

Annual Sustainability Report

Updated October 2022

At HCA Healthcare, our commitment to the care and improvement of human life is directly connected to the impact we have on the environment, as well as our understanding of how the environment impacts overall health and well-being.

Our organization is working to make communities healthier and to protect the environment by implementing sustainable hospital practices, promoting conservation, decreasing waste and exercising environmentally conscious purchasing.

HCA Healthcare's environmental strategy enables us to prepare and execute short- and long-term sustainability plans and develop a broad environmental, social and governance (ESG) narrative that considers our stakeholders, the environment and our future together.

The four key themes of HCA Healthcare's environmental strategy are:

Managing energy and water responsibly: striving to reduce use of energy and water, decarbonizing energy and managing water quality.

Enhancing climate resilience: working to ensure HCA Healthcare's operations and the communities we serve are more resilient to climate risks.

Sourcing and consuming efficiently: focus on decreasing emissions from purchased goods, sourcing responsibly, reducing consumption and reusing where possible.

Managing the impact of our capital programs:

trying to reduce carbon emissions, waste and other adverse environmental impacts from new construction, retrofits and expansions.

To help ensure our current and future environmental strategies are carried out, HCA Healthcare has robust governance in place, including:

- The ESG Core Team provides overall guidance for HCA Healthcare's Sustainability Program.
- The Audit and Compliance Committee reviews and oversees our policies and practices regarding environmental and sustainability issues.
- Sustainability coordinators implement the Sustainability Program at our facilities.



Managing Energy and Water Responsibly

Energy

HCA Healthcare recognizes the importance of managing energy and water responsibly. We aim to meet or exceed all environmental, legal and regulatory standards by being a responsible and active citizen in the communities we serve.

We are exploring possibilities for additional sources of clean and renewable energy across our portfolio to continue reducing emissions, including solar arrays, which are already installed at several sites of care. Our energy operations center monitors our facilities' building systems to identify system optimization opportunities and alert facility managers to energy- and cost-saving actions. In addition, there is an ongoing process to evaluate and help ensure existing building systems, such as heating, ventilation and air conditioning (HVAC), are operating at optimal efficiency.

In addition to the aforementioned efforts, HCA Healthcare is also working to reduce energy use and remove mercury from facilities through LED lighting retrofits. We have started a long-term effort to replace fluorescent lighting in hospitals with higher-efficiency, mercury-free LED lighting.

Water

HCA Healthcare is working to reduce our water consumption through improvements in energy efficiencies that decrease water used for cooling operations and through installing water-efficient fixtures in our facilities.

In 2021, water consumption throughout our network decreased by 9.3 million gallons. In addition, our facilities and engineering teams began a standardization initiative in our water treatment program to use fewer chemicals and reduce water system losses through quality management. We work with our facilities, including those in water-stressed areas, to conserve water through water management plans. We also explore efficiencies in water distribution systems and include local stakeholders in our efforts to reduce consumption while ensuring efficient operations.

Environmental sustainability progress in 2021



10
LEED-certified
facilities



33.4M+ pounds
of construction waste
diverted from landfills
for recycling



22M+ pounds
of cardboard, paper,
aluminum, wood
and rechargeable
batteries diverted
from landfills
for recycling



969K+ pounds
of devices diverted
from landfill for
reprocessing



9.3M gallons
of water saved

Enhancing Climate Resilience

HCA Healthcare recognizes that climate-related disruptions have the potential to impact patients, colleagues and operations. We are therefore committed to assessing short-, medium- and long-term climate-related impacts, and are considering options to address these and other opportunities in our enterprise strategy going forward.

HCA Healthcare acknowledges that by understanding GHG emissions, we can more effectively address risks related to the transition to a low-carbon economy. In 2021, HCA Healthcare assessed and reported its annual Scope 1 and 2 greenhouse gas (GHG) emissions for 2020. Building on that effort, GHG emissions were also calculated for 2021 and have been included in this report.* Total emissions from 2020 to 2021 remained relatively flat. HCA Healthcare is exploring a process to measure Scope 3 GHG emissions in the future.

Based on this assessment, HCA Healthcare is implementing a plan to reduce Scope 1 and 2 emissions and has included information in this report about its strategy to improve environmental performance more broadly. This plan is expected to drive GHG emissions reductions for both Scope 1 and 2.

In the short term, HCA Healthcare is pursuing a plan to reduce its Scope 1 and 2 emissions by 2030 in line with the Paris Agreement's 1.5°C emissions reduction goal. HCA Healthcare also has an ambition of identifying a

pathway to reach net-zero GHG emissions by 2050 as it relates to Scope 1 and 2 emissions.

HCA Healthcare's initiatives to reduce Scope 1 and 2 GHG emissions contemplate operational changes that reduce energy consumption, accelerating related capital investments, new technology pilots, renewable energy contracting and investments, and medical gas initiatives.

Implementation of decarbonization initiatives will be governed by an Environmental Performance Steering Committee. Implementation progress will be monitored through digital dashboards that provide real-time data and benchmarking.

