

Annual Sustainability Report

October 2023

HCA 
Healthcare®



HCA Healthcare’s dedication to improving more lives in more ways 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.

By working together and collaborating with our communities, we address and tackle critical health and well-being issues. We also consider the wider impact of our business activities – how they support our dedication to serving patients, colleagues and communities, and how they relate to our environmental footprint.

In an effort to strengthen our understanding of our environmental impact, we carried out a materiality assessment to identify those factors that directly affect or influence our stakeholders. We are actively engaging with our stakeholders to develop better insight into how we can positively impact each of these factors.

health and well-being

Our environmental strategy guides our efforts to prepare and execute short- and long-term sustainability plans.

Our strategy is centered on incorporating the following four key pillars into our operations:



HCA Healthcare has taken steps to ensure that our Board and corporate policies and practices are structured to help us implement our current and future environmental strategies. For example, we have:

- The ESG Steering Committee, comprised of senior leaders, provides overall guidance for HCA Healthcare's sustainability progress and strategy.
- The Audit and Compliance Committee of the HCA Healthcare Board of Directors reviews and oversees our policies and practices regarding sustainability matters.

Managing Energy and Water Responsibly

Energy

HCA Healthcare understands the importance of managing energy responsibly and aims to meet or exceed applicable legal and regulatory environmental standards by being a responsible and active citizen in the communities we serve.

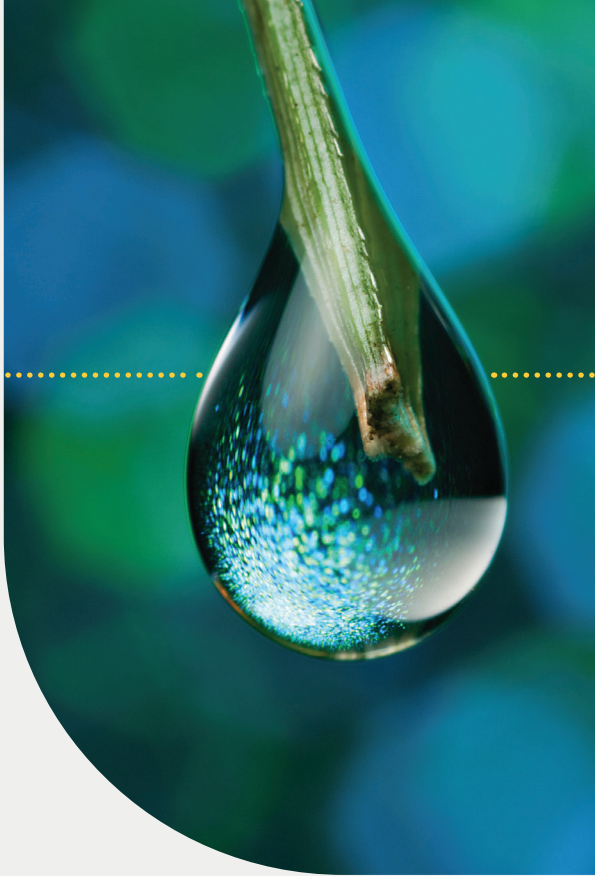
We have implemented a multi-pronged plan to address energy use throughout the enterprise. This plan includes the following initiatives:

- 1 Operational demand**
Implement operational changes to reduce energy consumption (and energy costs) by improving efficiency of existing assets.
- 2 Capital investments**
Invest in new capital that will replace aging and/or inefficient assets, or upgrade existing assets to improve efficiency.
- 3 Pilot demand**
Establish pilots for proof-of-concept testing at select facilities for high-potential technologies that are new to HCA Healthcare.
- 4 Taskforce-led**
Engage in subject-matter specific efforts that require further investigation and research and will be led by experts in those topics.
- 5 Scope 2 supply**
Consider several strategies to reduce the environmental impact of HCA Healthcare's electricity supply (Scope 2 emissions).

Through these initiatives, HCA Healthcare intends to reduce energy needs, increase energy security and reduce greenhouse gas (GHG) emissions for the organization.

While we continue to explore further opportunities for clean and renewable energy across our portfolio, HCA Healthcare currently has solar arrays installed at several sites of care and administrative offices. In addition, we monitor our facilities' building systems and identify system optimization opportunities through our energy operations center. This allows our facility managers to be alerted when there is an energy- and/or cost-saving action to take and helps our existing building systems to operate more efficiently.

