

PARKWAY SUSTAINABILITY PROGRAM INCENTIVIZES EFFICIENCY IMPROVEMENTS

SOLUTION OVERVIEW

Parkway is a real estate investment trust that owns and operates high quality office properties. In the last several years, Parkway has implemented portfolio-wide sustainability initiatives to help meet its aggressive sustainability goals and targets. Two primary challenges crucial to the company's success in the sustainability space are motivating stakeholders and tracking data on an annual basis. In order to meet Parkway's energy, water, and waste management goals, property managers across the portfolio must buy into sustainability efforts and commit to implementing ongoing improvement measures at their facilities.

To drive participation in sustainability initiatives, Parkway established a Sustainable Properties Awards Program in 2014 to recognize top-performing properties in energy, water, and waste management categories. The Sustainable Properties Awards Program led to an increase in the number of Parkway properties benchmarked in ENERGY STAR[®] Portfolio Manager[®] and consistent communication and publicity for the program incentivized additional efficiency improvements throughout the portfolio. New tools were also developed to better manage sustainability data, including a data collection spreadsheet featuring a built-in occupancy normalization tool.

BARRIER

Motivating property managers to benchmark their buildings' energy use, and implement ongoing efficiency and sustainability improvements

SOLUTION

A Sustainable Properties Awards Program with robust tracking tools for resource consumption to incentivize participation in Parkway's sustainability initiatives

OUTCOME

100% of the portfolio is now benchmarking energy and water consumption, allowing Parkway to monitor progress toward goals

POLICIES

In order to ensure the high performance of its properties, Parkway implemented several sustainability policies to help guide property operations and maintenance. The policies are designed to reduce energy and water consumption, improve the health and wellness of occupants, and ensure proper maintenance on major building systems. Parkway has implemented the following sustainability policies and a more detailed overview can be [found here](#).

- Exterior Cleaning & Equipment
- Pest & Landscape Management
- Indoor Pest Control
- Cooling Tower
- Energy Efficiency
- Refrigerant Management
- Ongoing Commissioning
- Sustainable Purchasing
- Low Mercury Lightbulbs
- No Smoking
- Green Cleaning
- High Performance Cleaning
- IAQ Management for Facility Alterations
- IAQ Management
- Water Usage

PROCESS

Parkway rolled out the Sustainable Properties Awards Program to property teams as part of its overall sustainability strategy, which includes policies and procedures, an annual sustainability calendar, access to educational webinars, and tenant improvement and green office guides. The awards program is designed so that property teams can make a direct impact toward hitting key performance metrics for energy, water, and waste reduction.

The Sustainable Properties Awards Program was debuted to property managers at the beginning of 2014, with an email framing the guidelines, clarifying deadlines, providing helpful tips, and announcing a recognition strategy. At the close of the year, energy and water data for all participating properties was pulled from ENERGY STAR Portfolio Manager and 2012 & 2013 LEED assessments, compiled and analyzed in an internal Excel spreadsheet. The Sustainability Team did the majority of the backend calculations for energy and water usage using the data from Portfolio Manager. The property teams were asked to provide their annual waste and recycling rates, data which was also used to populate the Global Real Estate Sustainability Benchmark (GRESB) survey.

Winners of the first Sustainable Properties Awards in each of six categories were announced at the end of 2014. Each winner was recognized companywide with a certificate, inclusion in the quarterly company newsletter and via Twitter. Winners will also be recognized in the company's 2015 annual Sustainability Report.