In addition to GHG emissions, HCA Healthcare performs numerous operational and financial risk assessments on an ongoing basis, including the Enterprise Risk Assessment (ERA), which is conducted by Enterprise Risk Management (ERM), and the Hazard Vulnerability Assessment (HVA) led by Enterprise Preparedness and Emergency Operations (EPEO). These assessments help to increase climate resilience through enhancing facility-level preparedness, developing best practice emergency response plans, leading emergency response simulations, coordinating emergency response and monitoring events in real time. More information on how HCA Healthcare is enhancing our climate resilience can be found in our climate risk report, aligned with the Task Force for Climate-related Financial Disclosures (TCFD), on our [website](#).

Annual GHG emissions (approximate)		
	2020	2021
Scope 1	729 kt CO ₂ e	729 kt CO ₂ e
Scope 2 – Location-based	1,339 kt CO ₂ e	1,222 kt CO ₂ e
Total	2,068 kt CO ₂ e	1,951 kt CO ₂ e

*Scope 1 and location-based Scope 2 GHG emissions were calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The Scope 1 and 2 GHG emissions have undergone a review level assurance by a third party in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT C section 105, Concepts Common to All Attestation Engagements, and AT C section 210, Review Engagements. [EY Independent Accountants' Review Report](#)

Sourcing and Consuming Efficiently

Waste

HCA Healthcare utilizes chemicals in our facilities to treat and heal patients and to clean, disinfect and sterilize supplies and surfaces. Therefore, it is vital that our approach to waste management considers our patients, colleagues, local communities and the environment.

We track the weight of various waste streams through our integrated waste management project. In 2021, more than 50 million pounds of materials were kept from being deposited into landfills, including:

- **22 million+ pounds** of non-construction waste
- **33.4 million+ pounds** of construction waste
- **969,600+ pounds** of devices (diverted from landfill for reprocessing)

HCA Healthcare has identified areas in which we can improve our process to handle the waste of chemicals, aiming to drive change by effectively managing hazardous waste and reducing toxicity, and increasing the energy efficiency of waste streams.

We are committed to learning about and reducing the impact of pharmaceutical drugs on ecosystems and take a preventative approach, which includes providing continuing education on proper disposal and regulations for pharmacists and nurses.

Purchasing reusables

Contracts provide the ability to purchase certain reusable items rather than disposable items. This includes but is not limited to: gowns, basin sets, instrument cases, pulse oximetry probes and patient grounding pads.

Reprocessing

HCA Healthcare participates in a program to use Food and Drug Administration (FDA)-approved reprocessed single-use devices to reduce waste and save costs. As mentioned above, our efforts have resulted in 969,600+ pounds of single-use devices being diverted from landfills for reprocessing.

For our reprocessing efforts, HCA Healthcare received Stryker Sustainability Solutions' Platinum Environmental Excellence Award.

Sourcing

HCA Healthcare's supply chain organization, HealthTrust, includes information about environmental health attributes in the sourcing process and provides the ability to compare products based on these attributes. The attributes include chemicals of concern, packaging, resources and environmental certifications.

In addition, HCA Healthcare works with HealthTrust and its Environmental Sustainability Council to identify and develop new initiatives based on industry needs.

Our organization is working to eliminate the use of mercury in our facilities and minimize the use of and exposure to hazardous chemicals, including persistent, bioaccumulative and toxic (PBT) substances.



Managing the Impact of Capital Programs

HCA Healthcare is working to reduce carbon emissions, waste and other environmental impacts from new construction, retrofits and expansions.

The first two LEED v4 for Healthcare certified projects in the United States are HCA Healthcare projects.

TriStar Centennial Medical Center – Women’s Services vertical expansion (Tennessee) received the first LEED v4 for Healthcare certification in the U.S.

Sarah Cannon Cancer Center Hospital at Medical City Plano (Texas) was the first LEED v4 for Healthcare Gold certified project in the U.S. The facility was designed to save 678,000 gallons of water per year through efficient landscaping, irrigation and plumbing systems. In addition, the building was designed to be 26% more energy efficient compared to the energy code.

Other projects with LEED status in HCA Healthcare’s portfolio include:

Nashville Data Center (Tennessee)

LEED certification

Medical office building at Reston Hospital Center (Virginia)

LEED Silver certification

Nashville Capitol View development (Tennessee)

LEED Silver certification

Medical City Alliance (Texas)

LEED Silver certification

HCA Houston Healthcare Pearland (Texas)

LEED Silver certification

Medical City Dallas vertical expansion (Texas)

LEED certification

Las Palmas Medical Center Women’s Services addition (Texas)

LEED certification

Oviedo Medical Center (Florida)

LEED certification

In addition, two more projects targeting LEED accreditation are in the design phase in Frisco, Texas, and Salt Lake City, Utah.

While constructing new projects, HCA Healthcare recycles materials including concrete, metals, drywall and wood. In 2021, we recycled over 33.4 million pounds of construction waste.



Pictured above: Sarah Cannon Cancer Center at Medical City Plano

Awards and recognition

In 2021, each of the 27 HCA Healthcare facilities that participated in the Practice Greenhealth award process received an award. Over the years, our hospitals have won 171 Practice Greenhealth awards. This awards program recognizes healthcare facilities and health systems for their commitment to environmental stewardship and their sustainability achievements.

In addition, HCA Healthcare won the World’s Most Ethical Company award in 2021 for the 12th time. Recipients of this award outperform their peers when it comes to promoting ethical business standards and practices, both internally and externally.



For further information on our sustainability strategy, visit [HCAhealthcareImpact.com](https://www.hcahealthcare.com/impact).