

2021  
**SUSTAINABILITY**  
REPORT



Structure

This report reflects the operations, programs, policies, and sustainability goals of Parkway Properties Houston, LLC ("PKY") that are implemented by Parkway Property Investments, LLC ("Parkway") in its capacity as property manager and operator of PKY's portfolio, in the context of the three ESG principles: Environmental, Social, and Governance.

Scope

This 2021 sustainability report reflects operations across PKY's portfolio of owned assets in Houston, TX, for the year ending December 31, 2021. To remain consistent with data, we track and report on the U.S. EPA's ENERGY STAR® Portfolio Manager® website and in the annual GRESB® survey. The performance indicators highlighted in this report are based on building count rather than property count and gross square footage rather than leasable square footage. We are currently reporting on the performance indicators only for assets that were owned by PKY during the year ending December 31, 2021. Stakeholder engagement activities and public speaking engagements listed in this report occurred between January 2021 and December 2021. Our stakeholders include our investors, tenants, employees, industry partners, and the communities in which we operate.

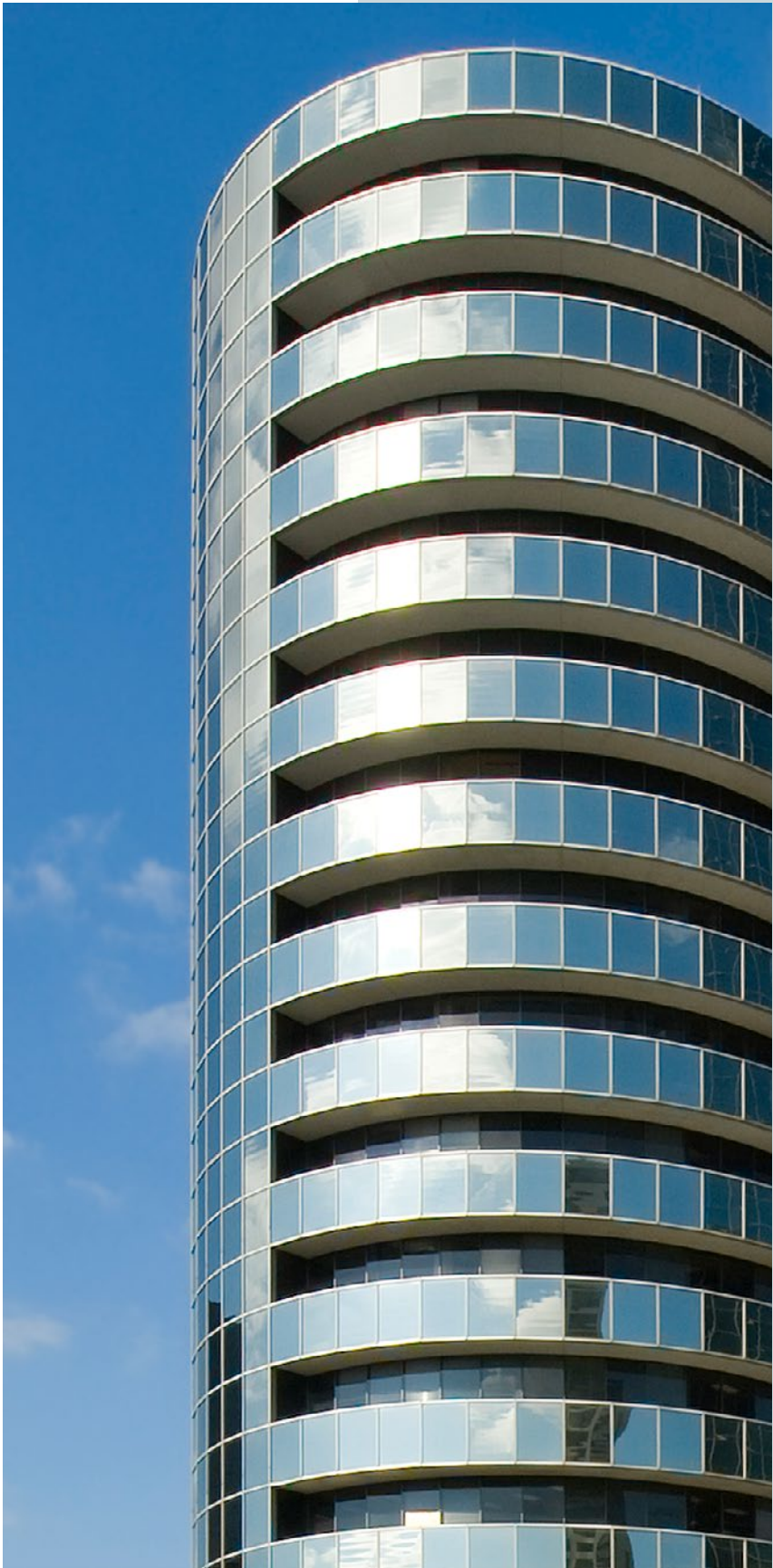


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# EXECUTIVE MESSAGE

“ We believe that prioritizing ESG is essential to providing a safe, healthy, and dynamic environment for our tenants.

2021 marked another year in which Parkway Property Investments, LLC (“Parkway”) achieved remarkable sustainability successes throughout our Houston portfolio. In particular, we:

- Earned a Green Lease Leaders Silver certification;
- Joined the Better Buildings® Low Carbon Pilot; and
- Earned ENERGY STAR® certifications for 11 buildings in the portfolio.

Additionally, we continued our long-running ESG program through long-term partnerships with local nonprofit organizations with whom we coordinated a variety of service-oriented programs, such as blood drives and school supply drives. We are also pleased to announce that five of our buildings have earned ENERGY STAR® certifications annually for more than a decade and 11 of our buildings have been LEED® certified for ten years. These accomplishments would not be possible without the hard work and extraordinary efforts of our

property teams, and we are so incredibly thankful to have such talented and inspiring teammates.

While we are proud of the progress we made in 2021, especially amidst the continued challenges presented by the COVID-19 pandemic, we continue to set high sustainability goals for our portfolio for 2022 and beyond. We are excited about what the future holds and believe that prioritizing ESG is essential to providing a safe, healthy, and dynamic environment for our tenants, which is our mission and our passion.



**A. Noni Holmes-Kidd**  
Chief Administrative  
Officer & General Counsel  
June 2022







# GOVERNANCE

Our rich history of successful investments is grounded in responsible and ethical governance practices. We pride ourselves on our strong leadership that creates long-term value for our stakeholders as we conduct our business with integrity and accountability.

## 2021 HIGHLIGHTS

5

GRESB® STARS

Silver

GREEN LEASE LEADERS AWARD

14

POLICIES UPDATED

Green

GRESB GREEN STAR AWARD





# COMPANY PROFILE

## SUSTAINABILITY STRATEGY

Parkway meticulously measures the success of our sustainability investments through reducing operating expenses, enhancing marketability, improving occupant health and productivity, and minimizing our environmental footprint. Our multi-year ESG strategy, which was started in 2013, continues to increase asset value and lower operating expenses as we complete major energy and water efficiency projects while pursuing LEED® certifications.

### ABOUT PARKWAY

Headquartered in Orlando, Florida, Parkway is a privately-owned, full-service real estate investment firm led by a team with a strong track record of investing in high-growth markets across the U.S. and across economic cycles. Parkway owns, operates, and manages institutional-quality commercial office assets throughout the Sunbelt region. In addition, Parkway identifies and structures acquisitions and provides best-in-class property and asset management, leasing, accounting, and construction management services. Parkway currently operates and/or provides accounting services for approximately 27 million square feet of high-quality office, industrial, and multi-family properties located in attractive submarkets in California, Texas, Georgia, Florida, and Virginia as of April 1, 2022. For more information about Parkway, visit [www.pky.com](http://www.pky.com).

### CUSTOMER VALUE

Parkway operates high-performance, sustainable buildings and work environments for our clients that contribute directly to their well-being and bottom line. We remain committed to finding innovative ways to create and deliver value and high-quality customer service. We work diligently to ensure that our world-class office settings fit our tenants' needs and ensure productivity and profitability.

### GOVERNANCE STRATEGY

Parkway's leadership team has over 100 years of experience operating commercial real estate throughout the U.S. We are investors with deep knowledge of the commercial real estate industry, local expertise of U.S. markets, and a proven track record of successful investments.

Parkway is governed by a core team of executives:

— **Jim Heistand**

Chairman, Founding Partner

— **M. Jayson Lipsey**

Chief Executive Officer

— **Scott Francis**

President, Chief Financial Officer,  
& Founding Partner

— **A. Noni Holmes-Kidd**

SVP, Chief Administrative Officer,  
& General Counsel

— **John Kosciulek**

SVP & Chief Accounting Officer

— **Matt Mooney**

SVP & Director of Investments and Operations

### ESG TEAM

Since 2013, Parkway has engaged Verdani Partners as our ESG consultant to provide regular updates on all of our sustainability programs. Parkway's ESG team includes the Managing Director for Texas, Regional Programming Director, Senior Director of ESG, Engineering Manager, and strategic advisor. Our team manages corporate sustainability efforts including LEED® certification, ESG-related communications with employees and tenants, and community partnership and outreach efforts.

## 2021 HIGHLIGHTS

27M SF

ACROSS PARKWAY SUBMARKETS

9.1M SF

GFA IN HOUSTON

19

CLASS A OFFICE PROPERTIES  
IN HOUSTON



# GOVERNANCE RISK MANAGEMENT



## DIVERSITY & INCLUSION HIGHLIGHTS



Parkway had a total of 91 Houston employees as of December 31, 2021. Women make up 28% of Parkway's employees, including 40% of women in professional positions. People of color make up 53% of Parkway's employees and 20% of employees in professional positions.

### EMPLOYEE RELATIONS

We firmly believe that all Parkway employees have the right to a respectful and inclusive work environment. Employees and officers who are concerned about possible violations of Parkway's Code of Conduct or other unethical behavior are encouraged to bring this to the attention of their supervisors, human resources personnel, or Parkway's General Counsel. The company will not retaliate against anyone who makes good faith reports about suspected improprieties. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable law, regulation, or legal proceedings.

### CODE OF BUSINESS CONDUCT AND ETHICS

Parkway's core values and code of business conduct and ethics set the tone for our organization and provide clear guidance for our team members. All employees, officers, and directors are expected to apply these principles in their daily job responsibilities. Parkway encourages prompt reporting of any illegal or unethical behavior.

### ANTI-CORRUPTION POLICY

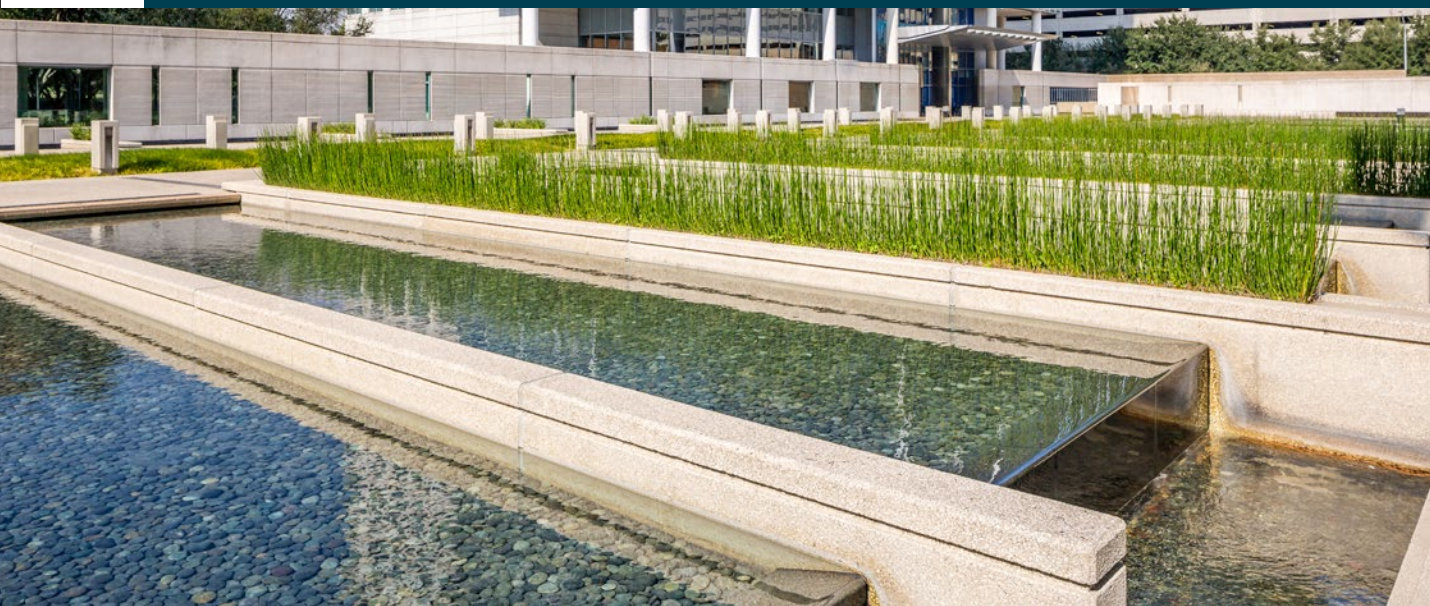
Our anti-corruption policy prohibits staff members from accepting or giving any bribes, kickbacks, or any similar consideration for any reason whatsoever.

