2025 IFRS S2 Report



PIEDMONT REALTY TRUST | 2025



Galleria on the Park | Atlanta, GA

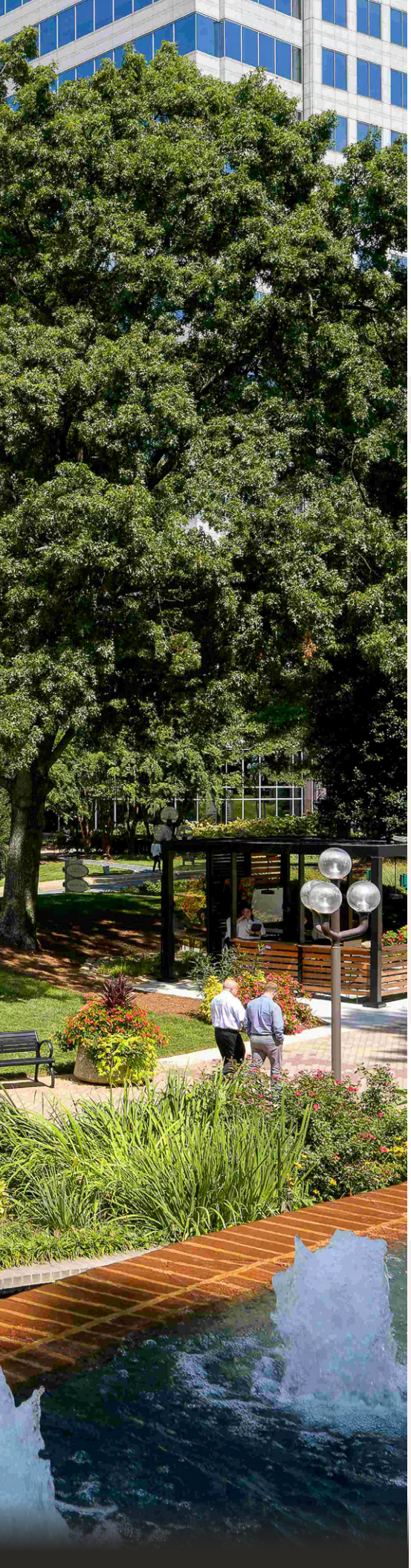


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About Us

Corporate Overview

Piedmont Realty Trust™ (NYSE: PDM) is a fully integrated, self-managed real estate investment company focused on delivering an exceptional office environment. As an owner, manager, developer, and operator of approximately 16 MM SF of Class A properties across major U.S. Sunbelt markets, Piedmont Realty Trust™ is known for its hospitality-driven approach and commitment to transforming buildings into premier "Piedmont PLACEs" that enhance each client's workplace experience.

About TCFD and IFRS S2

The Task Force on Climate-Related Financial Disclosures (TCFD) was established by the Financial Stability Board in December 2015 to improve and increase reporting on climate-related financial information.

In 2023, the Financial Stability Board announced that the work of the TCFD had been completed and asked the International Financial Reporting Standards (IFRS) Foundation to take over monitoring of progress on companies' climate-related disclosures. The IFRS Foundation also announced the publication of the inaugural International Sustainability Standards Board (ISSB) standards — IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures." The objective of IFRS S2 is for entities like Piedmont to disclose information about climate-related risks and opportunities that may affect an entity's cash flows, access to finance, or cost of capital over the short, medium, or long term.
IFRS S2 requirements are structured around four categories that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.

Piedmont is an industry leader in sustainability, consistently recognized for building operations excellence that supports tenant attraction and retention, lowers operating costs, and enhances portfolio resilience. Piedmont has earned the ENERGY STAR Partner of the Year – Sustained Excellence designation and maintains one of the most extensively certified commercial office portfolios in the United States, with 83% of the portfolio ENERGY STAR rated and 74% LEED certified as of year-end 2025, including 63% certified LEED Gold or higher. In 2025, Piedmont achieved GRESB's highest sustainability rating of "5 Star" for the third consecutive year and "Green Star" recognition for the fourth consecutive year, ranking in the top decile among all participating listed American companies.
Piedmont refers to the IFRS S2 framework to incorporate climate-related risks and opportunities into its risk management and strategic planning processes. Piedmont recognizes the importance of climate-related financial disclosure and reports its greenhouse gas (GHG) emissions, reduction targets, and progress toward achieving them in its annual Corporate Responsibility Report and responses to GRESB.

In this IFRS S2 report, Piedmont discloses how climate change and the transition to a low-carbon economy can potentially affect its business over the short, medium, and long-term.

