






2018 SUSTAINABILITY REPORT





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Letter to our Stakeholders



C. Brent Smith
President &
Chief Executive Officer

Sustainability...it's a very prevalent topic these days but it's been a long-standing operational goal at Piedmont. We consider sustainability to be a commitment which we proudly undertake on behalf of all our stakeholders. Our shareholders and employees expect that their financial and human capital supports preserving the global environment. Our tenants and local-communities entrust us to implement green initiatives that reduce consumption and land-fill waste.

Beginning in 2016, we started to shape our sustainability strategy, which will guide our real estate operations and ensure that Piedmont's environmental objectives are measured against an established baseline. Going-forward, we will update our stakeholder's annually, providing transparent accountability towards achieving our goals.

2018 WAS AN IMPORTANT YEAR FOR OUR SUSTAINABILITY EFFORTS

- We created the position Director of Sustainability and National Initiatives.
- We contracted with two industry leading providers to:
 - streamline our utility bill data aggregation accrual, tenant billing and accounting
 - produce on-demand portfolio, building, and system-level energy performance analysis
 - track the impact of energy efficiency projects, as well as measure and verify project savings and
 - procure energy in the most economical way

- We deployed the latest energy management technologies which allow us to monitor nearly all our electrical consumption in real time.
- We created detailed Energy & Sustainability Action Plans for each building in our portfolio.
- We continued our LED lighting upgrade program which includes 18 large-scale projects. These projects will save \$317,000 in energy expenses annually and provide our tenants with higher-quality, brighter spaces.
- We welcomed third party expertise and retrocommissioned six buildings in 2018. In total, the six studies identified low-cost measures that are projected to save over \$420,000 in consumption annually.

OUR ENVIRONMENTAL EFFORTS HAVE BEEN RECOGNIZED BY NUMEROUS INDUSTRY STANDARD BOARDS

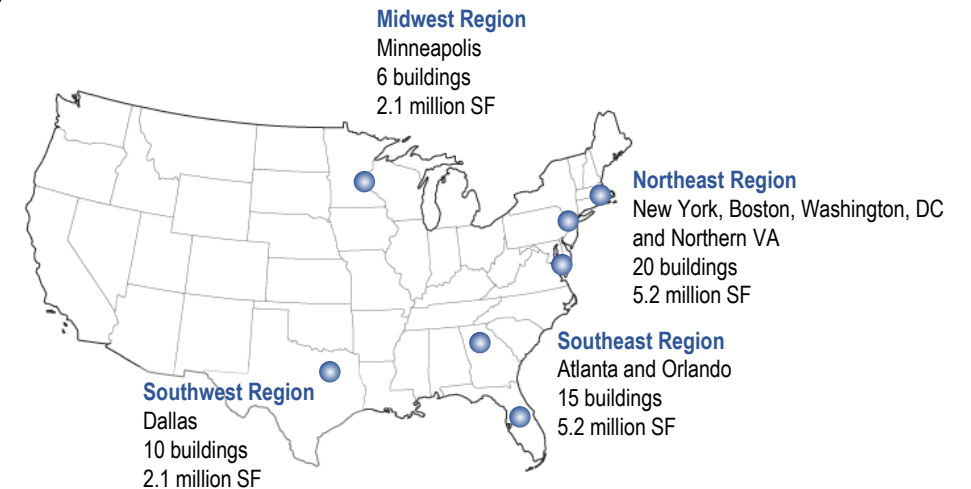
- 93% of our buildings have BOMA 360 certifications
- 91% were ENERGY STAR certified in 2018
- 46% were LEED certified, including three assets which were certified to LEED O&M for the first time and one asset certified to LEED Core & Shell
- In 2018 we ranked 1st among office REITs for the most BOMA 360 certifications

In the pages that follow, you will see detailed strategies and policies around our sustainability initiatives. I hope our commitment and conviction to this endeavor are evident from the materials. While we made significant progress in 2018, our entire property management team is tireless in their efforts to improve, innovate and operate our office buildings in the most sustainable manor possible.

As CEO of Piedmont, I am passionately focused on these initiatives; not because it's a popular topic, but because it's the right thing to do...for our shareholders, our tenants, our communities and Mother Earth.

Corporate Profile

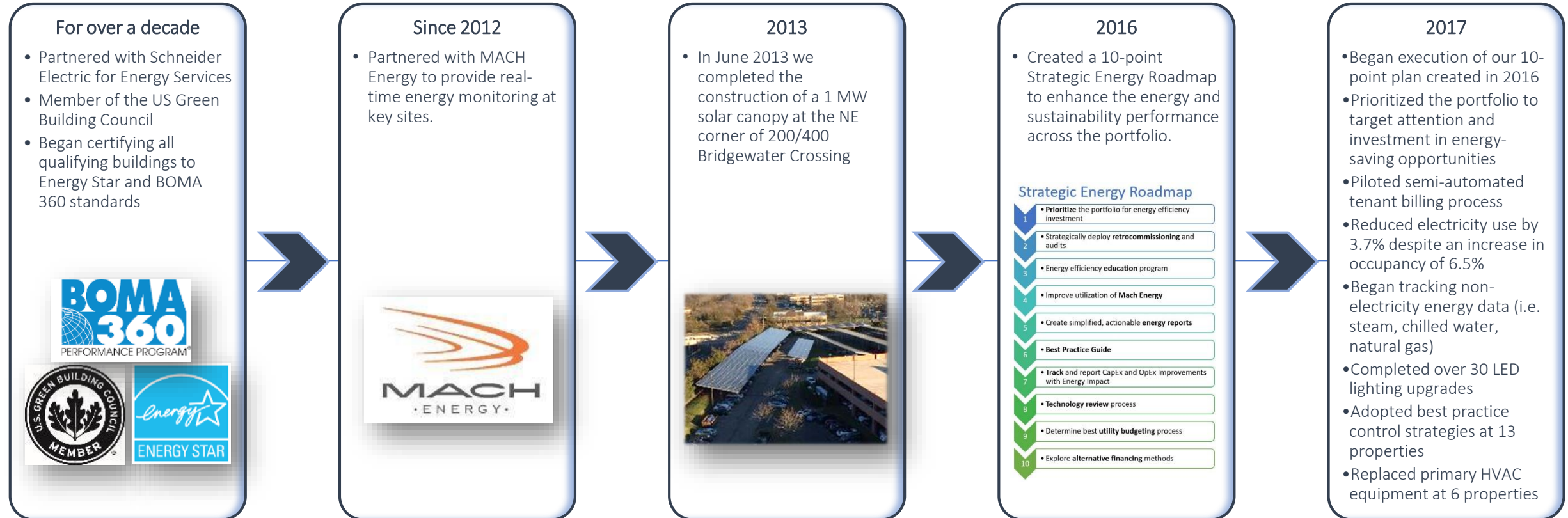
We create value for our stakeholders through the acquisition, redevelopment and development of high-quality office buildings across seven major U.S. markets. Our portfolio is comprised of high-quality buildings that satisfy the requirements of today's companies—whether it's the central business district ("CBD"), a dense mixed-use environment ("urban-infill") or an amenity-rich suburban node ("huburb"), our submarkets exhibit the characteristics employers seek and position our platform for economic growth.