As a part of energy reduction efforts, HCA Healthcare is working to reduce energy and remove mercury from facilities through LED lighting retrofits. We are on a long-term path to replace fluorescent lighting in hospitals with higher-efficiency, mercury-free LED lighting.



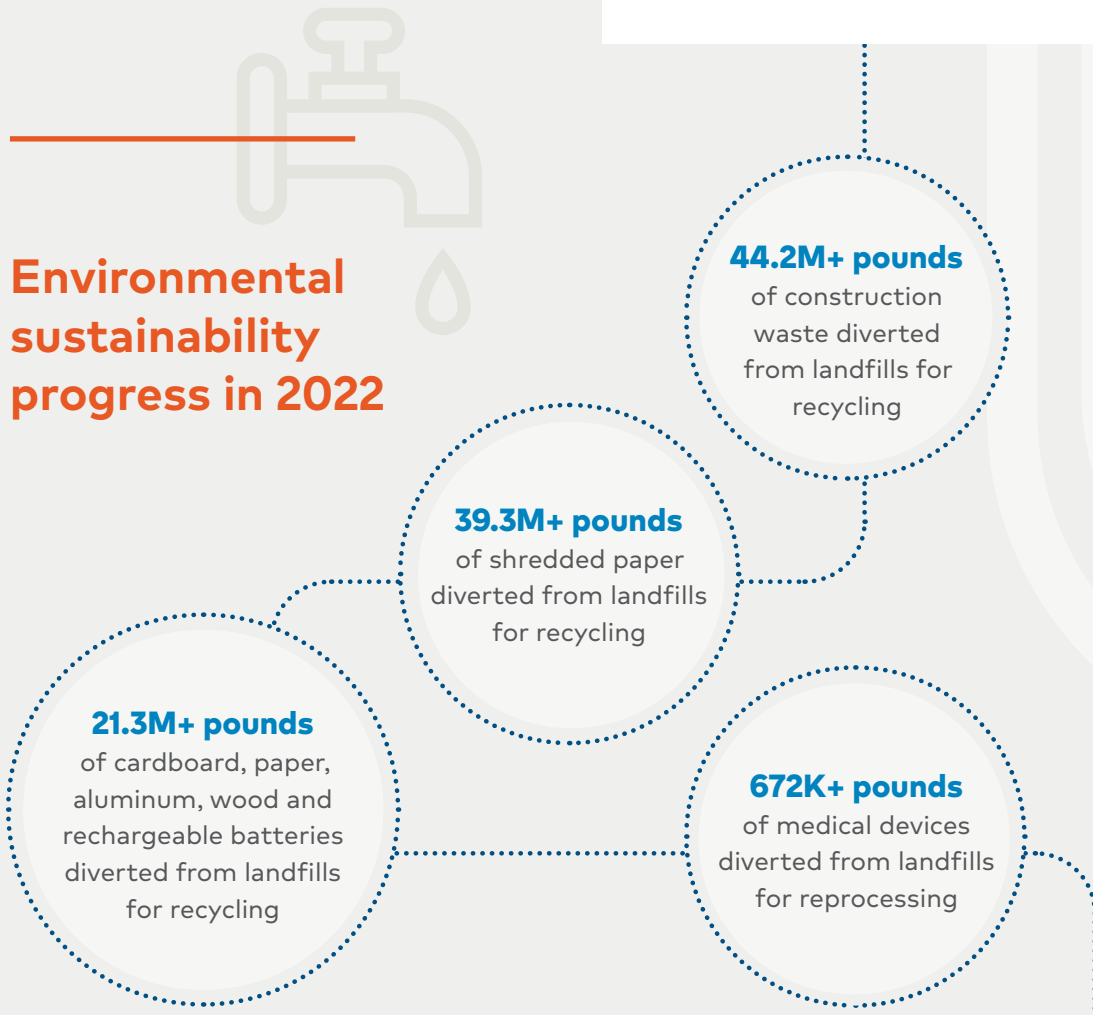
Water

HCA Healthcare understands the importance of reducing water consumption across the organization, especially in water-stressed areas.

