

2023

ENVIRONMENTAL, SOCIAL & GOVERNANCE HIGHLIGHTS

Transforming With Transparency



CHAIR, PRESIDENT, AND CEO LETTER

At Parsons, we are committed to transforming tomorrow for the better through global infrastructure and national security solutions. Our environmental, social, and governance (ESG) strategy is central to that commitment, as part of our focus on delivering a world that is safer, healthier, more connected, and more secure. I am proud to share our 2023 ESG report with you, which documents how Parsons is accelerating ESG to achieve climate goals and make the world a better place.

Our dedication to Cultivating a Responsible Enterprise, or CARE, informs Parsons' corporate stewardship and powers our actions to improve sustainability and resilience; enhance a culture of inclusion across genders, sexual orientations, races, and ethnicities; and strengthen governance practices. Our approach to ESG stems from our core values of safety, sustainability, diversity, equality, integrity, and innovation—we apply each of these principles to everything we do, as a company inspired to deliver measurable value for our customers, shareholders, and communities.

In 2022, we established new targets for enhancing gender and ethnic/racial diversity and veteran hiring, supported by targeted outreach efforts as part of our recruitment process. We revised executive compensation policies, which tie a portion of our CEO's and other executive officers' annual bonuses to diversity. We also hired our first director of diversity, equity, and inclusion (DEI) and enhanced partnerships at the executive level and with our employee business resource groups (EBRGs) and DEI Council, focusing on our cultural competencies and intersectionality through actions that educate, elevate, and celebrate our diverse workforce. We committed to update our near- and long-term company-wide emission reductions in line with the Science Based Targets initiative (SBTi). We are proud that we completed 2022 with our lowest global total recordable incident rate in company recorded history, at 0.12, which is ongoing proof that we carry out our commitment to safety for all employees, including mental health and well-being and remote work safety.

Our dedication to ESG also informs how we are capitalizing on synergies from across our portfolio to create solutions that foster resilience, advance environmental stewardship and sustainability, and enhance the quality of life for communities across the globe. For example, by combining our expertise in technology and experience in global infrastructure, we are maximizing digital transformation and cyber resiliency. Similarly, we are improving digital equity by connecting underserved communities with broadband internet through our smart infrastructure projects. In 2022, we continued to examine decarbonization pathways for our own company operations and for the clients we serve. For instance, we provided design engineering for charging stations ahead of our first electric truck fleet and leveraged our EV and green infrastructure capabilities, partnering with key clients to introduce zero-emission buses (ZEB) into local communities to help provide service equity while improving quality of life by reducing greenhouse gases, nitrogen oxide, and noise decibels.

We have also continued to be recognized for our commitment to ethical business practices, including being honored by Ethisphere in March 2023 as one of the World's Most Ethical Companies for the 14th consecutive year.

Our ESG approach reflects our commitment to our core values, which empower our people to maintain the highest standards of performance while solving global challenges. I am proud of how we deliver on our shared mission, grounded in a collective commitment to CARE, and am pleased to share the positive results of our efforts here in our 2023 ESG report.

Carey Smith

Chair, President, and Chief Executive Officer



About Parsons

Founded in 1944, we are a digitally enabled solutions provider focused on creating the future of the defense, intelligence, and infrastructure markets. Inspired by our vision, driven by our mission, and underpinned by our core values, we continue to solve the world's most complex challenges and deliver innovative critical infrastructure and national security solutions to enable a world that is safer, smarter, more sustainable, and more secure.

With an unwavering commitment to our core values and our employees, we solve our customers' most important emerging challenges and deliver results for our shareholders.



Safety



Quality



Integrity



Diversity



Innovation



Sustainability

About This Document

We remain committed to clear and transparent reporting to our stakeholders on environmental, social, and governance (ESG) topics. This "Highlights" report represents key activities and disclosures for the 2022 calendar year. For a full set of quantitative and qualitative disclosures for the period of January 1, 2022, to December 31, 2022, refer to the 2023 ESG Disclosures document. Additional details about Parsons and our ESG factors and programs can be found in the following resources:

- [→ Parsons ESG Website](#)
- [→ 2023 ESG Disclosures](#)
- [→ Governance Documents](#)
- [→ 2023 Proxy Statement](#)
- [→ Fiscal Year 2022 \(FY22\) 10-K](#)

2022 IN REVIEW



AWARDS & ACHIEVEMENTS



Ethisphere: One of the World's Most Ethical Companies for the 14th consecutive year