As of 11.2019

Sustainability Track Record

This report is primarily focused on accomplishments in 2018, but we have prioritized energy and sustainability issues for over a decade.



Sustainability Policy

We are dedicated to environmentally sustainable practices which enhance our commitment to provide the highest quality office properties. We strive to own and manage workplaces that are environmentally conscious, productive, and healthy for our tenants and employees by:

- Empowering property teams with the data and tools they need to sustainably manage our buildings.
- Leveraging industry partnerships with BOMA, ENERGY STAR, and U.S. Green Building Council, to confirm and advance the energy and sustainability performance of our assets.
- Implementing processes that continually improve our environmental performance.

Our policy includes seven components, shown in the image of the left. These components are expanded upon in the following pages.



Policy Components

The Sustainability Committee (SC) is a sub-committee of the Company's ESG Committee and reports directly to the Board of Directors. The SC is led by the Senior Vice President of Property Management, Kevin Fossum, and includes: the Vice President of Property Management Operations, Director of Sustainability and National Initiatives, Director of Engineering, and all Regional Managers. Consultants advise the group as needed. The team meets every other week to ensure Piedmont's energy and sustainability plans are on track. Some of the actions of the committee that have contributed to our progress include:

- Prioritizing portfolio capital investments in energy efficiency projects.
- Identifying and leveraging utility incentive programs to complete lighting and other efficiency alternatives.
- Requiring building engineers to participate in energy efficient operations and training programs. The team continually considers new projects and searches for new opportunities.



Kevin D. Fossum, RPA
SVP Property
Management



Sustainability Committee

Building Certifications

Real-time Energy Monitoring

Retrocommissioning

Energy & Sustainability Action Plans

Performance Targets

Performance Metrics

Policy Components

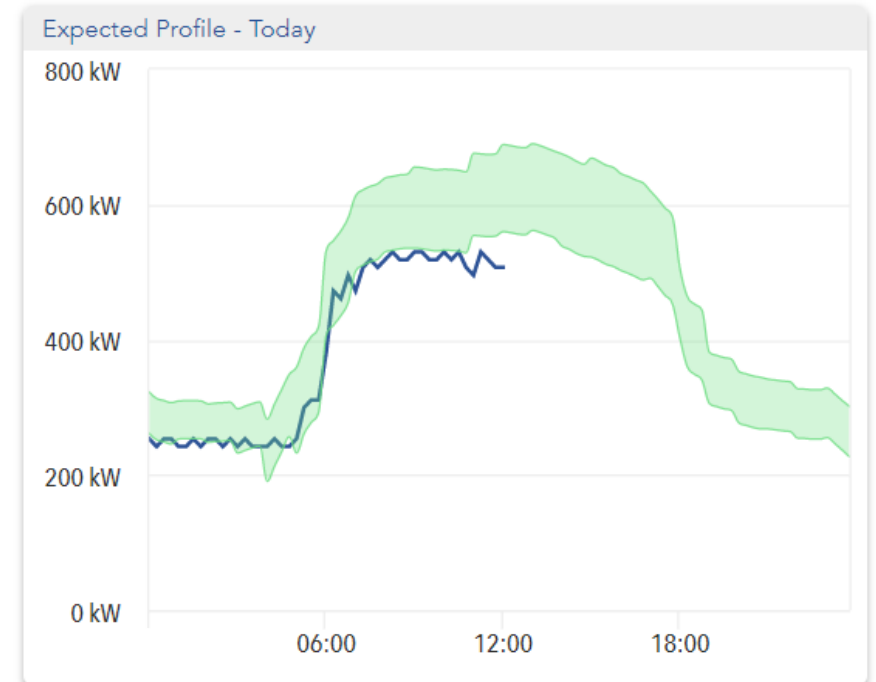
We leverage industry partnerships including BOMA, ENERGY STAR, and U.S. Green Building Council, to confirm and advance the energy and sustainability performance of our assets.

- ✓ We certify all eligible properties to ENERGY STAR every year.
 - Ineligible properties include those that are tenant-managed, have low occupancy, or have a score under 75. We continue striving to achieve the highest scores feasible for each of our assets.
- ✓ We certify every eligible property to BOMA 360 every three years.
 - Ineligible properties include those that are tenant-managed or have low occupancy.
- ✓ We have certified 13 of our assets to LEED Existing Buildings O&M standards and 5 of our assets to LEED Core and Shell standards. We will re-certify our LEED O&M assets upon expirations and continually evaluate other assets for certification opportunities.