Governance

Board Oversight of Climate

S2.6a, S2.6a(i), S2.6a(iv)

Piedmont Realty Trust has established a comprehensive governance framework to oversee climate-related risks and opportunities, with clearly defined responsibilities across multiple levels of the organization. The Nominating and Corporate Governance Committee is the Board of Directors' primary oversight body for environmental, social, and governance matters, including climate-related issues. This committee receives quarterly updates from the Corporate Responsibility Committee, which is co-chaired by the Chief Operating Officer and Chief Financial Officer, both of whom report directly to the Chief Executive Officer. The Audit Committee also oversees enterprise risk assessment, which includes climate-related risks alongside other enterprise risks. Piedmont's full governance architecture can be found in the committee-charter and Board-governance discussion in the proxy.

Board Climate Expertise

S2.6a(iii)

The governance bodies responsible for climate oversight have established processes to ensure that appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities. Board oversight is supported by a diverse mix of experience in risk management, technology, finance, and real estate operations. Management-level climate capability sits primarily with the Corporate Responsibility Committee, the Property Management Leadership Team, and the Energy & Sustainability Committee, supported by employee training and external advisers, as needed. More information on director qualifications and skills can be found in the proxy. The Board's oversight of skills and competencies extends to ensuring that management has the necessary expertise to implement climate-related strategies effectively. This structure ensures that climate-related strategies are implemented by personnel with appropriate technical expertise and operational experience.

Board Climate Oversight Frequency

S2.6(v)

The Corporate Responsibility Committee meets quarterly ahead of quarterly board meetings to ensure the representatives are prepared to brief the CEO and Nominating and Corporate Governance Committee during board meetings. The Board also receives information on climate-related risks and opportunities through the company's annual enterprise risk assessment process. All directors are interviewed in conjunction with Piedmont's annual risk assessment process, which considers climate-related risks alongside other enterprise risks. This process provides the Board with a comprehensive view of how climate-related risks compare to other risks facing the organization and informs decisions about risk mitigation strategies and resource allocation.

Board Oversight of Climate Targets

S2.6a(v)

The Chief Operating Officer and Chief Financial Officer, as co-chairs of Corporate Responsibility Committee, bear direct responsibility for informing the Chief Executive Officer and Board of Directors about the committee's decisions and activities. This dual leadership model ensures that climate oversight integrates both operational and financial perspectives, recognizing that climate-related risks and opportunities have implications across both domains. The co-chair structure also provides redundancy and continuity in climate governance, ensuring sustained attention to these matters regardless of individual availability or organizational changes.

The Board's oversight of climate-related targets extends to monitoring the company's performance against established benchmarks and industry standards. The company participates in the annual GRESB Real Estate Assessment, which is the standard by which ESG performance is measured in the real estate industry. The Board receives information on the company's GRESB performance and uses this information to identify improvement opportunities and to benchmark the company's performance against industry peers.

Management Oversight of Climate

S2.6b, S2.6b(i), S2.6b(ii)

The Corporate Responsibility Committee holds primary responsibility for setting general strategy relating to environmental and social matters, including climate change. The committee's mandate encompasses developing, implementing, and monitoring initiatives and policies based on this strategy, as well as identifying and creating processes to manage risks and opportunities associated with climate change. This delegation ensures that climate considerations are embedded within strategic planning and operational execution rather than treated as peripheral concerns.

An operational committee structure ensures that strategic climate objectives established by the Corporate Responsibility Committee are translated into concrete actions at the property and portfolio levels. The Property Management leadership team, which makes up our Energy & Sustainability Committee, carries primary responsibility for executing environmental-related strategy, including energy, greenhouse gas emissions, water, and waste management programs, ensuring that climate considerations are integrated into day-to-day operations across Piedmont's portfolio. Additionally, the Energy & Sustainability Committee operates at a more tactical level to execute environmental management policies and programs. This team is comprised of the Executive Vice President of Property Management, Vice President of Property Management Operations, Vice President of Sustainability and National Initiatives, Vice President of Engineering, Regional Managers, and consultants, as needed. This organizational structure enables climate considerations to flow bidirectionally, with strategic direction cascading down to operational teams while operational insights and challenges inform strategic refinement.

Piedmont has implemented comprehensive controls and procedures to support management's oversight of climate-related risks and opportunities, integrating these mechanisms with other internal functions. The company's Environmental Management System (EMS) is aligned with ISO 14001 standards, ensuring that Piedmont's climate governance follows established best practices and provides a framework for continuous improvement. The EMS operates as a continuous improvement model that allows the company to update, expand, and improve its approach over time as climate science evolves and business conditions change.