G.I. Jobs Military-Friendly Employer: Gold Top 10 (#3)



Military Times: Best for Vets Employers #26



Human Rights Campaign: Best Places to Work for LGBTQ+ Equality



STEM Workforce Diversity Magazine: Top 50 Employer



AEC New York: Diversity, Equity, Inclusion and Belonging 2022



Washington Business Journal: Corporate Diversity Index



Minority Engineer Magazine: Top 50 Employer



Greenhouse Gas Emissions

METHODOLOGY & BOUNDARY

Scope 1 and Scope 2 greenhouse gas (GHG) emissions calculations and methodology are consistent with the [GHG Protocol \(GHGp\) Accounting and Reporting Standard](#). Scope 3 emissions calculations and methodology are consistent with the [GHGp Corporate Value Chain \(Scope 3\) Standard](#). We calculate GHG emissions for corporate activities using the “operational control” organizational boundary as defined by the GHGp standard.

TARGETS

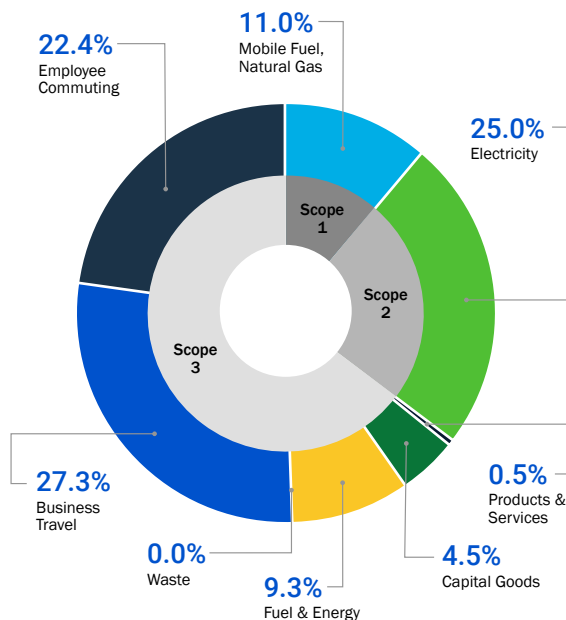
In 2021, we set a target of 20% reduction in absolute Scope 1 and 2 GHG emissions by 2025 compared to a 2019 baseline, in line with the 2°C scenario developed by the Paris Agreement. In 2022, we announced a commitment to set updated near- and long-term company-wide emission reductions in line with the Science Based Targets initiative (SBTi), which leads the Business Ambition for 1.5°C campaign. SBTi is a collaboration between the CDP, United Nations Global Compact (UNGC), World Resources Institute (WRI), World Wide Fund for Nature, and We Mean Business Coalition Commitments.

Our intent is to submit targets to SBTi for validation, including an absolute 45% reduction for both Scope 1 and Scope 2 and target for Scope 3, from a 2021 baseline to 2031, and net-zero GHG emissions no later than 2045. The plan to achieve these targets includes a continued reduction of the company’s real estate footprint, low carbon energy procurement, ongoing flexible work options for employees, and the management of both business travel and the supply chain. The plan also includes improving the efficiency of Parsons’ fleet vehicles across the company and on projects, including the introduction of the first electric trucks in 2023.

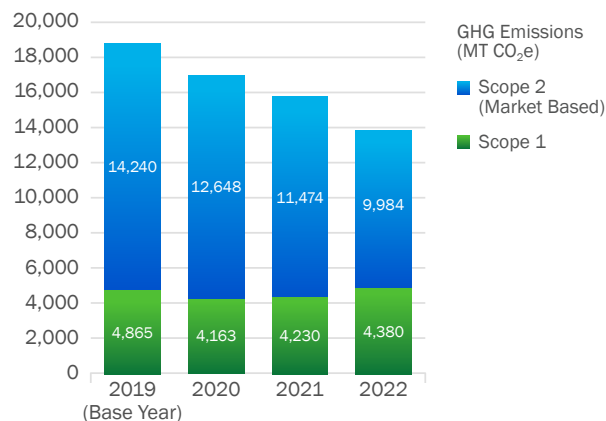
2022 PERFORMANCE

In 2022, Scope 1, 2, and 3 emissions totaled 39,868 metric tonnes (MT) CO₂e, consisting of Scope 1: 4,380 MT CO₂e, Scope 2: 9,984 MT CO₂e, and Scope 3: 25,505 MT CO₂e. Aggregate emissions decreased by 9% in 2022, compared to 2021, primarily due to lower Scope 2 electricity use and a reduction in Scope 3 employee commuting. Scope 1 and 2 emissions were 25% lower in 2022 compared to the 2019 baseline.