Policy Components

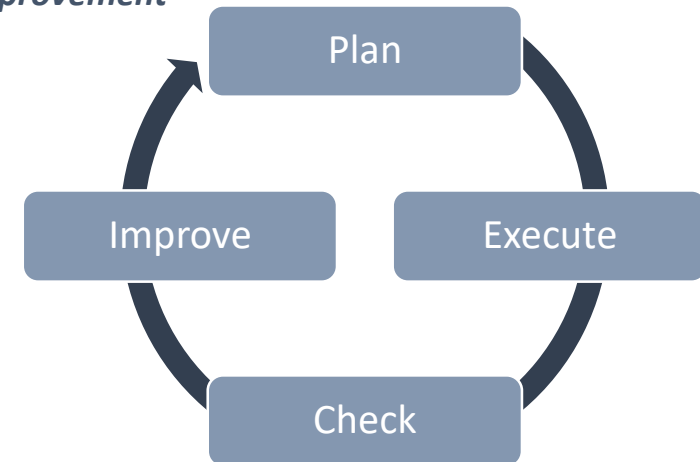
We recognize that monthly energy data only provides a high-level understanding of how energy is used in a building. Access to near real-time energy use provides deeper insight of how a building uses energy throughout the day and night to building engineers. This software also allows for a level of support and review at the regional and corporate level. We are currently partnered with MACH Energy to provide this service and all Piedmont-managed buildings utilize the platform, as well as receive quarterly training and sharing of best practices.



Policy Components

We understand the value of regular commissioning to ensure our buildings are operating within optimal designed parameters to meet the needs of our tenants. Every year, the Sustainability Committee reviews performance metrics of all buildings and takes any operational changes into consideration, then identifies the properties which should undergo commissioning the following year. This process enables us to keep our buildings running efficiently.

Continuous Improvement



Policy Components

In 2018, representatives from the Sustainability Committee held meetings with each property team to review items such as:

- Recent operational and capital projects that may impact energy or water consumption, and recommendations for new opportunities
- Pain points or wish-list projects
- Best practice control strategies
- Review of local utility incentives
- Available ENERGY STAR resources
- Review of MACH Energy profile
- Review of electricity tariffs

As a result of these meetings, Energy & Sustainability Action Plans were created for each property. These action plans are used regularly by the property teams to track progress on identified action items and ultimately ensure progress towards energy and sustainability improvement across the portfolio. Representatives from the Sustainability Committee re-visit these plans with the teams on a multi-annual basis.

Energy and Sustainability Action Plan - 5 Wall Street				
5 Wall Street				
Low Cost Opportunities				
#	Action By	Status	Project/Task	Notes
1	Tim	Completed	Morning Warmup not working	contacted to investigate and repair ASAP
2	Tom	Completed	Repair and Service Revolving Doors	Hub Glass completed
3	Tim/Tom	In process	Repair Dampers on RTU 4&5	Waiting for COI to execute contract
4	Steve/Ryan/Tom	In process	Eversource Incentives - Confirm opportunities in program and establish Account Rep contact	Met with rep 10/29/18. Incentive information to come. Eversource has big incentives to award.
5	Tom/Mike/Tim	Outstanding	Occupancy Sensors	Identify product and install in restrooms and common area halls
Operating Expense Projects - (Any projects with under 2 YR payback should pursued now)				
#	Action By	Status	Project/Task	Notes
1	Tim/Mike/Tom	Completed	Parking Lot LED Retrofit	Get incentive info Eversource
2	Tom/Mike/Ryan	Completed	Garage LED Retrofit	
3	Tom/Ryan/Tim	Budgeting	Interior LED Retrofit	
Capital Projects - 2 + YR payback - Future Budget Consideration				
#	Action By	Status	Project/Task	Notes
1	Ryan/Mike	Outstanding	Retro-commissioning and system optimization	

Policy Components

It is our intent to achieve the following performance targets.



20% reduction in portfolio **energy use intensity** (kBtu/SF) by 2026 with a 2016 baseline



20% reduction in portfolio **water use intensity** (gallons/SF) by 2028 with a 2018 baseline

Sustainability Committee

Building Certifications

Real-time Energy Monitoring

Retrocommissioning

Energy & Sustainability Action Plans

Performance Targets

Performance Metrics

Policy Components

We are committed to providing our property teams with accurate, timely, and actionable performance metrics to understand how their property compares to others in our portfolio. We have partnered with Schneider Electric to collect and manage our data. Monthly invoices for electricity, natural gas, district steam, district chilled water, domestic water, sewer, waste, and recycling are collected and stored by Schneider, and relevant cost and consumption data is made available in the Resource Advisor software platform for reporting purposes. All data undergoes rigorous quality assurance checks.

Access to this information enables us to track performance metrics such as:

- Portfolio-wide energy use per square foot (kBtu/SF)
- Portfolio-wide energy cost per square foot (\$/SF)
- Portfolio-wide water use per square foot (gal/SF)
- Portfolio-wide water cost per square foot (\$/SF)
- Portfolio-wide waste diversion rate (% landfill, % recycling)

Program Highlights

The following section outlines how we are achieving our goals by:





Monitoring and managing our energy use and cost



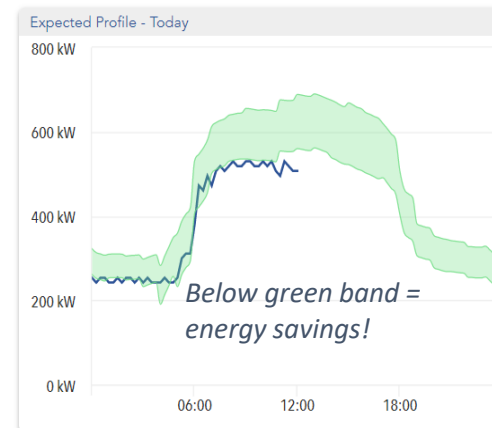
A key part of our energy-savings strategy is to identify tools and best practices that empower our property teams to use them to make a difference. MACH Energy is one of the tools that every property uses; the software provides real-time energy data at each engineer's fingertips – which enables them to track and manage their demand and consumption throughout each day.

In 2018 we began an energy-savings competition; results are based on how many days in a quarter a building uses less energy than expected. The winning team each quarter is celebrated on our quarterly user calls and is rewarded for their efforts.