The company's Internal Audit function performs assessments of the underlying control framework supporting publicly available information and validates the completeness and accuracy of data used in reporting. This internal audit process actively reviews policies, controls, and responsibilities while providing deeper analysis into specific areas where stockholders have highlighted concerns. Internal Audit has adopted an integrated approach, incorporating corporate responsibility risks into broader audit plans to ensure that corporate responsibility activities are tracked, considered, and documented. This integration ensures that climate-related controls receive the same rigor and attention as financial and operational controls.

Piedmont's 2025 asset-level energy, water, emissions, and waste data submitted to the 2026 GRESB Real Estate Assessment and used as the foundation of metrics reported in the annual Corporate Responsibility report was examined by a third-party a accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information'. This external assurance provides independent verification of climate-related data quality and reporting accuracy, enhancing stakeholder confidence in disclosed information. The third-party examination covers the full scope of environmental performance metrics, ensuring comprehensive validation of climate-related disclosures.

Control Management	Responsible Party	Integration with Internal Functions	Frequency
Environmental Management System (ISO 14001 aligned)	Corporate Responsibility Steering Committee	Integrated with operational management and strategic planning	Continuous with quarterly reviews
Internal Audit of Data	Internal Audit Department	Incorporated into broader audit plans covering financial and operational controls	Annual comprehensive review
Third-Party Assurance	External Auditor, DNV Business Assurance USA, Inc.	Validates data used across investor relations, regulatory and operational controls	Annual examination
Quarterly Committee Meetings	Corporate Responsibility Steering Committee and Energy & Sustainability Committee	Coordinates across property management, finance, human resources, and engineering functions	Quarterly
Property-Level Action Plans	Regional Managers and Property Management Teams	Links portfolio strategy with site-specific operations and tenant engagement	Ongoing with quarterly progress reviews



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Strategy

Climate-Related Risks and Opportunities

S2.10a, S2.10b, S2.10c, S2.10d, S2.11

The company's methods of climate risk identification include material topics identified by SASB and GRESB, physical risks specific to property locations identified by FEMA and the World Resources Institute (WRI), and information learned through industry groups and peers as well as short-term impacts already being experienced, such as increasing utility and insurance rates. This multi-source approach to risk identification ensures comprehensive coverage of both physical and transition risks.

We have identified both physical risks (flooding, storm intensity, extreme heat) and transition risks (policy changes, carbon pricing, market shifts) that could affect our prospects. We define time horizons as short-term (next 10 years), medium-term (10-15 years), and long-term (15+ years), linked to our strategic planning. We use First Street's Risk Factor™ tool, FEMA data, WRI data, and industry information to identify risks.

Transition risks are risks that arise from the process of adjusting to a lower-carbon economy, while physical risks are risks that are a result of the direct physical impacts of climate change. To monitor our physical risks, we leverage First Street's Climate Risk Report which is available for every asset. We update this report every five years. To monitor our transition risks, we leverage GRESB's Transition Risk Report to understand our portfolio and asset-level risk with regards to transitioning to a low-carbon economy. The most recent report conducted in 2025 was based on V2.04 of the CRREM pathways and indicates each asset's CRREM Misalignment Year – which identifies which year each asset is at risk of exceeding its allocated 1.5^{0}C-aligned carbon budget. We complete this assessment every three years.

Climate and Anticipated Effects of Climate-Related Risk

S2.13a, S2.13b

We provide detailed disclosure of current and anticipated effects of climate-related risks across short, medium, and long-term horizons, including impacts on operations, insurance rates, and building codes. We clearly identify geographical concentration of physical climate risks, with Orlando, Houston, and Dallas facing highest risks from flooding, wind, and extreme heat. Our disclosure addresses concentration in building operations and property management across our portfolio. See the Piedmont's 2025 Corporate Responsibility Report for detailed physical and transition risks.

Impact of Climate Risks on Strategy

S2.14a, S2.14a (iv), S2.14a(v), S2.14b, S2.14c

Piedmont's strategy for achieving its emissions reduction goal focuses primarily on reducing non-renewable energy consumption by eliminating energy waste. This approach recognizes that operational improvements in existing buildings offer the most cost-effective pathway to emissions reductions in the near term. We implement comprehensive utility management programs designed to systematically identify and address sources of energy waste across the portfolio.

Piedmont's Scope 1 emissions, which include natural gas consumption for heating, water heating, and cooking, are addressed through building system optimization, fuel switching where feasible, and improved operational controls. Scope 2 emissions, encompassing whole-building electricity, district steam, and district chilled water consumption, are targeted through a combination of energy efficiency improvements, renewable energy procurement, and tenant engagement initiatives.