### DIVERSITY & INCLUSION

Our people are the most valuable asset we have. Our culture, reputation, and achievement are all tied to the collective sum of the individual differences, knowledge, innovation, self-expression, unique capabilities, life experiences, and talent that our employees invest in their work. We embrace and encourage our employees' differences and strive to create a workplace where all of our employees can succeed and thrive. To that end, we are committed to fostering, cultivating, and preserving a culture of diversity and inclusion.



# SUSTAINABILITY COMMITMENT



## SUSTAINABILITY GOALS

High-performance buildings create real financial value by providing positive benefits to the environment, as well as improving our ability to attract and retain high-quality tenants in the competitive markets in which we operate. We believe our sustainable, high-performance buildings help us maximize value by:



**Minimizing environmental footprint**



**Improving occupant health and productivity**



**Enhancing marketability**



**Reducing operating expenses**



**Improving triple bottom line performance for people, profit, and planet**



**Creating enterprise value through triple bottom line performance**



**Strengthening ESG performance**



In 2021, Parkway's Houston portfolio was again awarded five stars in the 2021 GRESB® Assessment, which is a leading ESG benchmark for real estate assets around the world. This designation reflects our strong record of industry leadership in sustainable operations and green building practices.

We have made steady progress over the years in reducing energy usage and water consumption, enhancing recycling efforts, and minimizing our carbon footprint. All these efforts, coupled with achieving green building certifications across Parkway's Houston portfolio, result in productive, healthy workspaces, and create a positive impact in the wider commercial real estate market.

Our brand and industry reputation are further strengthened by our stakeholders, employees, and communities, whom we view as critical elements of our company. We are committed to incorporating environmental, social, and governance principles into all areas of our business to continue to reinforce these relationships.

## ENVIRONMENTAL

We believe performance is in the details. We adhere to this by continually finding ways to improve our operating efficiency and practices, resulting in reduced energy and water use, waste, greenhouse gas emissions, and costs.

## SOCIAL

Healthy and vibrant communities are essential for our future. We make our properties better places in which to work and grow through responsible management and by engaging our employees in volunteerism and community outreach.

## GOVERNANCE

Parkway is committed to creating long-term value for our stakeholders by implementing

responsible and ethical business practices. We pride ourselves on the leadership and people who make our company best-in-class.

## CORE VALUES

**Investing in Health and Productivity:** We create healthy and productive environments for building occupants.

**Demonstrating Efficient Operations and Effective Management:** We seek real results in energy efficiency, water conservation, waste management, and greenhouse gas reductions.

**Building an Equitable Future for Customers and Investors:** We focus on making profitable contributions through implementing smart sustainability strategies.



# ALIGNING WITH THE SDGs

To further increase the sustained value we create for our stakeholders and communities, Parkway has aligned our targets and goals with 12 of the 17 UN Sustainable Development Goals (SDGs). The SDGs address the global challenges we face related to poverty, inequality, climate change, environmental degradation, peace, and justice and are a pathway to achieve a more sustainable and better future for all.



SUSTAINABLE  
DEVELOPMENT









GOALS

COMPLETE

ON TRACK

ONGOING

<div><div>1</div><div>NO POVERTY</div><div></div></div>	<div><div>TARGET</div><div>End poverty in all its forms anywhere</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Partner with local charitable organizations to reduce poverty and inequality in the Houston area</div></div></div>	<div><div></div></div>
<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div>	<div><div>TARGET</div><div>Ensure healthy lives and promote well-being for all at all ages</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Conduct annual indoor air quality testing</div><div>■ Implement green cleaning practices at all properties to reduce exposure to potentially hazardous contaminants</div></div></div>	<div><div></div><div></div></div>
<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	<div><div>TARGET</div><div>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Work with local schools to improve educational opportunities for Houston-area children</div><div>■ Provide ongoing training and educational opportunities for Parkway employees</div></div></div>	<div><div></div><div></div></div>
<div><div>5</div><div>GENDER EQUALITY</div><div></div></div>	<div><div>TARGET</div><div>Achieve gender equality and empower all women and girls</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Provide advancement opportunities for women within Parkway</div></div></div>	<div><div></div></div>

<div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div>	<div><div>TARGET</div><div>Ensure availability and sustainable management of water and sanitation for all</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Reduce water use intensity by 30% from 2015 levels by 2025</div></div></div>	<div><div></div></div>
<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	<div><div>TARGET</div><div>Ensure access to affordable, reliable, sustainable and modern energy for all</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Reduce energy use intensity by 20% from 2015 levels by 2025</div><div>■ Promote the use of renewable energy, as feasible</div></div></div>	<div><div></div><div></div></div>
<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	<div><div>TARGET</div><div>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Reduce greenhouse gas emissions by 20% from 2015 levels by 2025</div><div>■ Implement green leasing across the portfolio</div><div>■ Track utility data within ENERGY STAR® for 100% of managed assets</div></div></div>	<div><div></div><div></div><div></div></div>
<div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>	<div><div>TARGET</div><div>Reduce inequality within and among countries</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Partner with local charitable organizations to help reduce poverty and inequality in the Houston area</div></div></div>	<div><div></div></div>
<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div>	<div><div>TARGET</div><div>Make cities and human settlements inclusive, safe, resilient and sustainable</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Maintain 100% LEED® certification for portfolio</div></div></div>	<div><div></div></div>
<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>	<div><div>TARGET</div><div>Ensure sustainable consumption and production patterns</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Achieve a 75% waste diversion rate by 2025</div></div></div>	<div><div></div></div>
<div><div>13</div><div>CLIMATE ACTION</div><div></div></div>	<div><div>TARGET</div><div>Take urgent action to combat climate change and its impacts</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Reduce emissions by 20% from 2015 levels by 2025</div><div>■ Continue to upgrade building equipment to more efficient models across the portfolio</div><div>■ Provide stakeholder education on climate change mitigation measures, adaptation, impact reduction, and early warning</div></div></div>	<div><div></div><div></div><div></div></div>
<div><div>15</div><div>LIFE ON LAND</div><div></div></div>	<div><div>TARGET</div><div>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</div></div>	<div><div>PARKWAY GOALS</div><div><div>■ Compost landscape waste at 100% of properties</div><div>■ Include at least 50% native or pollinator-friendly vegetation with all new landscape projects</div></div></div>	<div><div></div><div></div></div>



# POLICIES & GUIDELINES

Across the Houston portfolio, our employees and property teams are equipped with the necessary policies and resources to successfully implement each of Parkway’s sustainability initiatives. We believe that our sustainability policies enable us to reduce operating expenses, minimize environmental impacts, and create better work environments for our tenants. These policies are essential to the implementation of our sustainability efforts and support our LEED® and GRESB® applications each year.

Parkway regularly reviews and updates our policies with the latest best practices and ESG information. In 2021, we updated 14 of our 16 policies, with plans to update the final two policies in 2022.



POLICIES UPDATED IN 2021	1 Cooling Tower Management Plan	2 Energy Efficiency Policy	3 Facility Maintenance & Renovations Policy	4 Green Cleaning Policy
	5 Indoor Air Quality Policy	6 Integrated Pest Management Plan	7 Refrigerant Management Policy	8 Resilience Guide
	9 Site Management Policy	10 Smoking Policy	11 Solid Waste Management Policy	12 Stakeholder Engagement Policy
			13 Sustainable Purchasing Guide	14 Water Efficiency Policy

## GREEN TENANT GUIDE

Our Green Tenant Guide, developed by Verdani Partners and Parkway in partnership with the California Sustainability Alliance, includes several practical and low-cost strategies that our tenants can take to create a green office across five key categories. It is designed to be used with Parkway’s New Construction and Renovation Guide to help our property management team and tenants work to create highly efficient green buildings.



Energy and atmosphere



Materials and resources



Indoor environmental quality



Transportation



Innovation



# STRATEGIC PARTNERSHIPS

Parkway is committed to working with our many partners to strengthen our ESG program and advance our initiatives, targets, and goals. We are involved in key industry organizations and work within these organizations to further integrate ESG into the real estate community.



## ENERGY STAR®

Parkway is a proud supporter of the U.S. EPA's ENERGY STAR® program for commercial buildings, which recognizes high-performing buildings for annual achievements in energy efficiency. All of PKY's buildings are benchmarked using ENERGY STAR®, and 11 of PKY's 19 owned buildings in Houston earned the ENERGY STAR® certification in 2021 (59% of PKY's portfolio, by floor area). This was an increase from eight certifications in 2020 (35% of the portfolio). For the 2021 calendar year, the average performance of our certified buildings was 80 on the ENERGY STAR® program's 1-100 rating scale – up from 79 the previous year.



## CORPORATE WASTE SOLUTIONS

Parkway partners with Corporate Waste Solutions to improve our overall recycling rates and reduce waste hauling costs across our portfolio. This portfolio-wide approach allows us to gather detailed waste data efficiently and accurately at the building and portfolio level. Corporate Waste Solutions evaluates our recycling and waste management infrastructure on an ongoing basis and works collaboratively with our property teams to identify opportunities to improve recycling performance across our portfolio. Our long-term goal is to increase our overall landfill waste diversion rate to 75% by 2025.



## U.S. GREEN BUILDING COUNCIL

Parkway began LEED® certifying our buildings in 2011. We are an active U.S. Green Building Council (USGBC) corporate member and have been a proud supporter of the LEED® green building rating systems for more than a decade. All 19 of PKY's buildings have been certified LEED® Gold or Platinum since 2019, and we use the Arc platform to track their existing high-performance operations and maintain their ongoing LEED® certifications.



## DNV®

Parkway is working with DNV® (formerly DNV®-GL) for the fifth consecutive year for third-party external assurance of our annual report data. DNV®'s assurance process follows the ISAE 3000 standard to ensure that our reporting meets the required standards for transparency.



## BOMA®

Parkway engages with local BOMA® chapters in both Texas and Florida. Eleven of our Houston buildings at Greenway Plaza Phase 2, Post Oak Central, and CityWestPlace held the prestigious BOMA®360 green operations program certification in 2021, which demonstrates that a building is outperforming its peers in the commercial real estate sector across all areas of operations and management.



## ULI GREENPRINT®/MEASURABL

Parkway is a member of ULI Greenprint®, a worldwide alliance of leading real estate owners, investors, and strategic partners committed to improving the environmental performance of the global real estate industry. As a member of Greenprint®, Parkway utilizes the Measurabl® data management platform to manage energy, greenhouse gas emissions, water, and waste data. Under the Greenprint® membership agreement, Parkway is entitled to a variety of benefits including the use of the Measurabl® Environmental Platform which supports asset-level property characteristic and environmental data collection, aggregation, and reporting.



## ENTRONIX

In 2021, Parkway began working with Entronix to install their modern cloud-based energy management system across our Houston portfolio. The Entronix system is an AI-based facilities analytics platform in which energy data is streamed and logged every few seconds so facility staff can identify patterns, verify utility power quality, identify power factor issues, and notify operators of potential peak demand occurrences instantly so that corrective action can be taken. Additionally, the Entronix system collects all data points from a building to create a digital twin of the facility, which can then be used to identify inefficiencies and run scenarios for future planning.



## BETTER BUILDINGS® CHALLENGE

Parkway joined the U.S. Department of Energy's nationwide Better Buildings® Challenge in 2014. In 2019, we joined the Waste Pilot program, and in 2021, we enrolled 11 Greenway Plaza and Phoenix Tower in the Low Carbon Pilot. Parkway leverages our participation in the Better Buildings® program to work toward

decreasing our Houston portfolio's energy and water consumption by 20% and to continue to drive toward our 75% waste diversion goal. Our participation in the Low Carbon Pilot program allows us to work with the Department of Energy's technical experts toward finding low carbon pathways for our portfolio.



## VERDANI PARTNERS™

Parkway has engaged Verdani Partners™, a full-service ESG consulting firm, to help manage the Houston portfolio's corporate sustainability program. Verdani supports our properties with LEED® certifications, ENERGY STAR® certifications, and ongoing data management for energy, water, waste, and carbon emissions. Verdani also helps us promote stakeholder engagement and health and well-being initiatives. In addition, they manage our corporate sustainability reporting efforts each year for GRESB® and LEED® and produce our annual sustainability reports, which reference Standard Disclosures from the G2016 indicators of the GRI Standards.