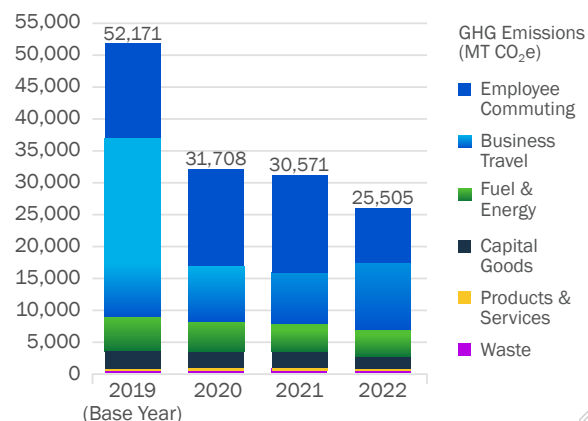
GHG Emissions Distribution (2022)



Scope 1 & 2 GHG Emissions (Metric Tonnes CO₂e)



Scope 3 GHG Emissions (Metric Tonnes CO₂e)



Energy

Our energy consumption comprises the use of fuel for our leased fleet, natural gas for office heating, and purchased electricity for our offices and is expressed in megawatt hours (MWh). In 2022, we observed a 5% decrease in energy consumption compared to 2021 and a 23% decrease compared to the 2019 baseline.

Water

Parsons' offices obtain water from municipal water supplies. Our water is not sub-metered in our offices and is typically included in lessor charges. Where consumption for an entire facility has been provided by the owner, we have allocated our usage based on the facility square footage and Parsons' square footage. We have included all water charges provided by owners, including landscaping, but coverage is inconsistent across facilities. In 2022, we were able to obtain data covering 52% of our leased footprint. Total water use for the entire footprint was calculated by extrapolating based on our total area of leased home-office spaces.

In 2022, we observed a 32% decrease in water consumption compared to 2021 and a 19% decrease compared to the 2019 base year.

Waste

In 2022, our North American operations diverted 118 MT of securely shredded paper, equivalent to preserving 3,117 trees.

In addition, when our electronic equipment reaches the end of its life cycle, it's reused, donated, or recycled in a safe, secure, and socially responsible manner. In 2022, our North American operations recycled or repurposed notebooks, PCs, monitors, servers, and other electronics equal to 30 metric tonnes of e-waste diverted from landfills.

Parsons' offices do not generate hazardous waste in a material or measurable way. Efforts are made to responsibly dispose of, reuse, or recycle materials used in our offices, including batteries, cleaning supplies, and electronic equipment.

Climate Strategy

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

In the fall of 2022, Parsons conducted climate risk and opportunity workshops with senior leadership from our four business units (BUs), representing a cross section of the geographies and markets in which we operate. We conducted additional workshops with relevant corporate functions (e.g., Safety, Procurement, and Real Estate) to better understand the management of risks.

CARBON PRICE

For the first time, in 2022, we set an internal price of carbon at \$51/MT, which is the social cost of carbon established by the US government. We are applying a shadow price to be used in long-term business planning and investment. We are committed to continuing to evaluate how to best utilize carbon pricing to further our climate goals and drive employee best practices.



ENGINEERING NEWS-RECORD (ENR) – 2022 YEAR IN CONSTRUCTION: PHOTO CONTEST WINNER

Parsons is the design-builder for Kicking Horse Canyon (KHC) Phase 4 as part of a joint venture. The project includes improved avalanche and rockfall protection to enhance safety, fencing and passage for wildlife, wider shoulders to accommodate cyclists, and ongoing construction coordination to allow morning and afternoon right-of-way for the local elementary school's bus.

SOCIAL



Environmental



Social



Governance

Workforce

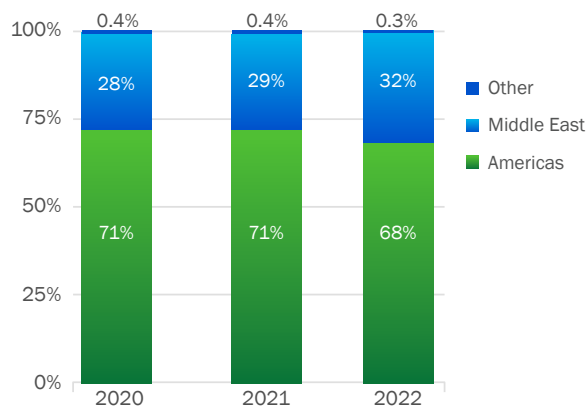
OVERVIEW

Our total workforce headcount was 17,159 on December 31, 2022, which constitutes a 12% increase from 2021. The vast majority of our staff (94%) are full-time employees, with the largest contingency in the Americas, followed by the Middle East, with less than 0.5% of our employees in Asia, Europe, or elsewhere.