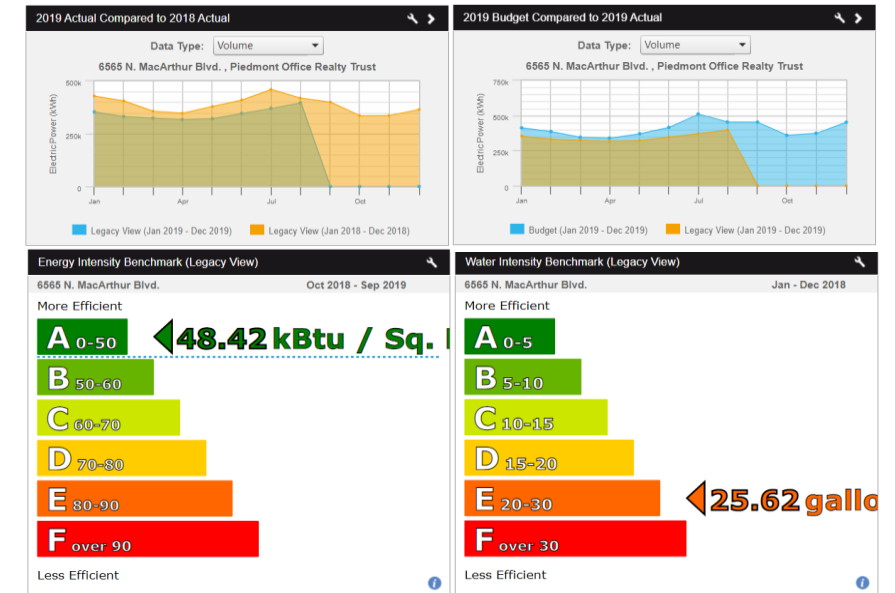
In addition to MACH Energy, all property teams have access to Schneider Electric's Resource Advisor platform where they can track their monthly utility use and cost, budget, ENERGY STAR score, and internal Piedmont benchmark performance.



The Boston Team at our 5 & 15 Wayside property was our winner in Q4 of 2018. From left to right: Steve Morin (Engineering Manager), Steve Brodsky (General Manager), Michael Deluca (Chief Engineer), Tom Daly (Assistant Property Manager), Neil McCarron & Gerry del Llano (Building Engineers) and Ryan Traynor (Property Manager)



MACH's software generates an expected energy profile for each building every day (shown as the green band). In order to achieve energy savings, the blue line (which represents a building's actual usage) needs to be below the green band.



Example snapshot of a Resource Advisor Dashboard that shows property teams a summary of their monthly utility use, cost, and performance.



Considering efficiency in our Construction

We consider sustainable practices when we embark on any construction project; whether it is a ground-up construction of a new building, a building-wide renovation, or a large amenity project. In 2016 and 2017 we constructed two buildings, Enclave Place and 500 TownPark, and each received Silver LEED Core & Shell certification upon completion. We also completed a building-wide renovation at 3100 Clarendon which received a Silver Core & Shell certification in 2018. As part of 3100 Clarendon's renovation, its entire HVAC system was re-designed and replaced with a significantly more energy efficient system.

In 2018, the US Bancorp building's domestic water pumping system needed to be replaced due to control obsolescence. The site team made sure to consider energy efficiency in this new pumping system – they converted the original system which consisted of two single stage 40-HP pumps with a 50-HP six-stage pump and a 10-HP twelve-stage pump. Additional savings are achieved when the system enters sleep mode during non-operating hours. Overall, the new system will save about 60% of the energy of the old system while satisfying the needs of the tenants and amenity spaces.

Every major renovation of a common area or tenant space exclusively includes LEDs and includes daylight and occupancy sensors where feasible.



500 TownPark located in Lake Mary, FL received LEED Silver Core & Shell in April 2017



3100 Clarendon located in Arlington, Virginia received LEED Gold Core & Shell in October 2018.



US Bancorp building engineer stands with the new domestic water pumping system.



Considering efficiency in our capital investments

Over the past several years we have targeted lighting that is on 24/7, particularly in our parking garages. Garages with fluorescent fixtures have been retrofitted with LEDs and garages with high intensity discharge lights have been replaced with new LED fixtures with built-in occupancy and daylight sensors. In 2018, 18 large-scale parking garage, surface lot, and other LED upgrades were completed with an annual savings of \$317,000 and a 2.4-year payback.

Energy efficiency is always considered when HVAC and other equipment is replaced due to end-of-life. For example, at Park Place in Dallas, TX, the original constant-flow chilled central plant was replaced with a variable flow system in June 2018. Combined with savings from a parking garage LED project, the property's energy intensity decreased by 9% in 2018 compared to its 2016 baseline.

We recognize that our building automation systems are critical to ensuring that our buildings operate efficiently. After upgrading the automation system at 6565 N. MacArthur Blvd. in 2018 and deploying optimized control strategies, the building's energy intensity decreased by 6% compared to its 2016 baseline. In addition to ensuring our automation systems are kept up-to-date with technology, we have created peer groups among our engineering teams to encourage the sharing of best practices among teams that use the same type of automation system.

In Q2 of 2019, representatives from the Sustainability Committee met with each property team to discuss progress on their energy action plans and 2020 capital requests. Projects with paybacks of two years or less are continually considered for implementation ahead of the capital budget process where feasible. Energy efficiency is considered a high priority in the capital allocation process, especially in our regions with high utility costs and stringent local efficiency laws such as New York City and Boston.

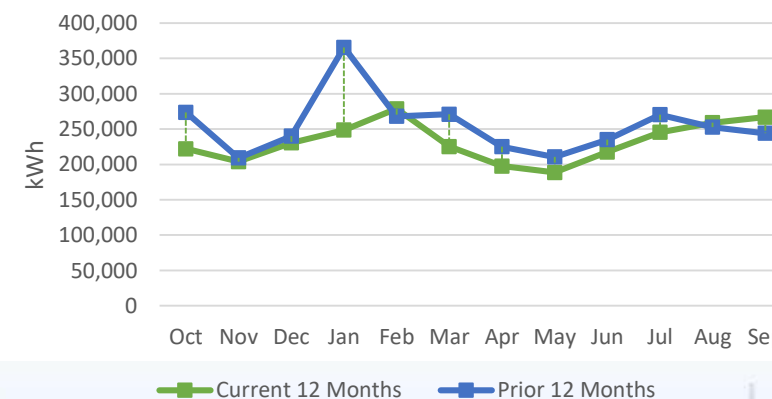
Two Pierce Place - Outdoor Lighting



Two Pierce Place reduced the energy use of its parking garage by 40% by installing LED lights with daylight and occupancy controls.