We are working to reduce consumption through improvements in energy efficiencies that decrease water used for cooling operations, installing water-efficient fixtures in our facilities, exploring opportunities through pilot programs and working with local stakeholders to identify opportunities.

Our facilities and engineering teams began a standardization initiative in our water treatment program in 2021 to use fewer chemicals and reduce water system losses through quality management. We continue this effort as a part of our overall water consumption reduction plan.

Environmental sustainability progress in 2022



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 working to assess these and other opportunities in our enterprise strategy going forward.

HCA Healthcare evaluates risk through 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). Through these assessments, we strive to increase climate resilience by enhancing facility-level preparedness, developing best practice emergency response plans, leading emergency response simulations, coordinating emergency responses and monitoring events in real time.

In addition to these risk assessments, HCA Healthcare acknowledges that by understanding GHG emissions, we can more effectively address risks related to the transition to a low-carbon economy. We have measured our Scope 1 and 2 GHG emissions since 2020, our baseline year, and have included those in this report¹. HCA Healthcare measured our 2021 Scope 3 GHG emissions for the first time for the purchased goods and services category and the capital goods category. These two categories comprise the majority of our Scope 3 GHG emissions².

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.

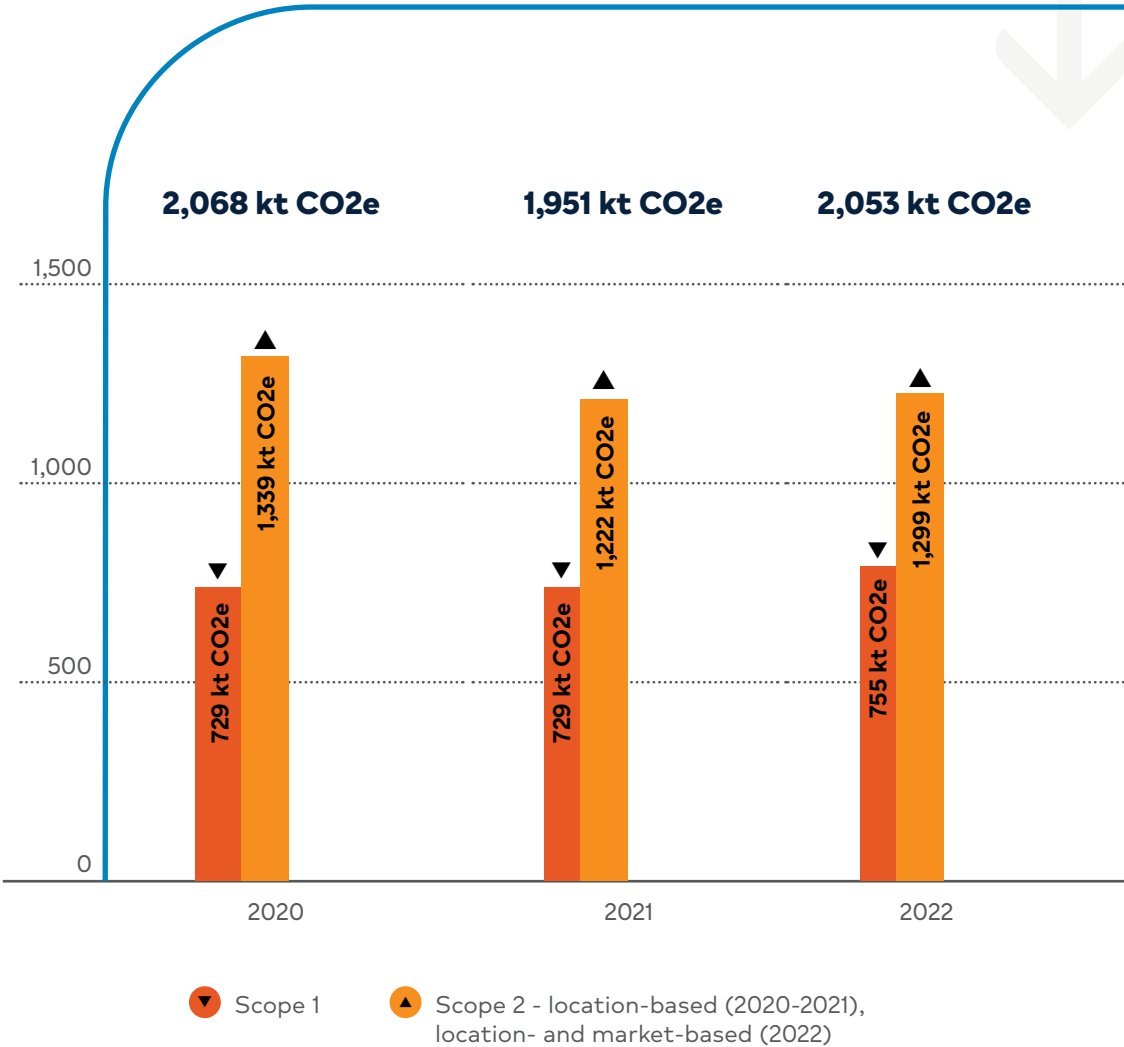
We continue to implement our plan to manage energy use and reduce GHG emissions throughout the enterprise. This plan includes reducing energy consumption, investing in capital where necessary, piloting new technology, exploring renewable energy and working with physicians to implement medical gas initiatives and will be monitored through digital dashboards. The implementation and ongoing progress of our decarbonization initiatives are overseen by the ESG Steering Committee.