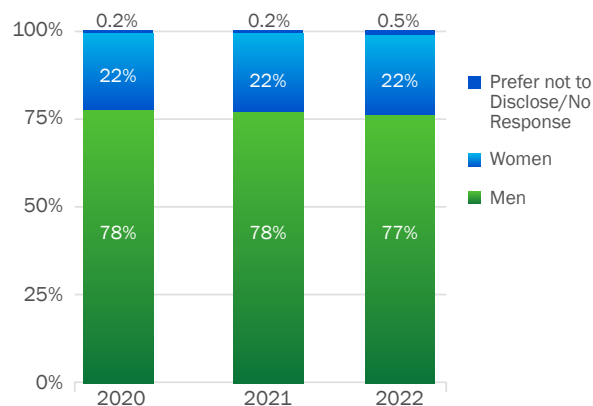
WORKFORCE DIVERSITY

In prior years' reports, our gender disclosures and targets were reported for North America, demonstrating an improvement year over year. We have now shifted to reporting global gender breakdown, which has remained flat since 2020. Our new commitment is to enhance gender diversity enterprise-wide and to expand our categories to include our nonbinary colleagues.

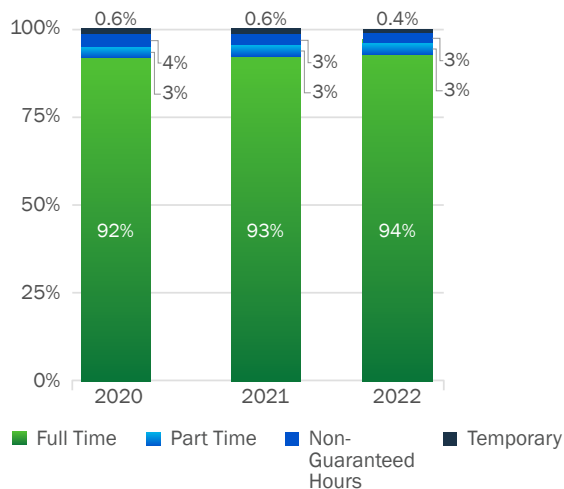
Global Workforce By Region



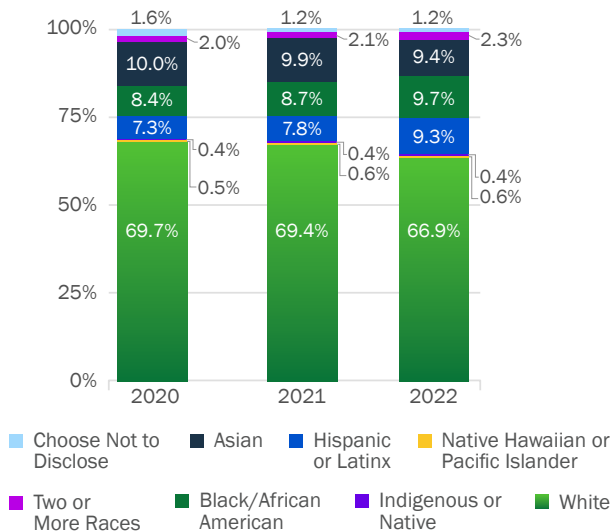
Global Workforce By Gender



Global Workforce By Employment Type



US Workforce By Race/Ethnicity



Diversity, Equity & Inclusion

Diversity is a Parsons core value. In 2022, with the appointment of our director of diversity, equity, and inclusion (DEI), we became more strategic in this journey of embedding DEI in every aspect of our business. Our strategy supports greater leadership visibility and ownership of DEI commitments, transparency, accountability, and a unified and consistent vision for our DEI evolution. Our director of DEI provides oversight and coordination of our DEI Council, our employee business resource groups (EBRGs), and other DEI-related initiatives to ensure alignment with our overall mission and vision.