# SUSTAINABILITY TIMELINE



- Ranked 5<sup>th</sup> in GRESB peer group, 1<sup>st</sup> in Resilience Module across all participants

- Joined BBC waste pilot
- All buildings LEED® Gold/Platinum

- Portfolio 100% LEED® certified
- Phoenix Tower received 20 consecutive ENERGY STAR® certifications

- Corporate sustainability policies revised
- Hurricane Harvey disaster response

- Launched LEED® Arc Strategy

2021

2020

2021

2018

2017

2016

DEC

NOV

- Bi-annual property-level ESG reports
- ESG property team meeting

- Waste Awareness Month
- E-waste drive
- Fall newsletter

OCT

- Energy Awareness Month
- GRESB® results released

SEP

- Water Awareness Month
- Sustainability policies updated

JUL

- Bi-annual property-level ESG reports
- ESG budgets

JUN

- Annual sustainability report
- Spring newsletter
- Submitted to GRESB®

APR

- Earth Day
- E-waste drive

MAR

- Earth Hour
- BBC data submitted
- Joined Better Buildings Challenge® Low Carbon Pilot

FEB

- GRESB® property team meetings
- Annual strategy meeting

JAN

- GRESB® property team meetings



## INDUSTRY RECOGNITION HIGHLIGHTS

TOP 20%

OF ALL GRESB RESPONDENTS

100%

OF HOUSTON BUILDINGS LEED®  
CERTIFIED GOLD OR PLATINUM

100%

ENERGY STAR® BENCHMARKED

## INDUSTRY RECOGNITION



### GRESB®

In 2021, Parkway again earned the prestigious five-star ranking in the annual GRESB® Assessment, placing it in the top 20% of all GRESB® respondents, and achieved the GRESB® Green Star accolade, which is awarded to survey respondents who demonstrate advanced management of ESG issues. Rankings are based on portfolio-wide sustainability performance for the previous calendar year, so Parkway's 2021 ranking was based on 2020 performance – showing that we maintained our ESG performance during the difficult first year of the pandemic.



### LEED® CERTIFICATION

The USGBC has recognized all of the buildings in PKY's Houston portfolio for many years as high-performance green buildings. All of the 19 buildings in PKY's Houston portfolio are LEED® Gold or Platinum certified. All of our buildings use the Arc platform to maintain their ongoing LEED® certifications and track their existing high-performance operations. The most recent certifications, earned in 2019, will be updated in 2022.



### ENERGY STAR®

During the 2021 calendar year, Parkway successfully benchmarked 100% of assets on the U.S. EPA's ENERGY STAR® Portfolio Manager® website, and 11 of the 19 buildings in PKY's Houston portfolio also earned the ENERGY STAR® certification (59% of the Houston portfolio, by floor area). For the 2021 calendar year, the average performance of PKY's Houston portfolio was 80 on the ENERGY STAR® program's 1-100 rating scale.

## CASE STUDY

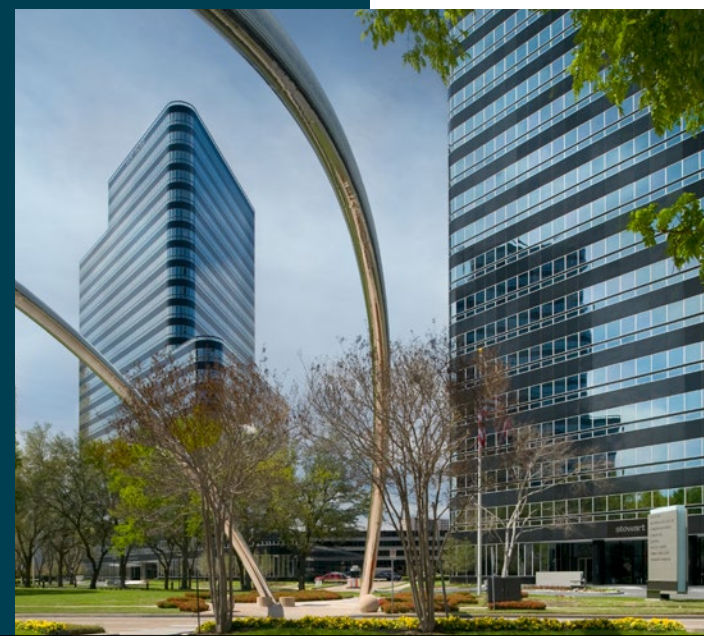
# GREEN LEASE LEADER – SILVER



In 2021, Parkway was proud to earn the Green Lease Leader Silver award for our use of green leases in our program to create healthy, high-performance buildings. Green Lease Leaders is a national green leasing recognition program designed to award both landlords and tenants for the use of green leasing provisions in driving building performance.

Building performance can be improved for both tenants and owners by implementing lease clauses containing sustainability measures such as environmental performance, data reporting transparency, and financially aligned incentives. Energy-aligned leases can also serve as one of the key financing mechanisms for energy retrofits. Parkway has incorporated innovative green leasing provisions into our standard template for new leases that allow us to share the costs and benefits of energy projects and other green investments with our tenants. To earn the Green Lease Leader Silver certification, Parkway met the following requirements:

- Tracked common area energy use;
- Tracked common area water use;
- Employed energy management best practices;
- Metered tenant spaces; and
- Requested tenant energy disclosures.





# ENVIRONMENT

Despite a year of uncertainty and reduced occupancy due to COVID-19, we made significant progress toward our 2025 environmental targets. Our detailed approach to sustainability across our Houston building operations has resulted in reduced operating expenses, energy and water use, waste, and greenhouse gas emissions. Our efforts to reduce our environmental footprint result in healthier, more productive workspaces across PKY's Houston portfolio.

## 2021 HIGHLIGHTS

11

ENERGY STAR®  
CERTIFICATIONS

Joined

BETTER BUILDINGS  
LOW CARBON PILOT

11

BUILDINGS LEED®  
CERTIFIED FOR A DECADE

47%

REDUCTION IN WATER  
USE INTENSITY





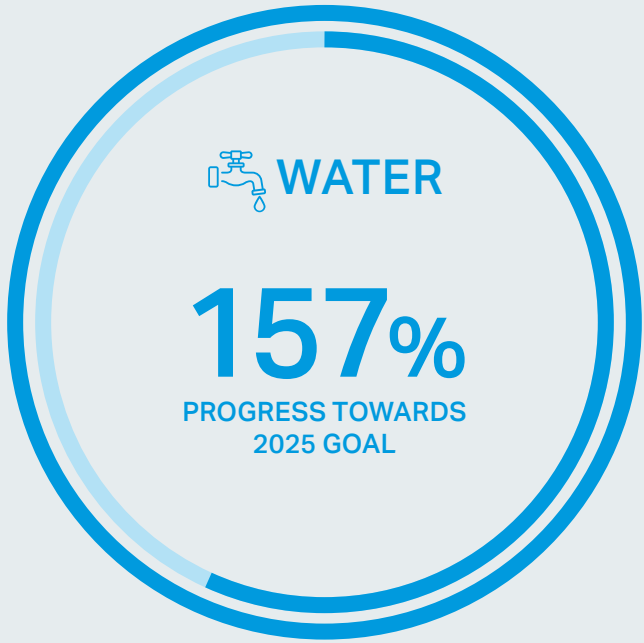
# PERFORMANCE GOALS, TARGETS & PROGRESS

By tracking progress toward our goals over a 10-year period, Parkway has been able to measure the success of our sustainability program and carefully monitor our progress toward the goals we have set for 2025, using 2015 as our baseline year.

## COVID-19 IMPACT

As shown in the graphic at right, Parkway achieved significant reductions from its 2015 baseline during 2021 and exceeded our 2025 reduction targets for water, energy, and emissions. Although we continued to experience low occupancy and some disruptions to normal building operations throughout 2021, we were able to maintain and even increase our efficiency gains as occupants began returning to our buildings in greater numbers and operations began ramping up to pre-pandemic levels. We consider this a great achievement.

While it is not possible to know until our buildings are fully occupied again how much of our efficiency gains can be maintained long-term, we continue to keep our focus on building efficiency and regularly reassess our portfolio performance with regard to setting additional ESG targets.



2025 GOAL FROM 2015 BASELINE	REDUCTION FROM 2020 TO 2021	% REDUCTION FROM 2015 BASELINE
30%↓	4%	47%



2025 GOAL FROM 2015 BASELINE	REDUCTION FROM 2020 TO 2021	% REDUCTION FROM 2015 BASELINE
20%↓	8%	27%



2025 GOAL FROM 2015 BASELINE	REDUCTION FROM 2020 TO 2021	% REDUCTION FROM 2015 BASELINE
20%↓	7%	42%



2025 GOAL DIVERSION RATE	WASTE DIVERSION RATE	TONS REDUCED WASTE FROM 2020 TO 2021
75%	43%	335



# EMS: ENVIRONMENTAL MANAGEMENT SYSTEM

Our EMS serves as the strategic road map of our ESG program, managing the immediate and long-term environmental and social impacts of our portfolio. Our EMS is ISO 14001 verified, which ensures that we are meeting the standards of our tenants, communities, and other stakeholders.



## GREEN OPERATIONS

We aim to make a positive contribution toward a sustainable future by integrating green building practices throughout the Houston portfolio. From energy retrofits to creative reuse projects, our property teams continue to make building operations more sustainable in innovative ways. Parkway’s Houston portfolio is paving the way in this regard with our sustainability policies and commitments. We continue to make inroads each year with our sustainability mission through new technologies, regulatory compliance, increased efficiencies, and risk mitigation.

### CAPITAL INVESTMENTS

Millions of capital investment dollars have been dedicated to properties in our Houston portfolio in recent years to improve building energy and environmental performance. Using a rolling 10-year capital plan, we have worked to systematically update aging central plants at our buildings with multi-year projects to upgrade HVAC equipment. We have also undertaken projects to boost the overall energy efficiency of our properties through major garage and common-area lighting retrofits and installation of CO2 sensors and dimmable stairwell lighting.



# ENVIRONMENTAL RISK & RESILIENCE

## CLIMATE CHANGE AND BUILDING RESILIENCE

Parkway's risk mitigation strategy addresses three forms of risk: physical and environmental, social, and climate/transition risk. Our aim is to create resilient buildings and operations so that we are able to anticipate, prepare for, and recover from challenging events related to climate change. We use a variety of mitigation strategies to increase our resilience and reduce disruptions to building operations and ensure that our buildings are safe for our building occupants.

With the help of Verdani Partners, Parkway has developed an annual risk assessment and a formalized resilience guide that addresses known climate change risks for our Houston portfolio. We pair this guide with emergency response plans that specifically address hurricanes, which are the most serious climate-related threat to our buildings. We have also modified our parameters for emergency building operations and installed flood control devices such as flood gates and dewatering pumps to help manage risks during emergency events.

By pairing strong planning tools with physical and operational changes to the buildings in our Houston portfolio, we have been able to withstand major hurricanes and flooding events without incurring any serious damage to our buildings or material flood insurance claims.



# SUSTAINABILITY

## BENCHMARKING & TRACKING

In order to manage energy and water consumption, set energy investment priorities, and report greenhouse gas emissions for the buildings in our Houston portfolio, we utilize the U.S. EPA's web-based ENERGY STAR® Portfolio Manager® tool. As of December 2021, 100% of our Houston portfolio is benchmarked on ENERGY STAR® Portfolio Manager® and 59% of our Houston portfolio is ENERGY STAR® certified with an average score of 80 out of 100. In addition to energy, water, and greenhouse gas emissions tracking, we use bi-annual reports from Corporate Waste Solutions to benchmark and monitor our waste.

Parkway also provides our property teams with bi-annual property-level progress reports to help identify which buildings to target for efficiency improvements. Each property's energy and water use, greenhouse gas emissions, and waste output over the previous six months are compared to its levels over the same period the previous year, and building performance is ranked within the portfolio as a whole.

100%

OF OUR HOUSTON PORTFOLIO IS BENCHMARKED  
ON ENERGY STAR® PORTFOLIO MANAGER

59%

ENERGY STAR®  
CERTIFIED

80/100

AVERAGE ENERGY STAR® SCORE OF  
OUR HOUSTON PORTFOLIO

23

YEARS BENCHMARKING  
WITH ENERGY STAR®





## EMISSIONS REFRIGERANTS

Through our efforts to reduce our greenhouse gas emissions, which go hand-in-hand with our efforts to reduce energy consumption, we surpassed our greenhouse gas emissions reduction goal of 20% by 2025 for our Houston portfolio. We have also taken extra steps to reduce GHG emissions by switching to environmentally preferable refrigerants whenever we upgrade our buildings' HVAC systems. In recent years, we have worked to replace original chillers containing R-12 and R-22 with newer chillers using the more environmentally preferable R-134a, and we are exploring the feasibility of next-generation refrigerants on a case-by-case basis.