More information on how HCA Healthcare is enhancing our climate resilience can be found in our [climate risk report](#), aligned with the Task Force on Climate-related Financial Disclosures (TCFD), on our website.



climate resilience

Annual GHG emissions (approximate)



¹ Scope 1 and location- and market-based Scope 2 GHG emissions were calculated following the standards of the Greenhouse Gas (GHG) Protocol. The Scope 1 and 2 GHG emissions have undergone a limited assurance review by a third party. [EY - Independent Accountants' Review Report](#)

² Select categories of 2021 Scope 3 emissions were calculated following the standards of the Greenhouse Gas (GHG) Protocol. The Scope 3 emissions have undergone a limited assurance review by a third party. [EY - Independent Accountants' Review Report](#)

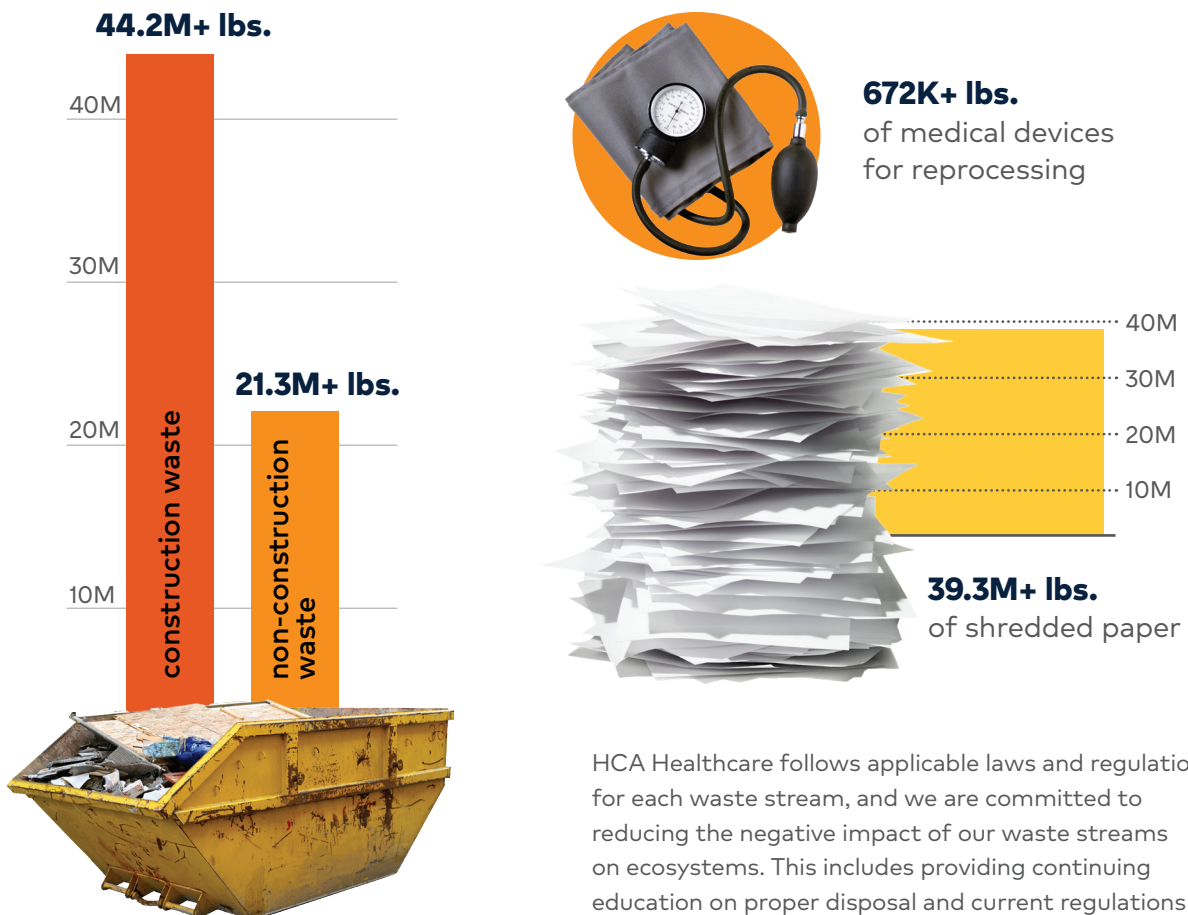
Sourcing and Consuming Efficiently



Waste

HCA Healthcare acknowledges that our hospitals and healthcare facilities generate various types of waste through healthcare operations including, but not limited to: pharmaceutical waste, regulated medical waste, hazardous waste and general municipal solid waste. Our organization works with our waste vendors to analyze all of our waste streams to strive to reduce overall waste to landfill. Our approach to waste management considers our patients, colleagues, local communities and the environment.

Through our efforts in 2022, more than 100 million pounds of materials were diverted from landfills including:



HCA Healthcare follows applicable laws and regulations for each waste stream, and we are committed to reducing the negative impact of our waste streams on ecosystems. This includes providing continuing education on proper disposal and current regulations for our clinicians and staff.



Purchasing reusables

HCA Healthcare has focused on entering into agreements that provide the ability to purchase certain reusable items rather than disposable items. This list includes, but is not limited to: gowns, basin sets, instrument cases, pulse oximetry probes and patient grounding pads.



Reprocessing