In 2023, our EBRGs are still going strong, supporting and connecting our diverse employee communities:

- BELONG: Blacks Engaging, Leading, Organizing, Nurturing, and Growing
- HOLA: Hispanic Origin and Latin American Network
- Parsons PRIDE Alliance (LGBTQ+)
- PWR: Parsons Women's Roundtable
- SOAR: Society of Oceanic and Asian Regions
- MILVET: Military and Veteran Community

In 2022, we also increased DEI-related employee engagement, concentrating on cultural competencies and intersectionality through activities that educate, elevate, and celebrate our diverse workforce, such as the following:



EDUCATE

- SOAR webinar on myths about Asian Americans
- Thoughtful Thursdays: a biweekly blog created by the director of DEI
- Video presentations and TED Talks regarding disability and neurodiversity
- Monthly Diversity Dispatch newsletter
- Parsons' Pronouns Explained guide
- Honoring Indigenous Populations: listing of inappropriate language choices and behaviors



ELEVATE

- Day of Reflection: George Floyd and social justice
- International Transgender Day of Visibility
- Inaugural PWR Conference
- World Mental Health Day
- BELONG town hall on triple-negative breast cancer



CELEBRATE

- Six EBRG heritage/history months and Juneteenth
- Veterans Day montage honoring our veterans and military families



Community Investment

Parsons is an active and engaged participant in the communities in which we do business and where our employees work and live. Through financial contributions and volunteerism, our [Parsons Gives Back](#) program supports charities, programs, events, and agencies that share our core values, with the objective of reinforcing efforts to create a more just and equitable society. We align our voluntary and charitable priorities with the following three focus areas:

- Military/Veteran: Applies to any volunteer work with agencies that directly help military veterans, active service members, or their families.
- Education/STEM: Applies to all educational or STEM work, which includes diversity- and Historically Black College and University-related hours, mentoring, and education support (talent pool building-type activities).
- Vibrant Communities: Related to improving climate action, health and well-being, and achieving zero hunger. Examples include sustainability/environmental cleanup, community impact, and access to vital services (health, food, education).

We have long-term community involvement programs in place, including sponsoring the annual Tragedy Assistance Program for Survivors (TAPS) golf tournament, participating in an annual scholarship program involving web page build events for nonprofit organizations via 48 in 48, employer-match donations to charities of choice for Parsons Corporation Political Action Committee (PARPAC) participants, a scholarship program in conjunction with the Modern Military Association of America, an end-of-year holiday donation to nonprofit organizations, Volunteer of the Year philanthropic giving, and others. We monitor and evaluate the impacts of our community projects by collecting stakeholder feedback and improving our year-over-year contributions. In 2022, our employees self-reported 19,925 hours of volunteer time, a 52% increase over 2021. Our 2022 end-of-year donation went to Girls Who Code.

Employee Life

FULL-TIME EMPLOYEE BENEFITS

Our comprehensive benefits program in 2022 was consistent with prior years, with offerings in medical, dental, vision, flexible spending accounts, commuter accounts, health savings accounts, basic term life insurance, optional life insurance, basic accidental death and dismemberment insurance (AD&D), voluntary AD&D, short-term disability and long-term disability insurance, critical illness, group accident, hospital indemnity insurance, a legal plan, an identity protection plan, pet insurance, auto and home insurance, a 401(k) plan, an employee stock ownership plan, and an Employee Assistance Program. International employees receive medical, dental, vision, an Employee Assistance Program, life insurance, long-term disability insurance, and evacuation coverage.

We also provide employee benefits driven by the desire to create a healthy and productive work environment for our employees, such as workplace flexible work options (FWOs), working-time reduction in the form of part-time and casual working options, and employee support programs such as dependent care and special leave (US only), the Wellness For Life Program (US only), and the Employee Assistance Program (EAP), which includes mental health management

OTHER INCENTIVES

Parsons provides long-term incentives for employees below the senior management level, including stock options and cash incentives, such as the employee stock ownership plan (ESOP) retirement plan and employee stock purchase plan (ESPP), depending on employee eligibility.

Since 2019, our Distinguished Recognition and Incentive (DRIVE) Program has offered monetary and non-monetary incentives to recognize, reward, and encourage high-caliber work. As of December 2022, the DRIVE Program comprises nine distinct award levels, each with its own criteria, workflow, and rewards. The program is open to all part- and full-time employees around the globe, and awards can be distributed from a supervisor to a team or team member, from an individual contributor to a supervisor, and from peer to peer.

The program also allows us to make contributions to charitable organizations to celebrate each of our True to the Core awardees.