Park Place has seen a 9% improvement in energy performance since replacing its chilled water plant and installing LEDs in its parking garage.

Park Place Year Over Year Comparison





Considering efficiency in our everyday operations



One of our tactics for managing energy efficiency in our every day operations is to complete retrocommissioning where feasible. In 2018, we completed retrocommissioning studies at six properties: 500 West Monroe, 200 Bridgewater, Meridian Crossings, 1430 Enclave Place, Glenridge Highlands, and 5 & 15 Wayside.

500 West Monroe in Chicago, IL leveraged a utility incentive program combined with plans their team had included in their budget to complete a full retrocommissioning project in 2018 – from assessment through Energy Conservation Measure (ECM) implementation. These ECMs included control programming such as: optimal start/stop, resets to supply air temperature, fan static pressure, and condenser water, and additional economizer utilization. In total, the changes are expected to save about \$60,000 annually and provide a 1.3-year payback. The engineering team has embraced the challenge and is constantly searching for cost saving opportunities such as early shut down on cool days in shoulder months, full utilization of their new optimal start program each morning, lobby temperature reset during peak times and nights/weekends, and continuing the “Saturday Program” which started in 2016 and minimizes or eliminates Saturday start up depending on building population and outside temperature.

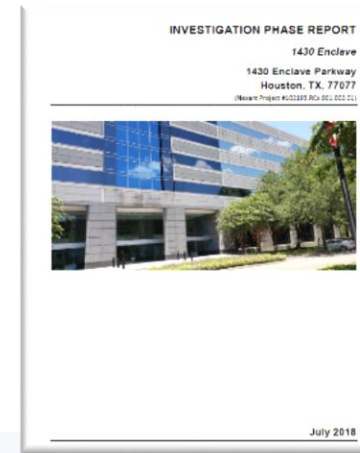
200 Bridgewater Crossing in Bridgewater, NJ also underwent a retrocommissioning project in 2018. After implementing low-cost measure such as isolating zones for over-time HVAC to only heat/cool the spaces that need it, limiting over-time lighting controllers to three hours, and optimizing the staging of their domestic hot water system the building has seen an 11% reduction in energy use and is expected to save \$90,000 annually. Findings at 200 Bridgewater were applied to the adjacent 400 Bridgewater where appropriate.

Glenridge Highlands in Atlanta, GA partnered with Trane, the manufacturer of their primary HVAC equipment and controls, to complete a retrocommissioning study and identify energy and cost-saving opportunities. The study found low-and-no cost measures that are estimated to save up to 19% of the building’s energy. In addition, it recommended an over-haul of the automation system that would save 40% of the building’s energy and raise the building’s ENERGY STAR score to a 79.

1430 Enclave in Houston, TX leveraged a utility incentive program that paid for a retrocommissioning study. The study identified low cost measures that are expected to save \$21,000 annually with an implementation cost of only \$7,000. These low-cost measures include items such as: optimizing condenser water setpoint, discharge air setpoints and start/stop controls, adjusting space temperature setpoints to a building standard, and resetting chilled water supply temperature setpoint based on the return water temperature.



The 500 W Monroe engineering team worked diligently in 2018 with their retrocommissioning consultants to plan and execute ECMs that are expected to save \$60,000 annually.



Buildings go through frequent operational and occupancy changes. Retrocommissioning is the systematic review of building systems to not only confirm the that systems operate as originally designed, but also operate to meet the current needs of the building. The result of this process is typically a written report, but also hands-on collaboration between the commissioning agent and on-site engineering team.



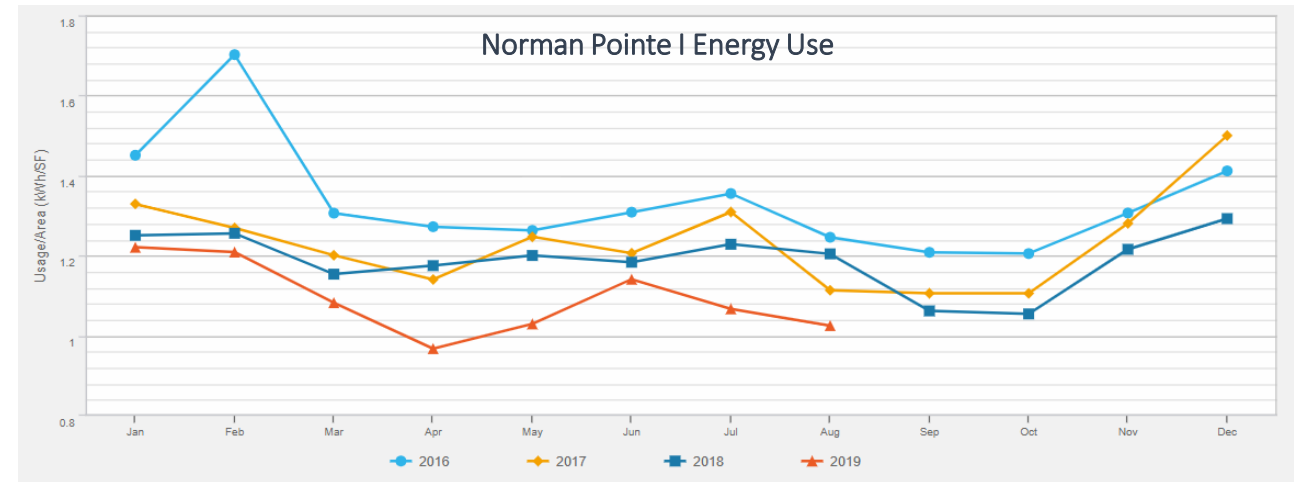
Applying best practices to newly acquired assets

We purchased and began managing Norman Pointe I in Bloomington, MN in Q1 2018. Once the engineering team was familiar with the building and implemented MACH Energy's monitoring system, they were able to take low and no-cost actions to reduce the energy consumption of the building. The team:

- Adjusted HVAC and lighting schedules to best fit the building operation, particularly in the lobby, Café, and exterior lighting
- Shut down HVAC equipment on weekends unless a tenant requests weekend hours
- Adjusted the run time of the make-up air unit and installed controllers to program their VFDs

The team supplemented the low or no-cost changes with LED upgrades in common areas and the exterior. The building saw an 8% decrease in energy intensity in 2018 compared to its 2016 baseline, and the savings are expected to rise in 2019.