## TRANSPORTATION

Parkway has also taken steps to reduce emissions related to transportation. Greenway Plaza Phases 1 and 2 have installed EV charging stations, with more stations planned in 2022 and 2023 at other Houston properties. All of PKY's Houston buildings are located near public transportation options, including a recently-constructed rapid transit line near the Post Oak Central buildings. Bike sharing is also offered at CityWestPlace and Greenway Plaza, and bike storage racks are located at CityWestPlace, San Felipe Plaza, and both phases of Greenway Plaza.

## MATERIALS & RESOURCES

### PURCHASING

Parkway is committed to sustainable material and resource use. In order to make an impact in this area, Parkway endeavors to purchase materials and products that contain low volatile organic compounds (VOCs), recycled content, and rapidly renewable materials. We aim to reduce source waste and mercury pollution as well as increase reuse and recycling rates. To reach these goals, we educate our tenants through in-house training, seminars, newsletters, and events.

### RECYCLING

Parkway has operated building-wide recycling programs across the Houston portfolio for many years. We have replaced antiquated trash bins with modern trash compactors, expanded our use of cardboard balers, and worked with our janitorial teams to improve the daily waste collection and recycling processes at each property. Each Houston building has a comprehensive recycling program in place, including e-waste recycling, tenant shred paper recycling, textile recycling events, construction recycling, and other materials.



## ENERGY EFFICIENCY & MANAGEMENT

Parkway has achieved its goal of decreasing our energy use intensity by 20% across the Houston portfolio by 2025. Our approach to energy conservation began with the completion of work considered "low-hanging fruit" and has grown into a program that constantly evaluates our operations, utility consumption, product choices, preventive maintenance, utility incentives, and tenant improvements. We work to ensure our energy management systems perform optimally and that preventive maintenance programs are consistent and effective.

Parkway has engaged Entronix, a utility and energy management company, to support our ongoing operations with multiple energy management services. Parkway is working with Entronix to set up management of our utility bills across the buildings in our Houston portfolio and automatically report monthly energy and water consumption data for our Houston portfolio on the ENERGY STAR® Portfolio Manager® website. Asset-level and portfolio-level trends, such as monthly energy consumption, can be viewed in the web-based portal.



## LIGHTING UPGRADES

One of the easiest and lowest-cost ways to conserve energy is to transition away from incandescent and fluorescent lighting. Over the last several years, Parkway has been gradually transitioning all of its Houston buildings to LED lighting. Each year, portions of the lighting in building common areas are transitioned, and as tenants move out and spaces are built out for the next tenant, Parkway uses these opportunities to do lighting retrofits in these spaces to LED lighting. In addition, we have completed major garage and common-area lighting retrofits and installed occupancy sensors and dimmable stairwell lighting at many of our Houston properties. We have also replaced fluorescent and high-pressure sodium lamps with LED lamps in garages and outdoor areas.

## BUILDING EQUIPMENT & BUILDING AUTOMATION SYSTEMS UPGRADES

Through our short-term and long-term capital plans, we have funded numerous multi-year projects to upgrade major HVAC equipment and overhaul aging central plants across our portfolio. This work continues with upgrades to more efficient AHUs at 3800 Buffalo Speedway in 2021, and additional AHU upgrades are planned at multiple buildings in 2022.

## WHITE ROOFS

Where feasible, Parkway has also installed more energy-efficient roofing at its Houston buildings. White roofs can help buildings in hot climates manage heat gain and reduce energy use. The Post Oak Central buildings and both phases of Greenway Plaza have white roofs in place. As the other buildings in the portfolio move toward needing new roofs, Parkway will assess whether a white roof makes sense at these additional buildings.





## WATER EFFICIENCY

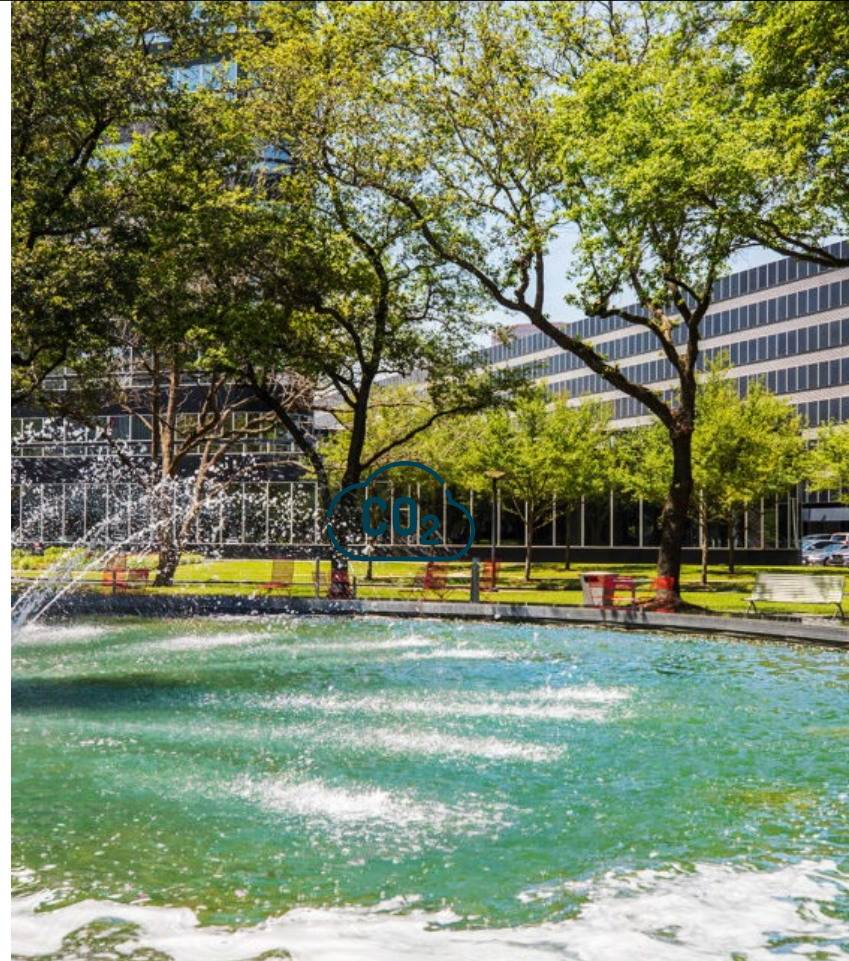
Parkway's water efficiency goals are to monitor and reduce water consumption, save energy during the water treatment process, minimize our impact on the local ecosystems, and practice water-efficient landscaping. Through our many efforts, we attained our goal to decrease water usage across our properties in Houston by 20% by 2025. To reduce water use, we install water efficient landscaping and irrigation wherever feasible, specify low-flow water fixtures for all future build-outs, optimize cooling tower water management processes, and log weekly water meter readings. We encourage tenants to follow best practices as identified in our Water Efficiency Policy and New Construction and Renovations Guide. At CityWestPlace, new tenants are required to install leak detection systems with all new build outs.

### IRRIGATION

Over time, Parkway is switching out older, less efficient irrigation controllers in favor of smart irrigation controllers that use less water. We have upgraded to smart controllers at our CityWestPlace, San Felipe Plaza, and Greenway Plaza Phase 1 properties and are investigating installing smart irrigation systems at additional properties in the future. We also use drip irrigation wherever feasible; it is currently installed at Post Oak Central and Greenway Plaza Phase 1.

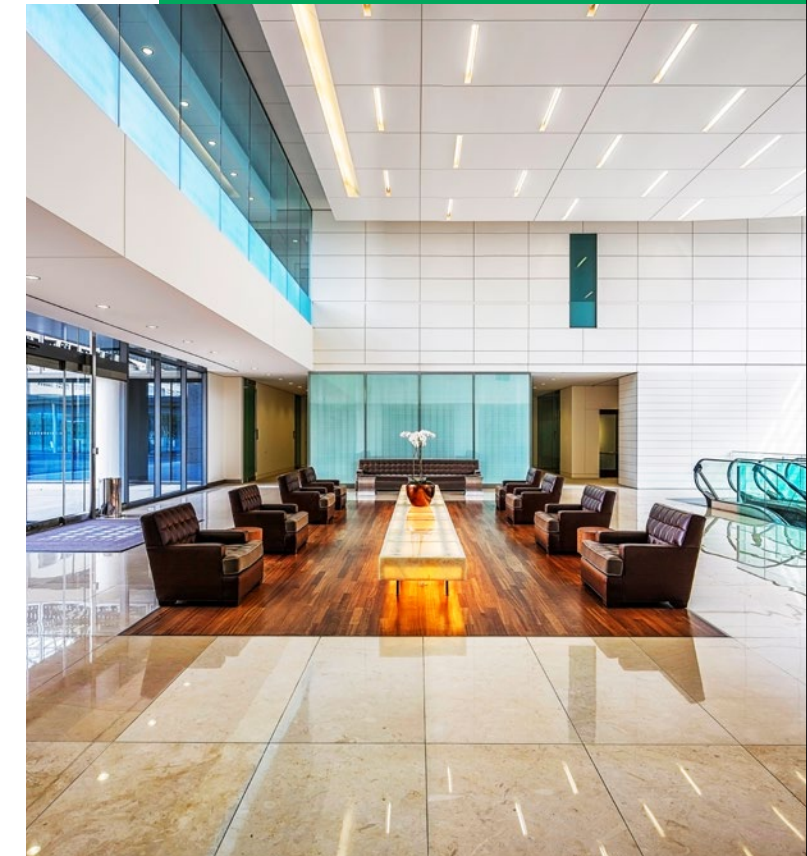
### WATER-EFFICIENT FIXTURES

Over the past several years, we have upgraded all original domestic water fixtures at all of our Houston buildings with low-flow valves and aerators. We continue to evaluate projects that would increase overall water efficiency and, as we complete restroom remodels throughout buildings and as vacancies occur, we continue to upgrade restroom fixtures to even more water-efficient models.



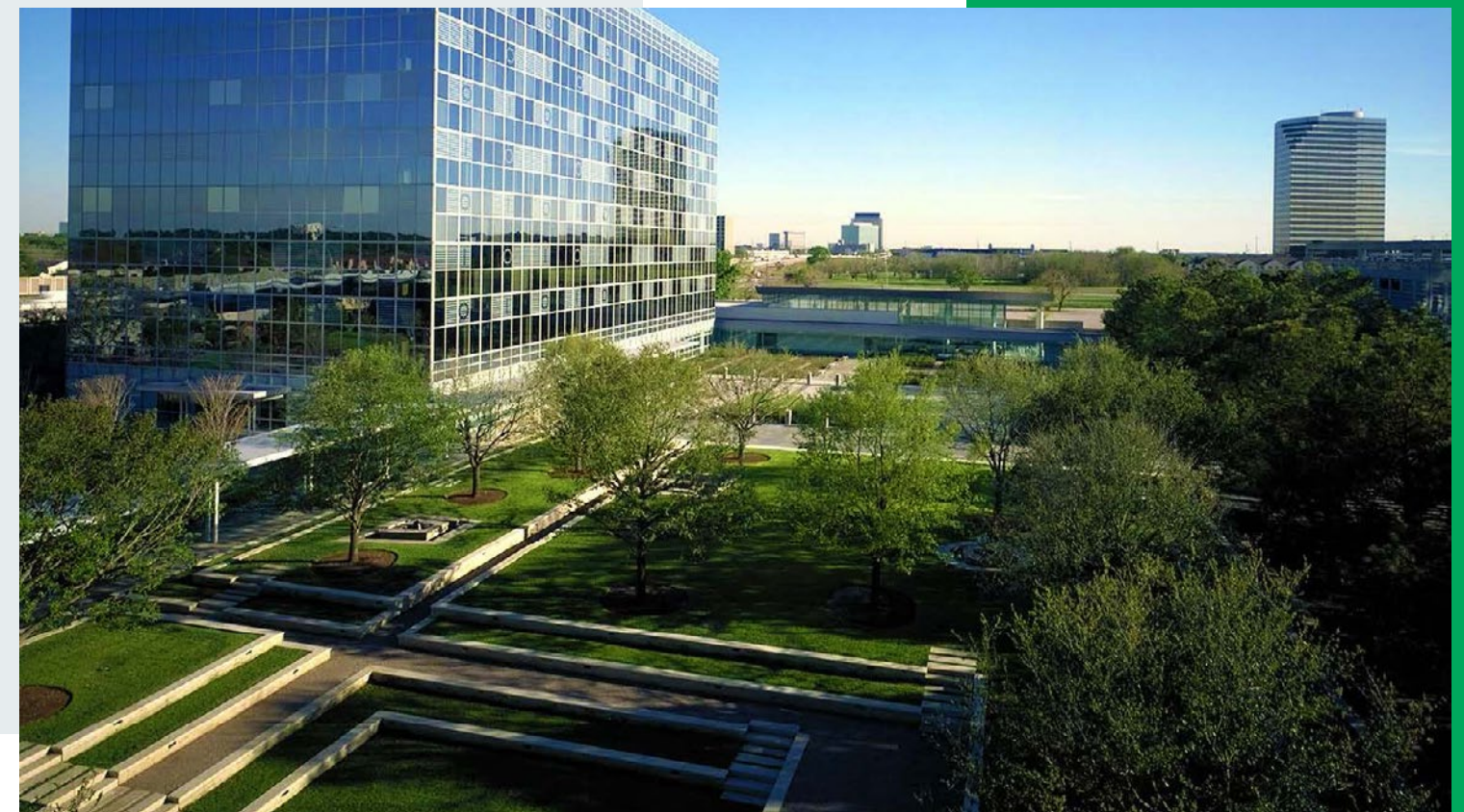
## INDOOR AIR QUALITY

Parkway operates the Houston portfolio properties to allow fresh air in and adequately exhaust contaminants to the outdoors, resulting in healthy indoor environments for occupants and greater employee comfort and productivity. Our Green Cleaning Policy, New Construction and Renovations Guide, and Smoking Policy all include indoor air quality guidelines for our building operations. Our programs encourage tenants to take actions that prevent indoor air quality problems and limit respiratory and/or other illness of all building personnel. We monitor air quality levels by engaging UL — a global safety science leader providing safety and risk management testing, inspection and certification — to perform annual third-party indoor air quality audits in support of our indoor air quality guidelines.