ENGAGEMENT

In 2022, the overall response rate for our annual employee pulse survey was 48%, an improvement over 2021 and one of our highest-ever participation rates. The survey helps us assess employee culture and satisfaction and identify areas for improvement in employee engagement and the employee experience. Employee satisfaction trended slightly higher than last year, with the following key topics and concerns:

- Satisfaction with the strong, performance-driven, team-based culture in the organization
- Desire from employees for more growth and development support, as well as improvements to compensation and benefits

We use the survey results to drive action planning through the organization to guide our cultural journey to become a more dynamic, entrepreneurial, and creative place to work.



Learning & Career Development

EDUCATION & TRAINING

In 2022, employees had access to a robust learning catalog of over 18,000 digital and virtual, instructor-led professional development and compliance courses offered through our learning management system and LinkedIn Learning, our learning content provider. Parsons employees completed approximately 2,800 hours of coursework on DEI topics, 6,500 hours of coursework on ethics, over 9,000 hours of coursework on safety, and almost 9,500 hours of coursework on security. Approximately 25,000 hours of coursework on other topics were completed as well. Employees continued to take advantage of our flexible, virtual approach to training to sharpen and grow their career-related skills.

Parsons also offers a tuition reimbursement program to North American employees, which provides reimbursement for the completion of job-related college courses at an accredited or recognized school, college, or university. In 2022, Parsons invested almost \$615,000 in our employees' education: 183 employees received reimbursement under the program and completed 440 courses related to their careers.

MANAGERIAL & LEADERSHIP DEVELOPMENT

Our Lead & Engage Program is a leadership development program aimed at new and new-to-Parsons people managers, as well as managers who are just looking to build on their skills. The program targets critical manager behaviors in the areas of work environment, communication, hiring, and performance and development. The program consists of a live, virtual Effective Management Workshop focused on supporting employee growth and development, combined with a curriculum of e-learning content in areas such as motivation; psychological safety; conflict resolution; diversity, equity, and inclusion; and communication. In 2022, Parsons ran nine cohorts across the company. Managers who have completed the program have found it to be impactful and have been able to deploy lessons learned immediately.

In addition, Parsons' mentoring program continued to thrive, with a pool of over 500 mentors available to offer support and guidance to employees on a variety of topics, including technical skills, leadership development, and career paths. The number of employees receiving mentorship grew from 340 in 2021 to 512 in 2022, and the number of executives participating as active mentors also grew, from 96 in 2021 to 133 in 2022.

Last but not least, in 2022, our Strategic Leadership Program (SLP) replaced the former Leadership Council (LC), which had been a key part of Parsons' leadership development efforts since 1999. The overall mission of the SLP is to bring new and different perspectives to corporate operations and strategic planning efforts, to communicate how the corporation works across the organization, and to provide leadership experience and development opportunities for high-potential employees. Participants complete a leadership certificate program through the Columbia Business School, and skills gained through that program are then employed for the second half of the curriculum, which is focused on solving an enterprise-wide business challenge. The SLP and LC together have engaged over 200 employees, many of whom have gone on to executive and senior management roles within the corporation.

Human Rights

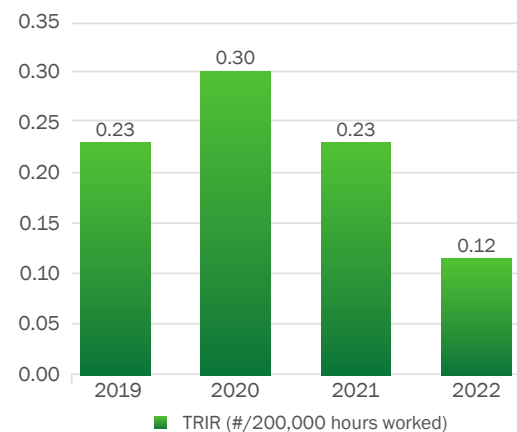
In 2022, we published a company-specific policy on human rights that demonstrates our respect for and commitment to preserving internationally recognized human rights per the guidance in the United Nations Universal Declaration for Human Rights (UDHR) and the Organization for Economic Cooperation and Development (OECD). The policy applies to Parsons Corporation and all Parsons businesses and subsidiaries worldwide, including joint ventures and similar partnerships managed by Parsons. The policy interfaces with existing corporate policies and guidance, such as our Code of Conduct and our Anti-Corruption, Anti-Harassment, and Anti-Human-Trafficking policies.