We purchased and began managing 25 Mall Road in December 2018. During the first month of operation, the team adjusted the HVAC and lighting system schedules from operating 20 hours per day to more closely align to the building operating hours. Additionally, they addressed numerous leaks and rebuilt 22 toilets. These low and no-cost changes resulted in significant energy and water savings.





Informing our next generation efficiency strategy with technology pilots

To stay up-to-date on technology, but also thoroughly test new technologies before deployment to many properties, we've adopted a Technology Review process. When a vendor contacts anyone in the company regarding an energy-saving technology, that vendor is funneled through the Director of Sustainability and National Initiatives. This then kicks off a review process to determine if that technology is worth pursuing. The final step of the vetting process involves a pilot phase where the technology is deployed at one site.

In 2018, we deployed a pilot with Building IQ's Predictive Energy Optimization platform at 5 Wall Street and a pilot with Schneider Electric's Building Advisor platform at 200 Bridgewater Crossing. Both platforms are considered Fault Detection and Diagnostics software (FDD), which identify anomalies in the performance of critical equipment such as boilers, chillers, air handling units, pumps, exhaust fans, etc. Building IQ's software goes beyond FDD and also makes micro adjustments to setpoints in the automation system to save energy on a daily basis while minimizing tenant comfort issues.

We will be analyzing the results from these pilots and working with the site teams in 2019 to determine if these platforms are a good fit for their buildings and/or other buildings in the portfolio. We will also continue to review other pilot opportunities as they arise.





Offering sustainable services and amenities to our tenants and employees

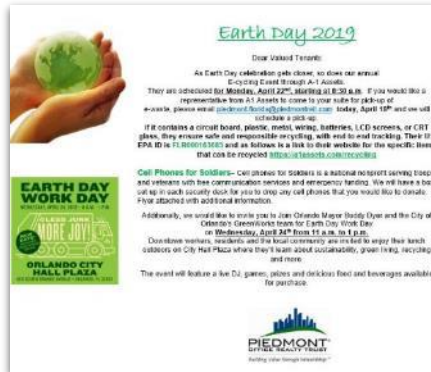
In addition to deploying energy-saving measures, our teams provide sustainable services and amenities to our tenants and employees such as on-site bike facilities, electric vehicle charging stations, and organics composting.

100% of buildings



- Offer recycling to tenants
- 10% of buildings offer organics composting to tenants

More than 90% of buildings



- Host Earth Day and other sustainability events throughout the year
- Offer on-site bike facilities

More than 80% of buildings



- Have a sustainable office supply program in place
- Offer electronics recycling to tenants and educate tenants on proper recycling

400 Bridgewater Crossing



- Offers solar power generated on-site to tenants at a discounted rate compared to the local utility.
 - In 2018, the solar array produced over 880,000 kWh, equivalent to taking 132 passenger vehicles off the road.

20% of buildings



- Offer on-site electric vehicle charging stations

2018 Industry Recognition

We leverage industry partnerships including BOMA, ENERGY STAR, and U.S. Green Building Council, to advance the energy and sustainability performance of our assets. We are committed to re-certifying all qualifying properties to ENERGY STAR, BOMA 360, and LEED according to each program's criteria and certification schedules.

In 2018, we had the most properties certified to ENERGY STAR in our history, 40 properties or 91% of our owned and managed properties by square footage. In 2018, three properties renewed their LEED O&M certifications: Glenridge Highlands One (Silver), US Bancorp (Gold), and 4250 N Fairfax (Platinum). Three properties achieved LEED Operations & Maintenance for the first time: 1201 Eye Street (Gold), Arlington Gateway (Gold) and 750 W. John Carpenter (Gold). One property achieved LEED Core & Shell, 3100 Clarendon (Gold). These additional certifications resulted in 45% of our owned and managed properties having a LEED certification.

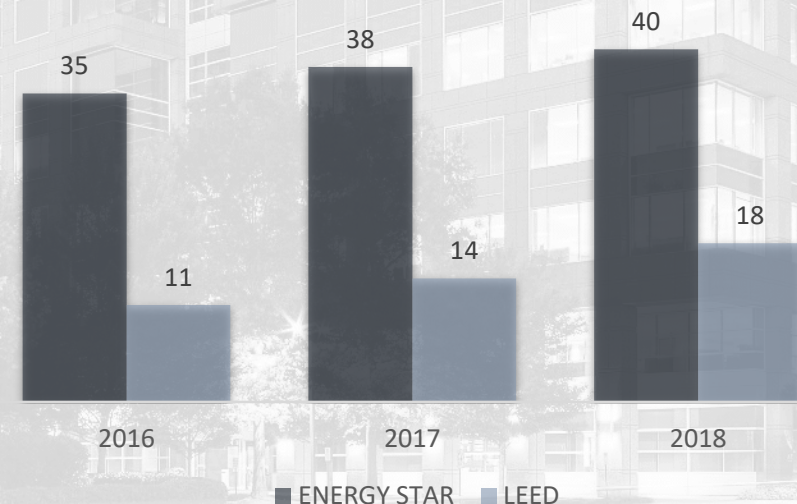
We rank 1st among REITs and 3rd among property management companies for the number of BOMA360 certified buildings; as of 2018, 82% of our owned and 93% of our owned & managed properties are BOMA360 certified. In addition to BOMA360, we strive to recognize our outstanding buildings by participating in the TOBY Awards. In 2018, we had a triple winning in the Orlando/Tampa region with CNL Tower II winning the 250,000 – 499,999 sf category, SunTrust Center winning the 500,000 – 1 million sf category, and 500 TownPark winning the Corporate Facility category. In the mid-Atlantic region our 200/400 Bridgewater Crossing buildings won the Suburban Office Park (mid-rise) category and was also given the honor of the GRAND TOBY Winner for the region.

The following page includes a list of designations for each property.

