

Q&A:

Q1. What are you communicating today?

Members of the Coalition for Energy & Environmental Leadership in Leased Space (Coalition) are communicating their commitment to help drive an increase in the availability of competitively priced leased space that is also energy efficient and provides other environmental attributes.

These companies recognize that it is often easier to secure leading-edge energy and environmental features in a workplace when an organization owns its building, is designing a new building from scratch, or is presenting a large leasing opportunity to a landlord. However, it can be much harder to secure these features when the organization is just leasing a relatively small amount of space in a large multi-tenant building and therefore has much less leverage.

By joining together, the Coalition hopes to favorably affect this latter circumstance to make more environmentally sustainable leased spaces increasingly the standard rather than the exception in the marketplace.

Q2. How are you going to achieve this objective?

Members of the Coalition have developed a baseline Environmental and Energy Efficiency Attributes Checklist, known to the Group as the “Tier 1 Checklist”. This checklist addresses requirements in four specific areas: sustainable site management; water efficiency; energy efficiency; and materials and resources.

Members of the group commit to

- Include the Tier 1 Checklist as a standard section in their requests for proposal (RFPs) for new leases and lease renewals for office space in the US;
- Require leased space providers to answer this checklist as part of their response to RFPs;
- Include the provider’s response to the Tier 1 Checklist as a factor in making a lease decision;
- Evaluate appropriate metrics to track implementation, and
- Proactively communicate their objective and commitment.

Q3. Who are the members of the Coalition?

List of founding organizations:

DuPont (Facilities Services & Real Estate)
Fluor Corporation
IBM Corporation
Pitney Bowes Inc.
The Switzer Group

Q4. Why are you doing this?

Collectively, the corporate members of the Coalition lease approximately 25 million square feet of commercial office space in the U.S. alone, much of which is in multi-tenant buildings.

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The Coalition members believe that there is a meaningful role they can play to bring focus to achieve this objective, particularly in multi-tenant buildings, through their collective desire for more efficient, environmentally sustainable leased space.

Q5. What are the benefits in doing this?

We believe providing a workplace that is energy efficient and managed with sound environmental practices is not only good for the environment but also good for business. Some positive business advantages are:

- Cost reduction resulting from more efficient use of energy, water and other resources and materials;
- Increased employee (occupant) satisfaction through their ability to participate in services such as recycling and alternate commuting options and in working for an employer that is committed to environmental sustainability. Employee satisfaction will result in productivity gains and better employee retention.
- Enhanced environmental leadership and public image meeting the expectations of employees, investors, communities and the public.

Q6. How is the Tier 1 Checklist different from the U.S. Green Building Council's LEED® rating systems?

The Coalition's Tier 1 Checklist identifies 10 environmental and energy attributes that the members will use to evaluate and prioritize their options when leasing commercial space. As opposed to the LEED rating systems with different levels of certification, all 10 attributes must be provided in order for a building to meet the Coalition's requirements. Some of the attributes may be similar in concept to the LEED credits, but are intended to be only the basic minimum elements for environmentally sustainable buildings.

Q7. Why did you develop your own checklist as opposed to using the LEED criteria?

One of the Coalition's main goals is to drive incremental and measurable environmental improvements in existing leased buildings. This led the members to focus on 10 specific aspects within four areas (sustainable site management; water efficiency; energy; and materials and resources). The Coalition

February 2010

COALITION FOR ENERGY AND ENVIRONMENTAL LEADERSHIP IN LEASED SPACE

believes this more focused approach may result in more property owners / operators taking action sooner to become more energy efficient and reduce environmental impacts.

Q8. Are members doing this to deflect the pressure to pursue more stringent rating systems such as LEED?

No. We commend all enterprises that take actions to improve building efficiency, including achieving LEED certifications. Indeed many of the member companies of the group already do and will continue to pursue LEED certifications individually.

We believe this narrower focus offers a way to potentially increase the ability of property owners / operators of leased space to take action and as a result, make these energy efficiency and environmental attributes available more quickly in leased space.

This initiative shares the environmental goals of programs like LEED, and complements other activities member companies have underway in improving environmental characteristics of their real estate portfolios.

Q9. Why is this initiative limited to the U.S.?

While the initial focus is on member companies' U.S. operations, there is no restriction on how broadly members of the group may rollout this program. Many member companies have global operations and may choose to implement this program across their global leasing operations, and beyond just office space.

Q10. Why is the focus office space?

We believe leased space in multi-tenant buildings will benefit the most from a group effort like this. Most of the leases the member companies have in multi-tenant buildings are office space.
(Also see Q3).

Companies are encouraged to expand this initiative to other types of leased space, as appropriate.

Q11. What if a provider can only partially meet the Tier 1 Checklist requirements but offers other environmental and energy efficiency attributes not on the list? How might you make your leasing decision in your provider selection?

The Coalition members have designed the Tier 1 Checklist to represent basic requirements so a provider's ability to meet Tier 1 Checklist requirements will be an important consideration.

Q12. What are the specific requirements in the Tier 1 Checklist?

The Tier 1 Checklist currently includes requirements in these areas: alternative commuter programs, preventive maintenance practices for grease traps and oil/water separators, low flow restroom fixtures, motion sensor faucets, low water use irrigation systems with time and rain sensors, separate meters and

February 2010

COALITION FOR ENERGY AND ENVIRONMENTAL LEADERSHIP IN LEASED SPACE

separate controls for tenant space, energy efficient lighting and controls, building recommissioning (e.g., energy, HVAC) programs, and recycling programs.

If needed: These attributes are subject to change and therefore the checklist is not being provided in its entirety.

Q13. Why should providers participate particularly if meeting Tier 1 Checklist requirements may have a higher cost of initial investment?

In addition to meeting client requests, operating buildings in an efficient (as prescribed by many of the attributes in the checklist) manner will result in a lower total cost of ownership for the providers. Given the increasing interest from clients for more energy efficient and environmentally preferable leased space and the likelihood of expanded government requirements on building efficiency, leased space providers will be able to gain leadership and differentiate themselves by being proactive.

Q14. What will you do to publicize your commitment?

Member companies may publicize this commitment via a number of means including, company web sites; presenting at conferences; and / or direct discussions with space management firms or providers, landlords, and building owners. We look forward to working with our space providers to identify challenges and opportunities, and drive improvements.

Q15. Why didn't the group set a specific requirement or goal with respect to leasing space with these energy and environmental attributes?

At this point, the dearth of leased space containing these attributes in the areas where the members have or require space has made it difficult to determine and set a meaningful numeric goal for achieving our objectives. The Coalition plans to monitor progress and hopes to develop a goal in the future.

Q16. How will you measure progress?

Member companies plan to track their searches for space, landlords' ability to provide space with the requested attributes, and use this knowledge to develop appropriate metrics.

Q17. Given the downturn in the economy and in real estate in many areas of the country, do you really think this initiative can make a difference?

"Yes, because property owners / operators of leased space recognize that companies have become increasingly aware of the benefits of leasing space that is more efficient and that has the environmental attributes we've included in our checklist – and will look for this type of space when they seek new or additional space. Meeting this need and providing the preferred product will enable the property owners / operators to be more competitive in the market.