Safety, Health & Environment

Safety is a Parsons core value. Our world-class approach to safety, health, and environment (SH&E) makes it imperative that all employees and stakeholders actively engage in, and take responsibility for, SH&E matters. Our Environmental, Safety, Health, and Risk Program (ESHARP) is continuously evolving to improve the user experience and promote a more interactive process for employees. We engage our employees through our Knowledge Share portal and in robust training and awareness activities on topics such as mental health, well-being, distracted driving, roadway worker protection, remote work safety, and seasonal safety.

While we saw an increase in our global total recordable incident rates (TRIRs) from 0.23 in 2019 to 0.30 in 2020 (attributed to recordable COVID-19 cases per Occupational Safety and Health Administration guidelines), we ended 2022 with our lowest global TRIR in the company's recorded history, at 0.12. Learn more about our SH&E policy and practices [here](#).

Total Recordable Incident Rate



SH&E SYSTEM CERTIFICATION

In 2022, our offices and projects in the United Arab Emirates and Qatar completed a series of audits from the British Standards Institute (BSI) and obtained a renewal of our certifications for the ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System. In addition, we expanded ISO 14001 and ISO 45001 certification to the United Kingdom. These certified SH&E management systems cover approximately 30% of our employees.



Environmental



Social



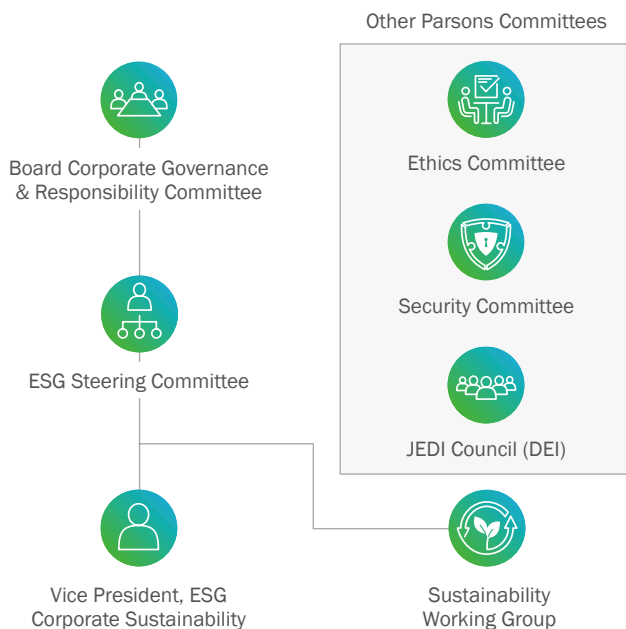
Governance

ESG Governance

BOARD OF DIRECTORS

Parsons' highest governance body is our board of directors, which is led by our chair, president, and chief executive officer (CEO), Carey A. Smith, and the lead independent director, Steven F. Leer. The board has three committees: Audit and Risk (A&R), Compensation and Management Development, and Corporate Governance and Responsibility (CG&R). The CG&R Committee oversees our overall ESG strategy and risks, major plans of action (including setting ESG objectives and targets), implementation and performance monitoring, and disclosures review. The vice president, ESG, provides quarterly briefings to the CG&R Committee on a range of ESG topics, including those that are climate related. The A&R Committee oversees our Enterprise Risk Management (ERM) program, including ESG risks; reviews risk management procedures and risk factors affecting Parsons; and is briefed quarterly by the executive vice president, corporate risk.

ESG Governance Chart



The board consists of 11 directors. Nine of our board members are considered independent, including the lead independent director. Parsons' chair, president, and CEO, Carey Smith, and former chief financial officer, George Ball, are non-independent directors. Our board was 45% racially/ethnically diverse or female, with four female directors (36%) and one racially/ethnically diverse director (9%). In 2022, the average tenure for our directors was 5.7 years, with four of the nine (44%) independent directors added in the last five years.

EXECUTIVE LEADERSHIP TEAM

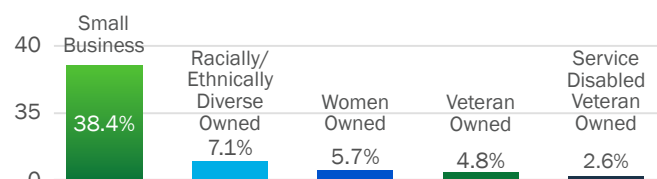
Our CEO leads the [Executive Leadership Team \(ELT\)](#), comprising senior executives representing all business units (BUs) and corporate functions. Our CEO holds overall executive-level responsibility for ESG at Parsons. Primary responsibility for climate-related risk and opportunity identification and management is assigned to our vice president, ESG, reporting to the ELT through the chief business operations officer. Additionally, Parsons' ESG Steering Committee comprises representatives from Operations, Finance, Human Resources, Communications, Legal, and all BUs. The ELT holds Monthly Management Reviews (MMRs) with updates from all BUs and corporate functions. ESG updates are given monthly as a part of the Operations update. Parsons sets annual targets for its six core values, including sustainability, with monthly updates on progress toward targets.