	Number of properties	Square footage of properties	% of Owned (by SF)	% of Owned & Managed* (by SF)
Total Owned	55	16,694,797	--	--
Total Owned & Managed*	48	14,677,943	88%	--
Current BOMA360	44	13,614,454	82%	93%
2018 Energy Star	40	13,363,763	80%	91%
LEED**	18	6,624,166	38%	45%

**Excludes the seven (7) sites that are managed by tenants*
***5 Core & Shell, 13 Operations & Maintenance*

Number of ENERGY STAR and LEED Certified Buildings



2018 Industry Recognition

PROPERTY	SQUARE FOOTAGE	Location	Energy Star 2018	BOMA 360	LEED Certification
1155 Perimeter Center West	376,694	Sandy Springs, GA	Yes	Yes	Certified Gold in 2014
1201 Eye Street	268,971	Washington, DC	Yes	Yes	Certified Gold in 2018
1225 Eye Street	224,538	Washington, DC	Yes	Yes	No
1414 Massachusetts Avenue	78,220	Cambridge, MA	Yes	Yes	No
1430 Enclave Parkway	312,564	Houston, TX	Yes	Yes	Certified Gold in 2014
161 Corporate Center	104,578	Irving, TX	Yes	Yes	No
200 Bridgewater Crossing	309,077	Bridgewater, NJ	Yes	Yes	No
25 Mall Road	287,776	Burlington, MA	Yes	Plan for 2019	No
3100 Clarendon Blvd	260,956	Arlington, VA	N/A due to occupancy	N/A due to occupancy	Certified Core & Shell Silver in 2018
400 Bridgewater	304,873	Bridgewater, NJ	Yes	Yes	No
400 TownPark	175,910	Lake Mary, FL	Yes	Yes	Certified Core & Shell Silver in 2008
400 Virginia	223,529	Washington, DC	Yes	Yes	No
4250 North Fairfax Drive	308,149	Arlington, VA	Yes	Yes	Re-certified Platinum in 2018
5 Wall Street	181,680	Burlington, MA	Yes	Yes	Certified Core & Shell Gold in 2009
5&15 Wayside Road	272,075	Burlington, MA	No	Yes	No
500 TownPark	134,419	Lake Mary, FL	Yes	Yes	Certified Core & Shell Silver in 2018
500 West Monroe	966,645	Chicago, IL	Yes	Yes	Certified Gold in 2017
60 Broad Street	1,032,591	New York, NY	Yes	Yes	No
6011 Connection Drive	152,086	Irving, TX	No	Yes	No
6021 Connection Drive	221,898	Irving, TX	No	Yes	No
6031 Connection Drive	231,847	Irving, TX	Yes	Yes	No
6565 North MacArthur Boulevard	259,822	Irving, TX	Yes	Yes	Certified Gold in 2015
750 W. John Carpenter	315,880	Irving, TX	Yes	Yes	Certified Gold in 2018
80 Central Street	149,661	Boxborough, MA	No	Yes	No
90 Central Street	174,646	Boxborough, MA	No	Yes	No
Arlington Gateway	328,676	Arlington, VA	Yes	Yes	Certified Gold in 2018
CNL I	347,242	Orlando, FL	Yes	Yes	--
CNL II	274,946	Orlando, FL	Yes	Yes	--
Crescent Ridge II	300,692	Minnetonka, MN	Yes	Yes	Certified Gold in 2016
Enclave Place	300,906	Houston, TX	N/A due to occupancy	N/A due to occupancy	Certified Core & Shell Silver in 2016

PROPERTY	SQUARE FOOTAGE	Location	Energy Star 2018	BOMA 360	LEED Certification
Galleria 200	432,034	Atlanta, GA	Yes	Yes	--
Galleria 300	432,045	Atlanta, GA	Yes	Yes	--
Glenridge Highlands One	287,748	Atlanta, GA	Yes	Yes	Re-certified Silver in 2018
Glenridge Highlands Two	426,124	Atlanta, GA	Yes	Yes	--
Las Colinas Corporate Center I	159,033	Irving, TX	Yes	Yes	--
Las Colinas Corporate Center II	227,841	Irving, TX	Yes	Yes	--
Norman Point I	213,851	Bloomington, MN	Yes	Plan for 2019	--
One Brattle Square	95,937	Cambridge, MA	--	Yes	--
One Independence Square	334,399	Washington, DC	Yes	Yes	--
One Lincoln Park	261,864	Dallas, TX	Yes	Yes	Certified Gold in 2015
One Meridian Crossings	194,624	Richfield, MN	Yes	Yes	--
Park Place on Turtle Creek	177,845	Dallas, TX	Yes	Yes	--
SunTrust	645,787	Orlando, FL	Yes	Yes	Certified Gold in 2017
The Dupree Building	138,433	Atlanta, GA	Yes	Yes	--
The Medici	156,060	Atlanta, GA	Yes	Yes	--
Two Meridian Crossings	189,258	Richfield, MN	Yes	Yes	--
Two Pierce Place	486,710	Itasca, IL	N/A due to occupancy	Yes	--
US Bancorp Center	936,803	Minneapolis, MN	Yes	Yes	Re-certified Gold in 2018
1901 Market Street*	800,695	Philadelphia, PA	Yes	N/A due to triple net	N/A due to triple net
225 Presidential Way*	201,704	Woburn, MA	N/A - TT	N/A due to triple net	N/A due to triple net
235 Presidential Way*	238,426	Woburn, MA	N/A - TT	N/A due to triple net	N/A due to triple net
501 W. Church St.*	182,461	Orlando, FL	N/A - TT	N/A due to triple net	N/A due to triple net
600 Corporate Drive*	125,239	Lebanon, NJ	N/A due to occupancy	N/A due to triple net	N/A due to triple net
9320 Excelsior Blvd*	267,724	Hopkins, MN	N/A - TT	N/A due to triple net	N/A due to triple net
One Wayside Road*	200,605	Burlington, MA	N/A - TT	N/A due to triple net	N/A due to triple net
SF Totals	16,694,797		13,363,763	13,614,454	6,624,166

*Property is owned by Piedmont REIT but managed by the tenant.