The transition plan incorporates property-level action planning, with annual meetings to review performance goals progress and develop site-specific strategies. This decentralized approach enables property management teams to identify opportunities specific to individual buildings while maintaining alignment with portfolio-wide objectives. The company regularly updates property prioritization scores to focus resources on assets with the greatest potential for emissions reductions or the highest climate-related risks.

Green building certifications play a strategic role in the transition plan, pursuing ENERGY STAR building certifications annually for eligible buildings, maintaining and growing the portion of the portfolio with active LEED O+M certifications, and renewing all properties' BOMA 360 designations upon expiration. The portion of the portfolio with building certifications and the portfolio average ENERGY STAR score serve as key performance indicators for tracking progress.

Tenant engagement represents a critical component of the emissions reduction strategy. The company implements green leasing practices and tracks the portion of tenants with separate electricity and water meters in accordance with SASB disclosure requirements. Property teams collect and analyze tenant feedback through the Kingsley Survey conducted every two years, providing insights into tenant priorities and opportunities for collaboration on sustainability initiatives. The company shares building energy performance information with tenants, including annual ENERGY STAR scores, and communicates sustainability-related information through email communications and newsletters covering topics such as community events, utility company resources, and on-site e-waste collection events.

The transition plan incorporates climate scenario analysis to assess the resilience of the strategy under different future conditions. We use the CRREM (Carbon Risk Real Estate Monitor) methodology for downscaling global emission budgets to property-level decarbonization pathways, which is part of the GRESB Transition Risk Report. This approach enables us to evaluate whether individual properties and the overall portfolio remain aligned with science-based decarbonization trajectories. As of the 2025 Transition Risk Report, 100% of floor area is covered by a decarbonization pathway, with 68% of floor area currently at risk of exceeding pathway requirements.



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Climate Resilience Strategy

S2.22

While Piedmont's climate-related targets apply to the entire entity, we have developed region-specific implementation strategies to account for variability in energy rates, GHG emissions factors, local utility decarbonization goals, and local policies. Our portfolio spans four primary regions: Southwest, Southeast, Northeast, and Midwest, each with distinct characteristics that influence decarbonization pathways.

In the Southwest region, which includes Dallas and Houston markets, we face challenges related to high baseline water stress and physical climate risks including extreme heat and wind. Implementation strategies for this region prioritize water efficiency projects, building envelope improvements to maintain tenant comfort during rising temperatures, and energy efficiency measures to reduce cooling loads. In the Southeast region, which includes Atlanta and Orlando markets, we focus on leveraging utility decarbonization initiatives and addressing flood risks in certain properties.

The Northeast region benefits from relatively lower emissions factors in electricity grids and access to district energy systems in some markets. Implementation strategies emphasize optimizing district energy usage, improving building envelope performance to reduce heating loads, and exploring renewable energy opportunities due to the high cost of grid electricity. In the Midwest region, particularly Minneapolis, there are higher emissions factors associated with coal-based electricity generation, therefore making this region high priority for reducing consumption, prioritizing energy efficiency investments and monitoring utility decarbonization progress as coal plants are decommissioned.

We use First Street's Risk Factor™ tool for physical climate scenario analysis to assess resilience across our portfolio. We completed an analysis of all owned assets in 2024 and intend to use this tool for any new acquisitions, as well as updating the property-level reports every 3-5 years. Through use of the Risk Factor reports, we were able to determine there is a concentration of physical climate risks, with Orlando, Houston, and Dallas facing highest risks from flooding, wind, and extreme heat.

Across the portfolio, extreme heat poses the most consistent risk, with all regions expected to experience increasing temperatures. Rising temperatures will challenge our ability to maintain tenant comfort while simultaneously reducing property energy consumption and emissions.

Risk Management

Climate Risk and Opportunities Identification Process and Integration into Risk Management Process

S2.25

We use Risk Factor™, FEMA and WRI data sources, SASB and GRESB frameworks, and industry peers as inputs for risk identification. We employ climate scenario analysis through the Risk Factor™ tool and the GRESB Transition Risk Report. We assess risks using the Risk Factor tool quantifying on 1-10 scale and identify specific physical risks by region. We monitor through our Environmental Management System aligned with ISO 14001 and quarterly Corporate Responsibility committee meetings. In 2023, we began use of the Risk Factor™ tool and gained SBTi SME approval for our near-term GHG emissions goal.

We identify climate opportunities through our Environmental Management System and committee structures, including opportunities to reduce operating costs and enhance tenant amenities. Our current process focuses more on risk management than opportunities.