## SUSTAINABLE SITES & BIODIVERSITY

We encourage sustainable development and preservation practices that limit the environmental impact the buildings in our Houston portfolio have on local ecosystems. At each of our Houston properties, we aim to protect natural and agricultural areas, reduce emissions associated with automobile use, eliminate light pollution, protect and/or restore sites, and encourage sustainable landscaping practices. At our Post Oak Central and CityWestPlace campuses and San Felipe Plaza, we incorporate the use of native species in our landscaping, and 18 of our 19 properties compost landscape waste.







## SUSTAINABILITY ATTRIBUTES SURVEY

In 2021, Parkway completed a sustainability attributes survey of our 19 Houston properties, which analyzed and evaluated the existing sustainability features, attributes, and initiatives across the Parkway Houston portfolio. The survey was distributed to all five Houston property teams to collect sustainability information for the 19 buildings in the portfolio across a variety of categories, including lighting, roof efficiency, water efficiency, energy efficiency, waste management, and transportation. The results allowed for a high-level analysis of the sustainability attributes of the portfolio, as well as the development of key recommendations for advancing the sustainability of the portfolio.

**68%** OF PROPERTIES HAVE A WHITE/COOL/REFLECTIVE ROOF

**100%** OF PROPERTIES HAVE A RECYCLING PROGRAM IN PLACE

**100%** OF PROPERTIES HAVE RETROFITTED LIGHTS WITH LEDS

**95%** OF PROPERTIES HOLD E-WASTE DRIVES

**100%** OF PROPERTIES HAVE INSTALLED WATER-EFFICIENT FIXTURES

## 2021 SUSTAINABILITY ATTRIBUTES SURVEY RESULTS

**84%** OF PROPERTIES HAVE INSTALLED OCCUPANCY SENSORS

**100%** OF PROPERTIES HAVE COMMUNITY BIKE STORAGE FACILITIES

**58%** OF PROPERTIES HAVE SMART IRRIGATION SYSTEMS IN PLACE

**26%** OF PROPERTIES HAVE NATIVE OR DROUGHT-RESISTANT LANDSCAPING ON SITE

**42%** OF PROPERTIES HAVE CARPOOLING OR RIDESHARING PROGRAMS IN PLACE

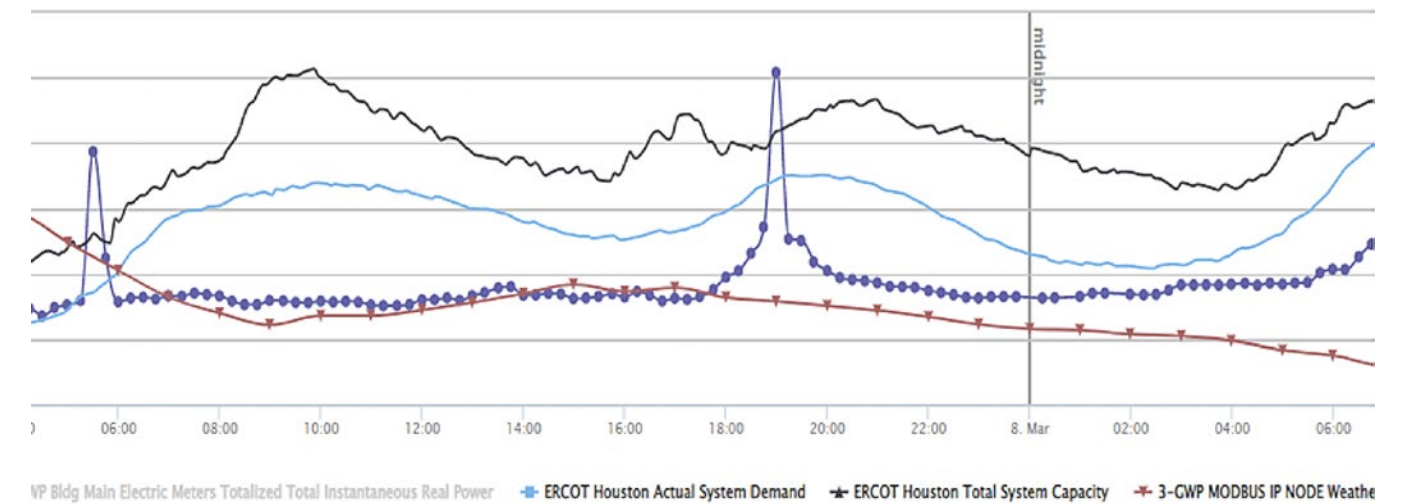


## CASE STUDY

# REAL-TIME ENERGY MANAGEMENT

In February 2021, a series of severe winter storms bringing snow, ice, and freezing temperatures swept through Texas. The storms caused a serious failure of the energy grid and left more than four million people in the state without power for days. Texas has deregulated energy markets, and energy shortages sent costs skyrocketing on the wholesale market. Earlier in 2021, Parkway had begun partnering with Entronix on real-time energy monitoring and subsequently determined that the Entronix system would be well-suited to monitoring ERCOT pricing real-time to avoid a similar shock in the future.

Working with Entronix, Parkway Senior Operations Manager, Kevin Saul, created an ERCOT tracking dashboard to display information for the team about how ERCOT manages the Texas grid and how weather impacts the ERCOT pricing. Along with the current ERCOT pricing, the dashboard displays real-time temperature tracking and the real-time electricity consumption of each property. Parkway's chief engineers can monitor the dashboard for changes and then use the data to assist in making operational changes at their properties. This historical information is used along with future weather forecasts and the equipment performance data from chillers, boilers, and HVAC equipment to create an analytical profile. The analytical profile then makes suggestions for the operations team about the best equipment to run based on the data collected. Parkway also uses this dashboard to send out alerts to our property teams anytime ERCOT pricing exceeds a predetermined amount, allowing engineering staff to make adjustments to their properties as needed.

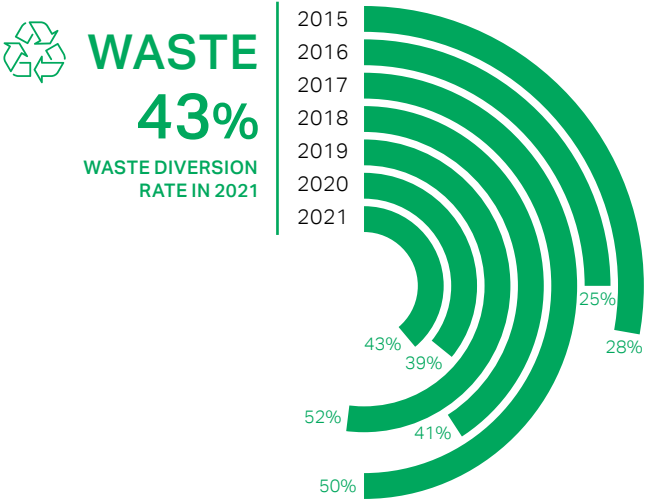
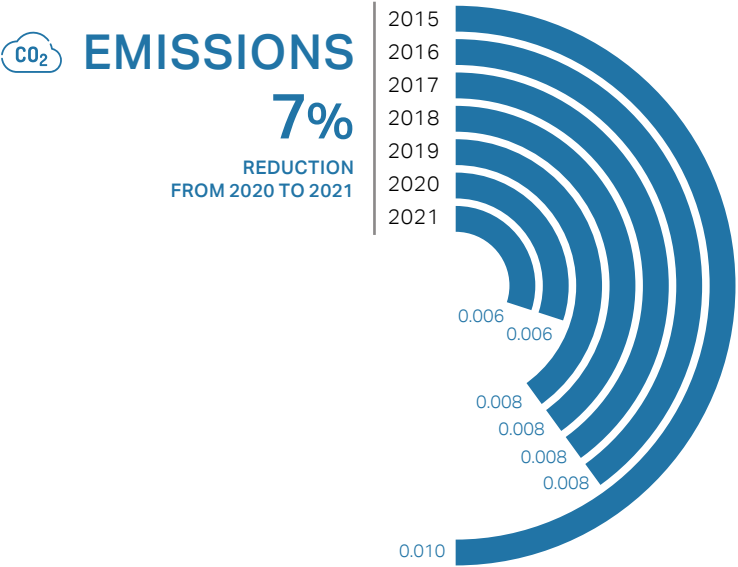
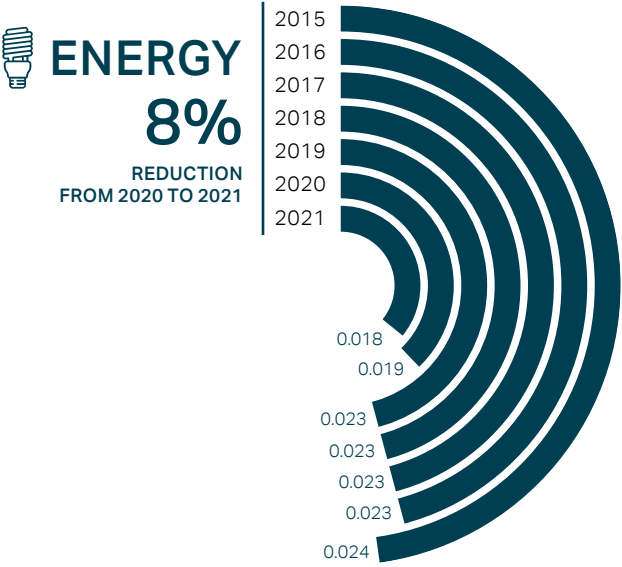
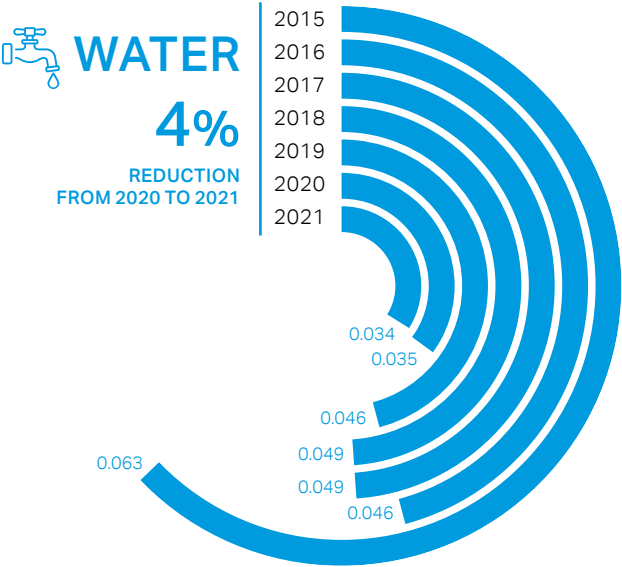




# PERFORMANCE INDICATORS

Parkway tracks, measures, and reports our sustainability performance across relevant key performance indicators such as energy and water use, certifications, and workplace health and safety. These environmental performance indicators serve as an important tool for ESG due diligence assessments and help us track our progress toward our larger goals and targets.