Progress Towards Goals

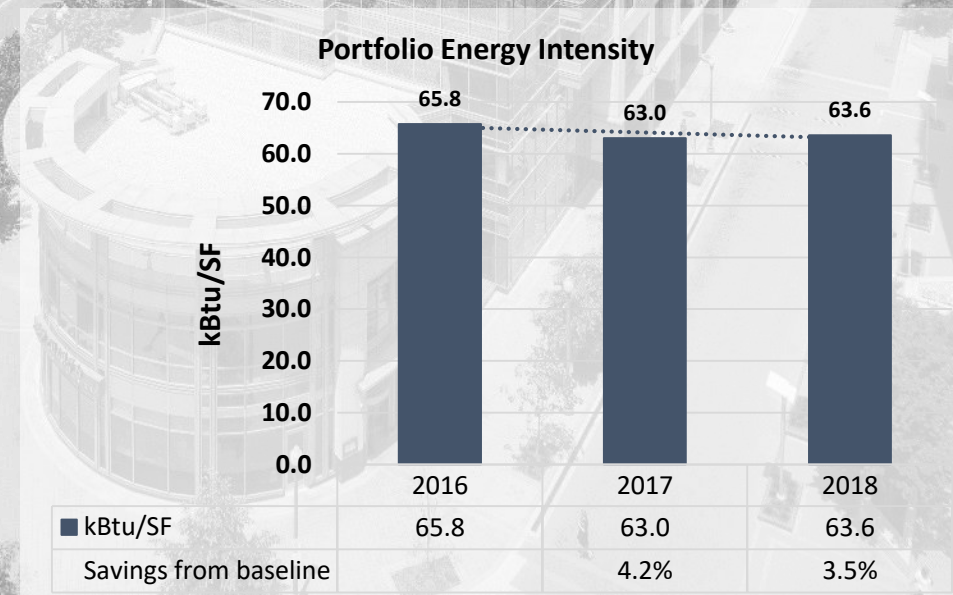
As mentioned in our Sustainability Policy, we strive to reduce our portfolio energy use intensity (kBtu/SF) by 20% by 2026 using a 2016 baseline. Our 2016 baseline includes buildings that were owned and managed in 2018, with the exception of buildings that were out of service between 2016 and 2018 and have not yet reached 50% occupancy for 12 months. This includes 500 TownPark, 3100 Clarendon, Enclave Place, and Two Pierce Place. These buildings will be included once their occupancy has been over 50% for 12 months. Any building that is still in service, but whose average occupancy dropped below 50% during 2016 – 2018 had their intensity adjusted to a recent year with higher occupancy. These manual adjustments were made for 4250 N Fairfax, 5 Wayside, and One Independence in 2016 and 1201 Eye Street in 2018.

We demonstrated strong savings in 2017 when we saw a 4.2% reduction in energy intensity. Our intensity increased in 2018 compared to 2017 but is 3.5% lower than our 2016 baseline. This is due to some shifts in density/occupancy and a weather anomaly, particularly in January 2018 where many regions saw record-breaking cold weather and buildings had to operate longer hours in order to maintain safe interior temperatures. With the projects implemented in late 2018 and early 2019, we expect to see additional savings in 2019 that will get us on track to reducing at least 2% each year in order to save 20% over the course of 10 years.

We began tracking our water data in 2018 and are working to solidify our baseline in order to begin tracking progress in 2019. We intend to report progress on our water goal and efforts we are taking to achieve water savings in our 2019 report.

20% reduction in portfolio energy use intensity (kBtu/SF) by 2026 with a 2016 baseline

20% reduction in portfolio water use intensity (gallons/SF) by 2028 with a 2018 baseline



Disclosures

We have aligned our disclosures with the Sustainability Accounting Standards Board (SASB) for Real Estate Owners, Developers, and Investment Trusts. Currently we are disclosing metrics in the Energy Management topic. In the future, we will work towards disclosing additional topics.

Our energy disclosure boundary includes all assets that are owned and managed by Piedmont REIT. The environmental impact of our Indirectly managed assets, “where a single tenant has the sole authority to introduce and implement operating and/or environmental policies and measures, the tenant should be assumed to have operational control, so [the asset] should be considered to be an Indirectly Managed Asset”, are not included in our disclosures. These indirectly managed assets comprise 12% (by square feet) of our total assets.

Metrics IF0402-02 through 05 do not include our indirectly managed assets because these assets are primarily operated by the tenants and we do not have access to their energy consumption or ENERGY STAR profiles. We track all other buildings in ENERGY STAR with utility data being updated monthly by our vendor, Schneider Electric. This enables us to track our ENERGY STAR scores throughout the year. We certify every property that is eligible each year, in 2018 this included 91% of our buildings.

Code	Activity Metric	As of Dec 31, 2018	Unit of Measure
IF0402-A	Number of assets	55	Number
IF0402-B	Leaseable floor area	16,694,797	Square feet
IF0402-C	Percentage of indirectly managed assets	12%	Percentage (%) by floor area
IF0402-D	Average occupancy rate	89%	Percentage (%)
Code	Accounting Metric	2018	Unit of Measure
IF0402-01	Energy consumption data coverage as a percentage of floor area*	88%	Percentage (%) by floor area
IF0402-02	Total energy consumed by portfolio area with data coverage	972,117	Gigajoules (GJ)
	percentage grid electricity	99.69%	Percentage (%)
	percentage renewable	0.31%	Percentage (%)
IF0402-03	Like-for-like change in energy consumption of portfolio area with data coverage	-0.11% compared to 2016 baseline	Percentage (%) by gigajoules (GJ)
IF0402-04	Percentage of eligible portfolio that has obtained an energy rating**	100%	Percentage (%) by floor area
IF0402-04	Percentage of eligible portfolio that is certified to ENERGY STAR®	91%	Percentage (%) by floor area
IF0402-05	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussed throughout this report	n/a

*Piedmont does not track the energy consumption of its seven (7) indirectly managed assets

** All owned and managed properties are tracked in Portfolio Manager, buildings with low occupancy do not receive a rating, but their energy use intensity is used as a benchmark. We consider indirectly managed assets to be ineligible because they are in tenant control.