HCA Healthcare works with vendors to use Food and Drug Administration (FDA)-approved reprocessed single-use devices to reduce waste and save costs. Our efforts in 2022 have resulted in more than 672,000 pounds of single-use devices being diverted from landfills for reprocessing.

For our reprocessing efforts in 2022, HCA Healthcare received the Environmental Excellence Platinum Award from Stryker Sustainability. In addition, our MidAmerica and San Antonio markets received the 2022 Environmental Sustainability award and an Earth Day certificate, respectively, from Medline-Renewal. HCA Healthcare is committed to continued partnerships with our reprocessing vendors to reduce waste to landfill.



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.

In addition, HCA Healthcare participates in HealthTrust's Environmental Sustainability Council to learn and share best practices and to identify and develop new initiatives based on industry needs.

Managing the Environmental Impact of Capital Programs

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

As a baseline, our organization considers aspects of the LEED certification program including, but not limited to: operational efficiency, energy efficiency, construction waste management, water efficiency and transportation access.

HCA Healthcare has 10 LEED facilities in its portfolio, including the Medical City Plano Sarah Cannon Cancer Hospital, the first LEED v4 for Healthcare Gold certified project in the U.S.

While constructing new projects, HCA Healthcare recycles materials including concrete, metals, drywall and wood. In 2022, we recycled over 44 million pounds of construction waste.





Awards and Recognition

As a member of Practice Greenhealth, HCA Healthcare facilities continue to participate in the award program and have won 173 awards over the years. This awards program recognizes healthcare facilities and health systems for their commitment to environmental stewardship and their sustainability achievements.

In early 2023, HCA Healthcare was proudly recognized for the 13th time as one of the World's Most Ethical Companies by Ethisphere, a global leader in defining and advancing the standards of ethical business practices. Recipients of this award outperform their peers when it comes to promoting ethical business standards and practices, both internally and externally.