To ensure our progress and data are accurately captured within this report, we have engaged DNV® as a third-party verifier for our performance indicators. The International Standard on Assurance Engagements (ISAE) 3000 standard serves as the basis of the external assurance assessment. The annual intensities and cumulative savings since the 2015 baseline year are represented by the water, energy, and emissions consumption graphs. The trackable waste diversion rates for each period are shown in the waste diversion graph.





# CERTIFIED PROPERTIES

Parkway has been a long-running participant in the ENERGY STAR® program, and several of our buildings have achieved ENERGY STAR certification for more than ten consecutive years through superior energy efficiency performance:

12 YEARS  
CITYWESTPLACE B3

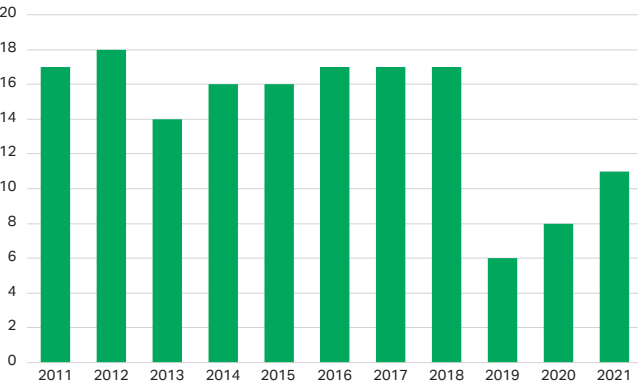
12 YEARS  
POST OAK CENTRAL III

13 YEARS  
SAN FELIPE PLAZA

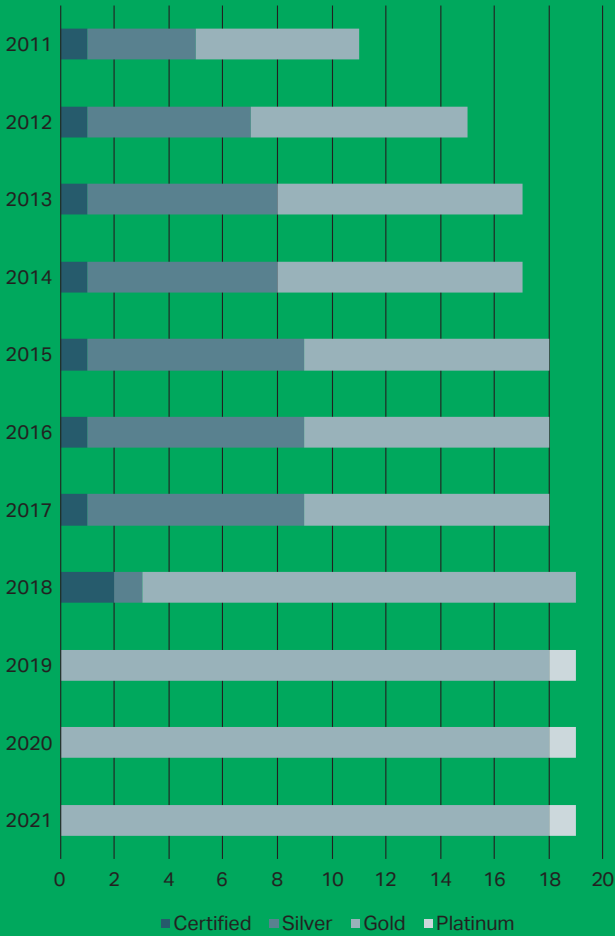
15 YEARS  
1 GREENWAY PLAZA

15 YEARS  
2 GREENWAY PLAZA

## NUMBER OF ENERGY STAR® CERTIFICATIONS



## LEED® CERTIFICATIONS BY YEAR



A number of Parkway's buildings also achieved ten years of LEED® certification in 2021. The following buildings have been LEED® certified for ten years:

- CityWestPlace B1  
CityWestPlace B4

Post Oak Central I  
Post Oak Central II  
Post Oak Central III

Phoenix Tower  
5 Greenway Plaza  
8 Greenway Plaza  
9 Greenway Plaza  
11 Greenway Plaza  
12 Greenway Plaza

	2021 ENERGY STAR® CERTIFIED	LEED® GOLD OR PLATINUM	BOMA 360
CityWestPlace B1	🌿	🌿	🌿
CityWestPlace B2	🌿	🌿	🌿
CityWestPlace B3	🌿	🌿	🌿
CityWestPlace B4		🌿	🌿
San Felipe Plaza	🌿	🌿	
Post Oak Central I		🌿	🌿
Post Oak Central II	🌿	🌿	🌿
Post Oak Central III	🌿	🌿	🌿
1 Greenway Plaza	🌿	🌿	
2 Greenway Plaza	🌿	🌿	
3 Greenway Plaza		🌿	
4 Greenway Plaza		🌿	
5 Greenway Plaza	🌿	🌿	
8 Greenway Plaza		🌿	🌿
9 Greenway Plaza	🌿	🌿	🌿
11 Greenway Plaza		🌿	🌿
12 Greenway Plaza		🌿	🌿
3800 Buffalo Speedway	🌿	🌿	
Phoenix Tower		🌿	





# SOCIAL

Parkway seeks to engage our employees in volunteerism and community outreach and make our properties and communities better places to live, work, and grow. We believe that healthy, vibrant, and equitable communities are vital to a sustainable future.

## 2021 HIGHLIGHTS

24 yrs  
WORKING WITH GULF COAST  
REGIONAL BLOOD DRIVE

13 yrs  
WORKING WITH HOUSTON  
FIRE DEPARTMENT

188  
ANGELS WERE  
ADOPTED IN 2021

1,464  
LIVES WILL BE SAVED  
THROUGH BLOOD DONATION



# STAKEHOLDER ENGAGEMENT

Parkway educates stakeholders including employees, tenants, and investors, as well as other community groups, about sustainability issues through newsletters, green training sessions, and electronic tenant communications. We maintain a sustainability resource website that is continually updated as new technologies, trends, and data arise. Throughout the year, our sustainability team presents on important issues to policymakers, industry organizations, universities, and national conference audiences.



## TENANT ENGAGEMENT

We believe that Parkway has an obligation to communicate with our tenants about the opportunities to become greener and more energy efficient. Our tenants account for roughly 70% of any building's energy consumption, solid waste production, and greenhouse gas emissions associated with daily commuting. Our tenant engagement programs include useful tools and resources that help tenants understand the connection between their behaviors and the associated environmental impacts and financial benefits of reduced operating costs. By improving sustainable tenant behaviors, we can greatly reduce resource consumption and lower greenhouse gas emissions.

### Be Water Wise

WATER AWARENESS MONTH

**Shower Wisely**  
40 gallons of water go down the drain during a 10-minute shower! Limit shower times and install low-flow shower heads to reduce your water use.

**Repair Leaks to Reduce Waste**  
900 billion gallons of water are wasted annually due to household water leaks. Repair common leaks such as worn toilet flappers, dripping faucets, and leaking valves to reduce waste.

**Reuse Water in the Kitchen**  
30+ gallons of water can go down the drain while washing dishes by hand with the tap running. Reuse water by filling the sink for washing and rinsing dishes and soaking pots and pans.

Want to measure your personal impact? Check out this water footprint calculator to see your results: <https://www.watercalculator.org/>

**PARKWAY GREEN**

LEARN MORE ABOUT OUR CORPORATE SUSTAINABILITY PROGRAM: <https://www.parkwaygreen.com/sustainability>

## Be Waste Wise

### E-WASTE DRIVE

Electronics Recycling

**PARKWAY**

## SUSTAINABILITY SIGNAGE

Parkway posts signs and posters for events such as Earth Day, Bike to Work Week, and our Energy, Water, and Waste Awareness months so tenants are always informed about upcoming events. Tenants and our property management team also have access to a series of educational signage on energy, water, waste, and tips for a green workspace that can be displayed throughout the building and high-traffic areas such as break rooms, copy rooms, and elevators.

## SOCIAL MEDIA ENGAGEMENT

Parkway maintains an active social media presence on Instagram at @pkyhouston and Facebook at @PKYHouston. We promote our many events throughout the year on these channels and use them as a way to stay engaged with our tenants and the community, including to highlight our sustainability initiatives. Throughout the COVID-19 pandemic, we have been able to make use of our already active social media presence to maintain our online community.

## INDUSTRY ENGAGEMENT

We welcome any opportunity to share our successes and lessons learned with industry peers through our external education and outreach. We publish an annual sustainability report including case studies and report to our investors about our ESG initiatives. Parkway also continues to be a leading voice in the real estate industry through our participation in numerous industry working groups and conferences.

As a member of ULI® Greenprint, Parkway participates in monthly performance committee meetings and working groups to exchange best practices and shape industry standards. We are also engaged in a number of pilot programs through the DOE Better Buildings® Challenge program. The aim of these programs is to pilot new strategies and initiatives that can then be shared and turned into successful industry best practices. Parkway also attends key green building conferences, such as the 2021 Greenbuild Conference and Expo that took place in San Diego this year, so that we stay on the leading edge of industry trends.

### PARKWAY'S HOUSTON BUILDINGS

are all LEED Gold or Platinum certified.

Parkway's Houston buildings are all LEED Gold or Platinum certified. If you are a Parkway Houston tenant and would like to help us meet our annual recertification requirements, please contact your management office or be on the look-out for graphics on your property containing the link to the survey. By taking this quick four-question survey, you will be helping us better understand our building commuting performance and improve occupant comfort as much as possible.

Thank you for your important contributions to our sustainability efforts!

## LIVE VIRTUAL FITNESS CLASSES

Could you use a midday pick me up? Join our CityWestPlace Fitness Center crew for one or more of these midday fitness sessions. These classes are complimentary to Parkway tenants.

For schedule and registration information please email: [Brett.Edleman@citywestfitness.com](mailto:Brett.Edleman@citywestfitness.com)

**PARKWAY** CityWestPlace FITNESS CENTER



# EDUCATION & OUTREACH



## PROPERTY MANAGEMENT OUTREACH













Parkway provides all property management teams with a series of educational signage on energy, water, waste, and green office tips to improve tenant engagement. We also distribute the Green Tenant Guide and New Construction and Renovations Guide to all property managers and tenants. To help property management teams maintain the ESG performance of their buildings, we provide our property managers and engineers with bi-annual property-level reports that show their progress toward Parkway's energy, water, waste, and emissions targets and rank each building in relation to portfolio performance. Parkway's ESG team also conducts an annual report-out to the property teams to educate them about our latest ESG initiatives and overall portfolio progress toward targets.

## EMPLOYEE EDUCATION

Our employees have access to a sustainability resource site containing all of our policies and guides, LEED® resources, and many more supplemental resources to further their sustainability education. We regularly communicate upcoming events, deadlines, program highlights, and more to Parkway employees via email and our bi-annual sustainability newsletter, and we ask for feedback through an annual occupant comfort survey. We also offer free educational webinars on sustainability management best practices and LEED® Green Associate exam training from Verdani Partners.

Parkway strives to engage our property teams, employees, and tenants in our ESG program throughout the year because we understand that engagement is key to achieving our goals. We pride ourselves on our highly engaged employees and tenants who are well equipped with the knowledge and resources needed to support Parkway's sustainability initiatives at each of our properties.

## EDUCATIONAL RESOURCES

-  Social Media
-  Bi-annual Newsletter
-  Occupant Surveys
-  Sustainability Signage
-  Free Sustainability Webinars
-  LEED® Green Associate Exam Training
-  Green Tenant Guide
-  New Construction and Renovations Guide
-  Annual Sustainability Report
-  Investor Reports
-  Case Studies
-  Industry Conferences





# HEALTH & WELL-BEING PROGRAMS

Parkway is committed to providing healthy and sustainable workspaces for our tenants and employees. We recognize that work-life balance and a healthy work environment have become more important than ever before, and we have taken many steps to ensure that a wide array of health and well-being options are available to our building occupants, including both physical in-building offerings and virtual offerings regularly advertised through our social media channels.



## WORK-LIFE BALANCE

Parkway found many ways to help our tenants achieve work-life balance in 2021. We held a Day of Play at our CityWestPlace property on October 27, encouraging tenants to step away from their desks and join scheduled events in the courtyard, such as soccer, a hula hoop contest, and an exercise boot camp. More leisurely activities like ping pong tables, bubble wands, and lawn games were also available.

Parkway again offered flu shots to tenants and the community at an October flu shot clinic in October at all of our properties. Parkway worked with Walgreens to provide shots to walk-in participants. Flu vaccines reduce the risk of sickness, hospitalization, and death from the flu. According to the CDC, it has been particularly important to receive a flu vaccine during the global COVID-19 pandemic.

We also offer many other wellness resources on-site, such as dental facilities at Greenway Plaza, CityWestPlace, and Post Oak Central and on-site childcare facilities at Greenway Plaza and Post Oak Central. San Felipe Plaza, Greenway Plaza, and CityWestPlace all also boast restaurants with an emphasis on healthy menu offerings.