The Board and company leadership receives information on climate-related risks and opportunities through the company's enterprise risk assessment process. All directors are interviewed in conjunction with Piedmont's annual risk assessment process, which considers climate-related risks alongside other enterprise risks. This annual risk assessment provides a comprehensive view of how climate-related risks compare to other risks facing the organization and informs decisions about risk mitigation strategies and resource allocation.

Metrics and Targets

GHG Emissions Alignment with Protocol and Methodology

S2.29a(ii), S2.29a(iii) (1)-(3)

Our reporting boundaries are aligned with the GRESB Standing Investments guidelines, which require participants to report on all standing investments in their portfolio, regardless of ownership, operational or control circumstances. For our emissions reporting, we follow guidance from the GHG Protocol Corporate Standard. We provide detailed energy, water, waste, and emissions data with third-party assurance according the International Standard on Assurance Engagements (ISAE) 3000 (revised) – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board.

In our GHG inventory, Scope 1 emissions, or direct emissions, are generated by the onsite combustion of natural gas used for heating, hot water, and cooking. Scope 2 emissions, or indirect emissions, are generated by the offsite generation of steam, chilled water, and electricity supplied by local utilities. We are working towards measuring and reporting our full material Scope 3 GHG emissions according to the GHG Protocol. In 2025, we began calculating our Category 5, Waste Generated in Operations. In 2024 and 2025 we expanded Category 13 Tenant Emissions to be more inclusive, allocating the full tenant emissions at 60 Broad Street, as well as significant tenant-managed data centers at 200 S. Orange Avenue and Crescent Ridge II – these were previously allocated to Scope 2. Piedmont leverages Schneider Electric's GHG emissions service team to update our carbon map annually and the Resource Advisor platform to monitor and report on our Scope 1, Scope 2 and Scope 3 emissions.

Asset Exposure to Transition and Physical Climate Risk and Opportunities
S2.29

We conducted a detailed assessment of transition risks across our portfolio, including potential impacts from carbon pricing, energy efficiency requirements, and market changes, with specific transition risks outlined over different time horizons. For physical risks, we used Risk Factor™ tool showing portfolio's overall physical risk is 3.7 out of 10, with Orlando, Houston, and Dallas identified as highest risk regions for flooding, wind, and extreme heat. Assessment covers our entire portfolio with asset-level detail.

Climate-Related Targets and Methodology
S2.33a-h, S2.34a-d

We have established comprehensive climate-related targets to monitor progress toward achieving strategic environmental goals and to address regulatory requirements. Our target-setting approach reflects a commitment to science-based decarbonization aligned with international climate agreements and industry best practices. We do not use carbon offsets or renewable energy credits to meet our climate-related targets.

All climate-related targets apply to our entire entity across the complete Piedmont portfolio, covering all operating properties in our Atlanta, Boston, Dallas, Minneapolis, New York, Northern Virginia, D.C., Orlando, and Houston markets. While targets are company-wide, we have developed region-specific implementation strategies accounting for variability in energy rates, emissions factors, utility decarbonization goals, and local policies.

Climate-Related Target Performance
S2.35

In 2023, Piedmont revised its energy, water, and emissions targets after determining that the initial 20% reduction goals against a 2016 baseline had been achieved. The company reset the baseline to 2018 and established more ambitious targets of 30% savings for energy and water use intensity and 50% savings for whole-building GHG emissions intensity by 2030. This revision reflects the company's commitment to continuous improvement and recognition that more aggressive action is necessary to align with climate science and stakeholder expectations.

The metrics used to monitor progress toward reaching targets include absolute emissions measured in metric tons of CO_2 equivalent for Scope 1 and 2 emissions, energy use intensity measured in kBtu per square foot, and water use intensity measured in gallons per square foot. As of 2025, Piedmont reported absolute Scope 1 and 2 emissions of 68,038 MT CO_2e, compared to a baseline of 124,025 MTCO_2e, a savings of 45%, representing continued progress toward the 2030 target.

Metric	Unit of Measure	2018 Baseline	2024 Performance	2025 Performance	2030 Target
Absolute Scope 1 and 2 Emissions	MT CO_2e	124,025	69,958	68,038	62,013 (50% reduction)
Whole-building GHG Emissions Intensity	MT CO_2e/SF	7.7	4.5	4.4	3.85 (50% reduction)
Energy Use Intensity	kBtu/SF	64.7	47.8	47.6	45.3 (30% reduction)
Water Use Intensity	Gallons/SF	14.7	10.4	9.8	10.3 (30% reduction)

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