2014 Parkway Sustainable Properties Awards categories:

- Most Energy-Efficient Building (based on lowest EUI and ENERGY STAR Score)
- Top 5 ENERGY STAR Scores (with ENERGY STAR labels in place)
- Most Improved in Energy Efficiency Between 2012 & 2013 Calendar Year (based on overall energy consumption reduction on ENERGY STAR Portfolio Manager normalized by occupancy changes)
- Most Water-Efficient Building (indoor plumbing fixtures, based on LEED Calculator and water use per square foot)
- Most Improved in Water Efficiency between 2012 & 2013 Calendar Year (Based on overall water consumption reduction normalized by occupancy changes)
- Building with Highest Recycling Rate (Based on data collected for the 2013 GRESB Survey)

Collecting and analyzing data is one of the major challenges of the Sustainable Properties Awards Program. However, Portfolio Manager allows Parkway to centralize all of its energy and water consumption in one place. The ENERGY STAR Score provides a metric that makes it easy to compare building performance. Portfolio Manager's functionality has made it much easier to pull data for awards programs as it is customizable for specific metrics. It also reduces the burden on property managers who are asked to provide data, especially when Parkway is able to leverage automatic utility uploads to Portfolio Manager.

Parkway developed a simple [data collection Excel spreadsheet](#) to address the challenges in accounting for occupancy changes. This spreadsheet can be used by any company regardless of whether it has a portfolio-wide environmental management software platform like Parkway's.

Tracking energy is such a high priority because it allows Parkway to recognize high performing and efficient buildings. Portfolio Manager's ENERGY STAR Score also gives property managers a simple metric of how well their building is performing.

OUTREACH

To support the Sustainable Properties Awards Program and engage property teams on a regular basis, the Sustainability Team holds monthly webinars to update teams on their progress toward the company's sustainability goals and provide educational content on different topics. Communication with property teams are directly supervised and supported by Parkway's senior management team.

Property teams are offered assistance and training on utilizing ENERGY STAR Portfolio Manager and have access to numerous other tools and resources. Property teams are also briefed on Parkway's short and long-term sustainability goals, which were used as the backbone for the awards program.

MEASURING SUCCESS

The success of the Sustainable Properties Awards Program is measured by the overall performance of the Parkway portfolio and progress toward the company's short- and long-term sustainability goals, including:

- Being a leader in energy efficiency by reducing energy consumption by 20% across the

portfolio over the next 20 years.

- Having all facilities score 90 or higher on ENERGY STAR Portfolio Manager

This program along with education, awareness, gamification, and employee recognition all contribute to helping Parkway meet its efficiency and sustainability goals.

TOOLS AND RESOURCES

Data Collection Spreadsheet with Occupancy Normalization

The Data Collection Spreadsheet with Occupancy Normalization Tool is used to provide an overall depiction of each building within the portfolio as it relates to overall energy use and water consumption. The spreadsheet is designed to compare like-for-like energy and water usage from the preceding two years. Additionally, this is used for the internal annual sustainability awards in the categories separated out in each tab of the spreadsheet

OUTCOMES

During the first year of the Sustainable Properties Awards Program, more than 60 properties participated.

The Sustainable Properties Awards Program spurs internal competition and provides an incentive for property teams to continue working together toward meeting Parkway's short- and long-term sustainability goals. It also provides an annual opportunity to assess progress toward goals and allow staff to appreciate measurable results, provide feedback, and share lessons learned along the way. Parkway asks winning properties to share success stories and best practices, which will appear in company-wide publications, providing further recognition, internal competition, and motivation for property teams.

Improvements toward achieving long term targets and metrics are tracked in the following areas:

- Benchmark and monitor 100% of the portfolio on ENERGY STAR Portfolio Manager
- Reduce energy consumption by 20% within 10 years as part of the Better Buildings Challenge
- Decrease carbon emissions by 20% across the portfolio from 2014 by 2030
- A 30% reduction in overall water consumption from 2014 to 2020
- Reducing sources of waste and increasing waste diversion rates to 75%
- In 2014, 96% of the total square footage of the portfolio was benchmarked through ENERGY STAR Portfolio Manager, up from 75% in 2013.



COURVOISIER CENTRE I

2014 Most Energy Efficient Building

Recognized for being the most energy efficient building among Parkway's National Portfolio.
We are truly grateful for your commitment to our organization and sustainability goals.

M. Jayson Lipsey
Executive Vice President and Chief
Operating Officer - Parkway Properties

Larry Locascio
Vice President & Director of Property
Management - Parkway Properties