## PHYSICAL FITNESS

Tenants at Parkway’s Houston buildings are offered many resources for maintaining physical fitness. The fitness center at San Felipe Plaza features free weights, circuit weight equipment, and a stretching area. Greenway Plaza offers access to two fitness centers, Pulse and Activate. Activate, the new fitness center at 11 Greenway Plaza, offers Matrix and Peloton cardio equipment. In addition, Greenway Plaza completed major upgrades to the grand plaza in 2021, adding equipment for lawn games such as bocce ball, table tennis, cornhole, and pickleball. CityWestPlace also provides access to two fitness centers, in addition to a soccer field, outdoor track, sand volleyball court, indoor basketball court, horseshoe pit, and bocce ball court. Parkway also offers a wide variety of options for tenants to maintain their health and work-life balance through daily and weekly repeating programs, such as outdoor yoga workshops and online wellness workshops and fitness classes.

## HEALTHY BUILDINGS

Parkway cares about the health and well-being of our building occupants, and we have implemented many initiatives to promote health and wellness for our staff and tenants and to ensure that our buildings are comfortable, healthy, and enjoyable places to work. For many years, we have conducted indoor air and water quality testing annually at each of our Houston buildings.

In 2020 and 2021, we made numerous changes in our buildings in response to the COVID-19 pandemic, including:

- Increased cleaning frequency and adjusted cleaning protocols
- UV light sanitizers on escalator handrails
- UVC air purifiers with HEPA air filters in elevators
- MERV-13 filters and needlepoint bi-polar ionization units in all air handlers
- Touchless door openers, restroom fixtures, and directories

Parkway is also in the process of pursuing WELL certification at our 9 and 11 Greenway Plaza buildings.

## TRANSIT OPTIONS

Parkway also strives to promote the walkability, transit proximity, and access to safe bikeable pathways of our properties. All of our properties are located within half a mile of a public transit stop, and we provide bike sharing programs at Greenway Plaza and CityWestPlace and bike storage racks at all of our properties for tenants and employees who want to more easily commute by public transportation or take a mid-day or after-work bike ride. We view this as a way to increase employee and tenant health and well-being through physical movement while reducing traffic congestion and the resulting emissions.



# ESG AWARENESS EVENTS

Although we were able to safely bring some events back in person in 2021, due to the pandemic, we continued to host many of our events virtually.

## EARTH HOUR

Parkway's Houston portfolio participated again in 2021 in the annual Earth Hour event by turning off all nonessential lighting for one hour from 8:30-9:30 pm on Saturday, March 27, 2021. Earth Hour raises awareness about the need for climate action, and we encourage our tenants to join us and millions of other organizations and individuals across the globe for this important and symbolic Earth Hour event each year. Participants were again encouraged to take part virtually wherever possible.

## EARTH DAY

On Wednesday, April 22, 2021, the nation celebrated Earth Day, a worldwide movement to celebrate the beauty of our Earth and inspire action to preserve the environment. Due to the continuing global pandemic, Parkway chose to host a virtual event for our tenants in 2021.

Parkway partnered with local non-profit Urban Harvest to provide an informative, interactive, and virtual Earth Day workshop on herb gardening in Greater Houston. Participants received their own containers, seeds, and transplants of some popular culinary herbs so they could follow along with the on-screen demonstrations. More than 170 participating tenants were provided with tips and know-how for planting anything from a few containers to a large garden bed.

## E-WASTE RECYCLING

Parkway continues to work toward our goal to recycle 100% of the e-waste generated annually at each of our Houston properties. We work with our vendors to ensure that all our e-waste is well-tracked and responsibly recycled, and we conduct education and awareness campaigns for tenants and staff at our properties to bring us as close as possible to our e-waste diversion goals. Although we had to temporarily halt our annual e-waste campaigns in 2020 due to the pandemic, we were able to restart them this year. In 2021, our Houston properties hosted e-waste drives in April and November, during which we collected and diverted 9.69 tons (19,378 pounds) of e-waste from the landfill.

# 9.69tons

POUNDS OF E-WASTE DIVERTED  
FROM THE LANDFILL



# TENANT & COMMUNITY EVENTS

## MARDI GRAS

To celebrate Mardi Gras, Parkway partnered with Louisiana native Sarah Lowe of The Art Cellar Houston for a virtual cellar session in which tenants were invited to make traditional Mardi Gras venetian masks. Each participant was provided with a kit that included a mask, ribbons, four paint colors of their choice, feathers, and glitter.



## CINCO DE MAYO

For Cinco de Mayo, Parkway hosted a virtual cooking class for our tenants to get them ready for the holiday. We also hosted this class on a second evening in appreciation of the teachers of Foerster Elementary School on May 4, 2021, which was teacher appreciation day. Both groups were provided all of the ingredients to create an authentic Mexican Caesar salad, Key lime flan, pork & shrimp tacos and margaritas (mocktail margarita ingredients were provided for the teachers). Tenants picked their kits up from Fusion Taco, while Parkway made a special delivery to the teachers at Foerster Elementary the day before the class so they could pick their kits up on campus when leaving for the day. All who participated enjoyed the class very much.



## FUTURE OF HOUSTON OFFICE

In August 2021, Parkway partnered with Bisnow to host an event for the Houston real estate community about the current state of the office market and how to identify opportunities and make smart investment decisions under uncertain market conditions. Presenters included some of the top office building owners and developers in Houston, and topics included vacancy rates and leasing activity during the pandemic, tenant return-to-office plans, value-add opportunities, and trend forecasts.



## CASE STUDY

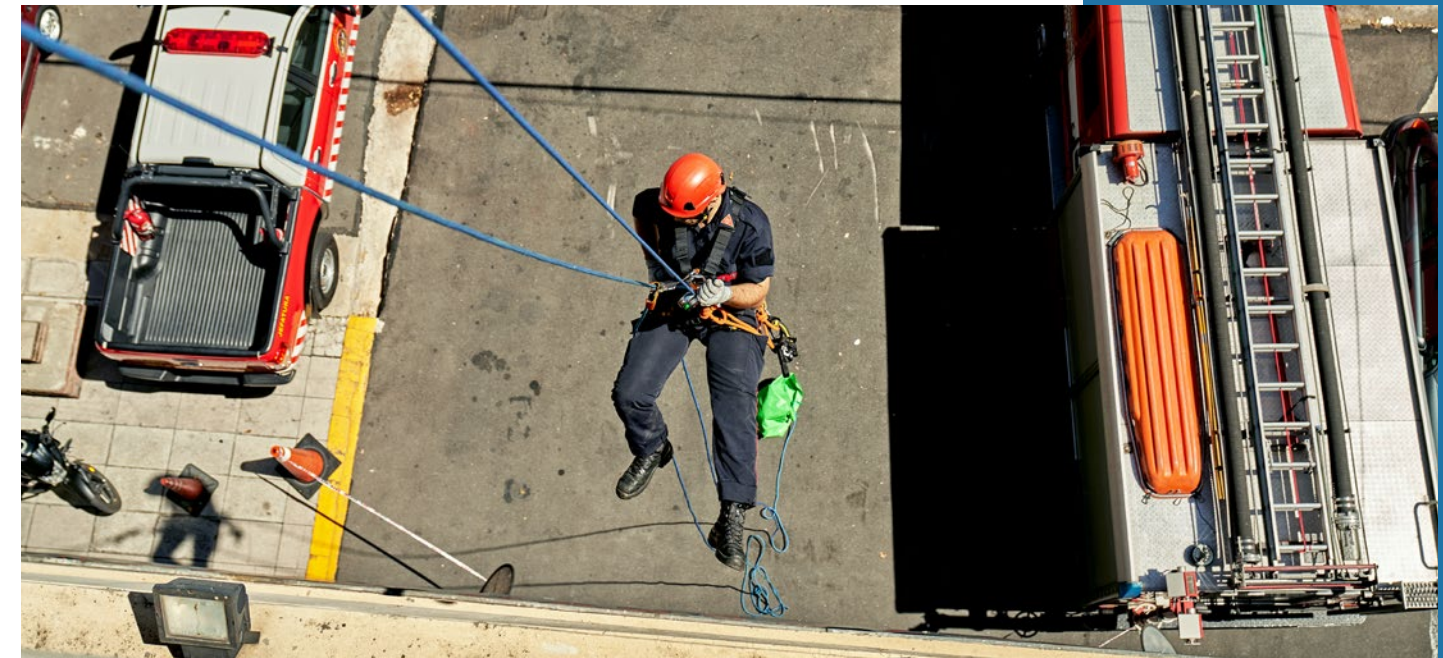
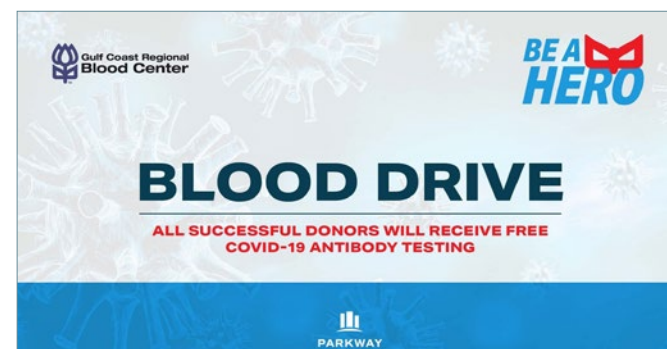
# COMMUNITY PARTNERSHIPS

### GULF COAST REGIONAL BLOOD DRIVES

Parkway has worked closely with the Gulf Coast Regional Blood Center to support our community for many years. The first blood drive was held in March 1998 at San Felipe Plaza, and 39 units of blood were collected, allowing 117 lives to be saved. The program has only grown since then. Today, all of Parkway's properties participate in drives with the blood center multiple times per year, and each year enough units of blood are collected to save over 1,000 lives.

Parkway chooses to partner with the Gulf Coast Regional Blood Center because they are one of the largest community blood centers in the United States and the only 24/7 blood provider in the Houston area. Not only do they collect blood for the area, they also manage the distribution process based on need and are able to move blood from one hospital to another if need increases in one location over another after the initial distribution. Their efforts save lives within our community, and Parkway is proud to facilitate access to their services for our tenants and community neighbors.

By hosting blood drives multiple times per year at all of our properties, we are able to support the Blood Center's work of serving the 26 counties and more than 170 hospitals and health care institutions along the Texas Gulf Coast. In 2021, we held four drives throughout the year at seven different locations per drive, totaling 28 blood drives across the portfolio. We received donations totaling 488 units of blood, leading to approximately 1,464 lives to be saved. Blood donors were given a mini-physical exam and a free COVID-19 antibody test as needed.



### HOUSTON FIRE DEPARTMENT DRILLS

Parkway has had a long-standing relationship with the Houston Fire Department that allows the fire fighters to practice maneuvers at CityWestPlace, San Felipe Plaza, and Phoenix Tower. Parkway primarily works with fire stations 3, 28, and 69. The fire fighters use the buildings to practice fire panel paging, elevator recall for fire service, and high-rise and rope rescues. In garages, the fire fighters practice running up and down stairs with full gear and pulling or carrying fire hoses. In the building and garage stairwells, they simulate a fire and work together to navigate through the stairwells to certain floors. Each stairwell has certain signage that is required by the City of Houston so the fire fighters can safely make their way to a call.

**"The fire fighter's job is one where they are willing to sacrifice their own life to save another. If CityWestPlace can assist the fire-fighting team in practicing to save lives, we're committed to them 100% – just like they're committed to us. This partnership will gladly stay in place and be a location for the fire fighters to train as long as they need it."**

— Chris Ball, Senior Property Manager, CityWestPlace



# CHARITABLE EVENTS

Parkway continues to encourage our staff to become involved in their communities, join professional organizations, and engage in community service. We provide our employees with one paid day per year for volunteer activities, and we engage with a number of charitable organizations on an ongoing basis. In 2021, we hosted or promoted events and campaigns aimed at improving the local community in the City of Houston and beyond to make a real and measurable difference in the communities where we operate.



Mo Pie U 2021

## FALL PIE DRIVE

Pies benefitting kids who have lost parents to cancer

UNIQUE YEAR-END GIFT OPTION

\$50

JUMBO PIE



Kiss those boring gifts goodbye, help a kid in need by giving pie!



## Help Brighten Someone's Holiday by Adopting an Angel

Please join us in supporting The Salvation Army of Houston through The Angel Tree Program.