The employee ESG Steering Committee is led by the vice president, ESG, and consists of a team that includes representation from Operations, Finance, Human Resources, Communications, and Legal. Parsons has additional employee committees covering ESG-related topics, including the Ethics Committee; the Security Committee, for physical and cybersecurity risks; the JEDI council, for DEI; and the Sustainability Working Group, with a project-delivery focus.

Supplier Diversity

We're proud of our award-winning Supplier Diversity Program, which engages a variety of firms by leveraging internal and external outreach forums. We consistently promote and sustain a diverse supplier base, as evidenced by the fact that, in 2022, we spent approximately \$725 million with diverse suppliers, which was 39.9% of our total procurement dollars across the enterprise, 10% greater than 2021. These suppliers are tracked in the primary categories listed below. We plan to expand the diversity categories tracked to include LGBTQ+ as the data becomes available.

(Supplier Diversity Spend 2022)



Note: Categories are not mutually exclusive.



Ethics

Integrity is a Parsons core value, and we're committed to ethical practices in everything we do. Our [Code of Conduct](#) is publicly available in English and also provided to employees in Arabic. All suppliers are expected to comply with the [Parsons Standards of Ethical Conduct for Business Partners](#). Our joint venture (JV) partners must have their own code of conduct or abide by our supplier standards.

Employees receive integrity training and our Code of Conduct upon hire and additionally receive annual training. Parsons provides integrity training during even years (2022) and Code of Conduct recertification and acknowledgment in odd years (2023). The completion rate for our 2022 training was 99%.

Quality

Quality is a Parsons core value, highlighting our commitment to performance excellence. Quality drives and impacts all aspects of project execution, including the products we deliver, team performance, customer satisfaction, and project success. Parsons defines quality as meeting requirements, doing things right the first time, and seeking continuous improvement. Our commitment to performance excellence means we strive to exceed minimum expectations.

Quality is not just about the quality assurance (QA) and quality control (QC) functions; it includes quality management (QM), which is how we operate. It expands the focus of quality from technical deliverables to all operations and activities. Everybody

has a role in QM, and each person's efforts contribute to the organization's reputation for quality. Although QA/QC is important, delivering according to requirements the first time—every time—is a result of a QM-focused organization using all the tools available to achieve exceptional performance. A QM mindset focuses on meeting client requirements through the alignment of people, processes, and tools.

At Parsons, quality and program excellence (QPE) is broken into three areas: program excellence, project management, and auditing and certifications.

Information Security

Parsons is committed to protecting the integrity, confidentiality, and availability of information; complying with legal and regulatory security requirements; and meeting all customer requirements while delivering effective and reliable customer solutions. Our Information Security Management System (ISMS) provides direction for continually ensuring the protection of information and meeting our security objectives. In recognition of our commitment to information security, our ISMS has been certified to ISO 27001:2013.

The Audit and Risk Committee is responsible for overseeing information security and is briefed at least quarterly on information security operations, security governance, risk and compliance, and mitigation measures to address risks related to Parsons' global operations portfolio. Our chief security officer, reporting to the chief technology officer, is the executive sponsor for our ISMS and has been designated the Insider Threat Program Senior Official (ITPSO). A monthly cyber threat briefing is held to inform company executives of Information Security operations, risk, and compliance.

Risk Management

We maintain an ERM Program to anticipate and identify key risks; to plan and implement mitigation actions; to capitalize on opportunities to create, enhance, and protect shareholder value; and to ensure that business activities are aligned with our core values and strategic objectives. As part of the ERM Program, we define and continuously monitor our standard risks, including those relating to our ESG objectives. These include legal and regulatory compliance and a number of human resources risks, such as a health, safety, and environment risk. We formally assess each of these annually against tolerance guidelines and measures and formulate controls to mitigate them. Further, we continuously consider and evaluate a wide range of emerging risks to the enterprise, like climate change, for appropriate actions and inclusion in our standard risk portfolio. We also seek to mitigate or avoid risks that could prevent us from achieving our strategic objectives or financial targets, and we actively seek new business opportunities in which our ability to effectively manage risk provides a competitive advantage.



www.parsons.com