not yet calculated				
Franchises	Not relevant, explanation provided		We are not a franchise.		
Other (upstream)	Not relevant, explanation provided		None identified.		
Other (downstream)	Not relevant, explanation provided		None identified.		

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

No third party verification or assurance

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

Yes

14.3a Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Employee commuting	Change in output	1.34	Increase	CO2e increased due to 1.34% increase in employees.

14.4 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

14.4a 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. 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.

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Thomas Klaritch
EVP-Medical Office Properties

CDP 2013 Investor CDP 2013 Information Request