Donations Due By Friday, December 4<sup>th</sup>

Community Outreach Link:

<http://parkwaycommunityoutreach.virtualangel.org/>

### ANGEL TREE

Parkway continued our partnership with the Salvation Army for the third year in a row and hosted the Angel Tree program in November and December 2021. Angels included children from Foerster Elementary School and seniors in need from surrounding Houston neighborhoods. Since 1889, the Angel Tree Program has worked to provide aid during the holiday season to needy children and senior citizens in the Houston area. Parkway tenants who took part in the program adopted angels and collected hundreds of gifts to fulfill the wish lists of their adopted angels. Our generous Parkway community adopted 188 angels, making a difference in their lives and marking our greatest participation to date.

### FRIENDS OF FOERSTER

In 2021, Parkway continued our partnership with the Friends of Foerster, an ongoing donation campaign that helps to meet needs at Southwest Houston's Foerster Elementary School, which serves an at-risk community, and the surrounding community. In order to practice safety measures due to the pandemic while still trying to help bridge the gap for these children and their families, Parkway hired Houston Random Acts Of Kindness

to set up spring donation stations at each of our Houston properties throughout the week of March 8-12, 2021. An abundance of food, hygiene products, clothing, and toys were collected for the children and delivered to the school.

In preparation for children returning to school, we hosted a summer Back To School drive from July 26 – August 13, 2021. Parkway collected donations at nine different locations across our properties and with some of our vendor partners. We collected everything from non-perishable food items that help fill food shortage needs to clothing, school supplies, and many other items. Parkway maintains a list of the most-needed items at [www.friendsoffoerster.com](http://www.friendsoffoerster.com) where it is accessible to program supporters.

### MOE PIE U

During the first week of November, Parkway held a drawing for two dozen delicious and homemade Bourbon Chocolate Pecan Pies, which were delivered to the winners just prior to Thanksgiving. For each pie won, \$50 was donated to Mo Pie U, a nonprofit created in honor of former Parkway employee Moises (Mo') Tobias to provide tuition assistance for children who have lost a parent to cancer. Learn more at [mopieu.org](http://mopieu.org).



# SUSTAINABILITY AWARDS



## EXTERNAL AWARDS



Parkway Houston was proud to be named a 2021 Green Lease Leader at the Silver level by the Institute for Market Transformation and the U.S. Department of Energy’s Better Buildings® Alliance. Green Leases can address a range of efficiency improvements that not only help landlords and tenants lower operating expenses but also improve indoor air quality and protect occupant health. At Parkway Houston, we pride ourselves on our commitment to sustainability, and green leasing is an important part of our program.

## INTERNAL AWARDS

We recognize that the work our property teams do on a continuous basis to keep our buildings running smoothly and efficiently forms the backbone of our operations. Each year, we recognize the hard work of our teams by handing out awards for the buildings that demonstrated high levels of energy and water efficiency and high recycling performance over the previous year.



Most Energy Efficient Building  
**Post Oak Central B2**



Highest ENERGY STAR® Score  
**1 Greenway Plaza (87)**



Most Water Efficient Building  
**11 Greenway Plaza**



Highest Waste Diversion Rate  
**Post Oak Central B3**



# REPORTING & DISCLOSURE

At Parkway, we believe transparent ESG reporting and disclosure fosters investor confidence, trust, and employee engagement. Furthermore, efficient and sustainable portfolios that continue to improve their ESG metrics are increasingly attractive in the real estate marketplace. As such, this annual report aims to provide insightful metrics and information of interest for investors, employees, stakeholders and tenants.

## 2021 HIGHLIGHTS

9

YEARS REPORTING  
TO GRESB®

23

YEARS BENCHMARKING  
WITH ENERGY STAR®

10

YEARS OF LEED®  
CERTIFIED BUILDINGS

7

YEARS REPORTING TO BETTER  
BUILDINGS® CHALLENGE







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**REPORTING & DISCLOSURE**

Parkway benchmarks all of PKY’s Houston properties on the ENERGY STAR® Portfolio Manager® website to obtain an accurate baseline for energy, water, and waste usage. In 2021, 59% of PKY’s Houston properties had earned their annual ENERGY STAR® certifications. For 2021, we are reporting the results of our energy benchmarking and environmental management activities. We also track our sustainability performance through our ongoing participation in the annualGRESB® assessment. This sustainability report references Standard Disclosures from the G2016 indicators of the GRI Standards.

**REPORTING STANDARDS**

This report has been compiled to reference Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines — a framework which fosters consistency, comparability, and transparency. Parkway has identified GRI as one of the most trusted and recognized standards for reporting environmental, social, and governance performance. It falls directly in line with our long-term commitment to promoting sustainability. No representation or warranty is given with respect to the information contained herein, and Parkway is under no obligation to (and expressly disclaims any obligation to) update any of the information provided in this report.

Market and industry information throughout the report have been provided by sources other than Parkway that are believed to be reliable. However, this information has not been independently verified, and no assurances can be given by Parkway regarding the accuracy or completeness of this information. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in evaluating the merit of investing in Parkway.

**THE GLOBAL REPORTING INITIATIVE**

The GRI is an international independent organization that helps businesses, governments, and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, governance, and social well-being. With a goal to enable real action to create social, environmental, and economic benefits around the world, GRI’s Sustainability Reporting Standards have transformed reporting from a niche practice to one that is globally adopted. With thousands of GRI reports produced in over 100 countries, GRI provides the world’s most widely used standards on sustainability reporting and disclosure, enabling businesses, governments, civil society, and citizens to make better decisions based on information that represents global best practices on economic, environmental, and social issues. This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines. Please refer to the GRI Standards Table on the next page for a complete list of the GRI G2016 indicators covered in this report.

**PARKWAY REPORTING STANDARDS**



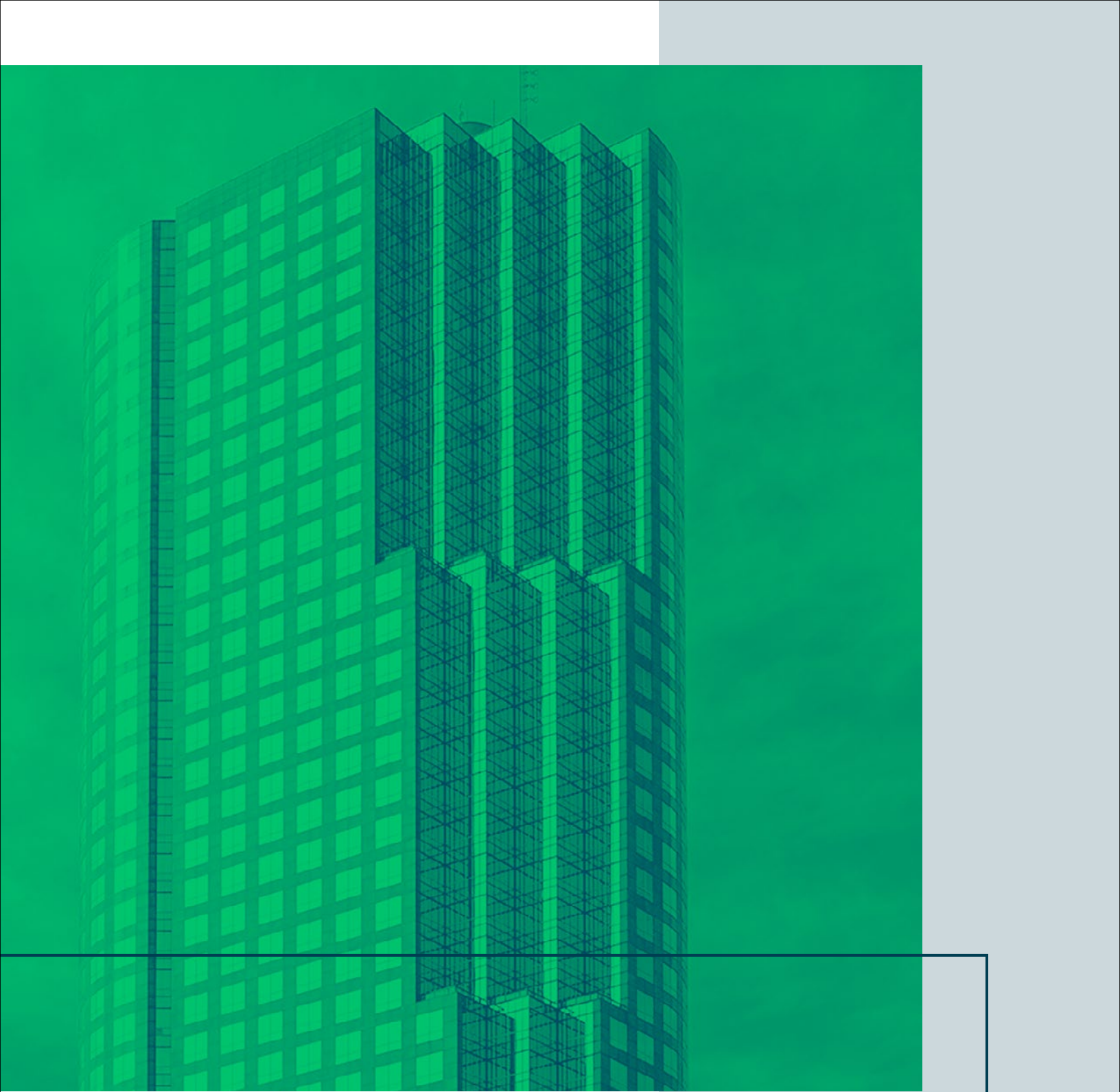


# GRI STANDARDS TABLE

1. ORGANIZATIONAL PROFILE			
102-1	Name of the Organization		Company Profile
102-2	Activities, brands, products, and services		Company Profile
102-3	Location of headquarters		Company Profile
102-4	Location of operations		Company Profile
102-5	Ownership and Legal Form		Company Profile
102-6	Markets served		Company Profile
102-12	External Initiatives		Strategic Partnerships, Industry Engagement
102-13	Membership of Associations		Strategic Partnerships, Industry Engagement
2. STRATEGY			
102-14	Statement from senior decision maker		Executive Message
102-15	Key Impacts, Risks, and Opportunities		Governance Risk Management, Environmental Risk and Resilience
3. ETHICS & INTEGRITY			
102-16	Values, Principles, Standards, and Norms of Behavior		Company Profile, Governance Risk Management, Sustainability Commitment
102-17	Mechanisms for advice and concerns about ethics		Governance Risk Management
4. GOVERNANCE			
102-18	Governance Structure		Company Profile
102-20	Executive-Level Responsibility for Economic, Environmental, and Social Topics		Executive Message
102-22	Composition of the Highest Governance Body and its Committees		Company Profile
102-27	Collective Knowledge of Highest Governance Body		Company Profile
102-29	Identifying and Managing Economic, Environmental, and Social Impacts		Governance Risk Management, Environmental Risk and Resilience
102-30	Effectiveness of Risk Management Processes		Governance Risk Management, Environmental Risk and Resilience
5. STAKEHOLDER ENGAGEMENT			
102-40	List of Stakeholder Groups		Strategic Partnerships, Industry Engagement
102-43	Approach to Stakeholder Engagement		Strategic Partnerships, Industry Engagement

6. REPORTING PRACTICE			
102-50	Reporting Period		Scope
102-53	Contact Point for Questions Regarding the Report		Contact Information
102-54	Claims of Reporting in Accordance with the GRI		Reporting and Disclosure
102-56	External Assurance		Strategic Partnerships – DNV®
300. ENVIRONMENT (MATERIALS, ENERGY, WATER, EMISSIONS)			
301. MATERIALS			
301-1	Materials Used by Weight or Volume		Performance Goals, Targets and Progress, Sustainability, Performance Indicators
302. ENERGY			
302-1	Energy Consumption within the Organization		Performance Goals, Targets and Progress, Sustainability, Performance Indicators
302-3	Energy Intensity		Performance Goals, Targets and Progress, Sustainability, Performance Indicators
302-4	Reduction of Energy Consumption		Performance Goals, Targets and Progress, Sustainability, Performance Indicators
303. WATER			
303-1	Water Withdrawal by Source		Sustainability - Water Efficiency, Performance Indicators
304. BIODIVERSITY			
304-2	Significant Impacts of Activities, Products, and Services on Biodiversity		Sustainability - Sustainable Sites & Biodiversity
305. EMISSIONS			
305-4	GHG Emissions Intensity		Performance Goals, Targets and Progress, Sustainability, Performance Indicators
305-5	Reduction of GHG Emissions		Performance Goals, Targets and Progress, Sustainability, Performance Indicators
400. SOCIAL			
405. DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of Governance Bodies and Employees		Governance Risk Management – Diversity & Inclusion
413. LOCAL COMMUNITIES -			
413-1	Operations with local community engagement, impact assessments, and development programs		Tenant & Community Events
416. CUSTOMER HEALTH & SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories		Health & Well-being Programs
419. SOCIOECONOMIC COMPLIANCE			
419-1	Non-Compliance with Laws and Regulations in the Social and Economic Area		None. We follow all laws set forth at each asset.





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