PARSONS®

80 YEARS OF
INNOVATION

CARE

CULTIVATING A
RESPONSIBLE ENTERPRISE

FY 2023 Disclosures

About This Report

As part of Parsons' commitment to Cultivating a Responsible Enterprise (CARE), this report provides our stakeholders with quantitative and qualitative disclosures covering Parsons' environmental, social, and governance (ESG) factors. Our report is aligned to the Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), Taskforce on Nature-Related Disclosures (TNFD) frameworks, and is inspired by Global Reporting Initiative (GRI) standards. Additional details about Parsons and our ESG factors and programs can be found in the following resources:

- Parsons' ESG Web Page: Cultivating a Responsible Enterprise (CARE)
- Governance Documents
- 2024 Proxy Statement
- Fiscal Year 2023 (FY23) 10-K

Parsons releases an annual Non-Financial Disclosures report (formerly ESG report). Our FY23 report aligns with calendar year 2023 and our fiscal year 2023 (FY23), covering the period of January 1, 2023, to December 31, 2023.

We announced the acquisition of IPKeys Power Partners, Inc., on March 14, 2023; Sealing Technologies, Inc., on August 23, 2023; and I. S. Engineers, LLC, on November 1, 2023. Data from acquisitions have been included in our disclosures where available. Due to the timing of the full integration of acquisitions, not all disclosures include all acquisitions, and exclusions have been noted in this report.

Parsons' ESG disclosures underwent internal quality checks to verify the accuracy of quantitative and qualitative disclosures and are factual, to the best of our knowledge. The report was reviewed by subject matter experts, Legal, and members of the Executive Leadership Team (ELT). Greenhouse gas (GHG) emissions have undergone limited assurance by an external third party. No other external verifications of this report have been completed, and it should be considered unaudited.

All inquiries for this report should be directed to Mark Van Andel, vice president, environmental, social, and governance (Mark.VanAndel@parsons.com).

DOCUMENT HISTORY

This report was initially released on June 18, 2024. We may provide updates to this report to meet evolving regulatory and stakeholder requirements for disclosures.

Revision	Date	Description
1.0	June 18, 2024	Initial release

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CHAIR, PRESIDENT, AND CEO LETTER

At Parsons, we create the future of national security and global infrastructure.

For 80 years, our core values of safety, sustainability, diversity, quality, integrity, and innovation have anchored our business in support of that mission. We understand that the work we do influences our global footprint as well as the communities where we live, work, and play. I am proud to share our Cultivating a Responsible Enterprise (CARE) FY 2023 Disclosures with you, documenting our commitment to operating as a responsible, ethical, and positive force around the world.

CARE is at the heart of our people-first culture. We live our values and invest in our employees' well-being by creating an inclusive, flexible, and resilient work environment, dedicated to mission solutions that create lasting change. We promote collaboration and intersectionality, connecting people and communities by supporting organizations like the Tragedy Assistance Program for Survivors (TAPS) and its work with military families, and by volunteering for nonprofit organizations such as Technovation and championing their efforts to advance women in STEM.

The program also aligns with our emphasis on inclusivity as a key factor for our success in innovation. Through our employee business resource groups, Employee Experience team, and ongoing focus on culture as a competitive advantage at Parsons, we've created a global community that links our employees worldwide and promotes cooperation and communication as we address our customers' most difficult challenges. We also continued our commitment to workforce diversity through talent attraction and retention, including improving gender and racial/ethnic diversity.

Sustainability and resilience are central to everything we do as a company, driving decision-making at the operational level and informing how we hone our engineering and design practices to deliver projects that meet the full life-cycle needs of the community.

Whether it's delivering connectivity through rail and transit projects, managing a transformational linear city driven by 100% renewable energy, or powering new ways of mobility through electrification—Parsons is leading with the agility and entrepreneurism required to solve the world's most challenging problems. That leadership allows our company to set robust sustainability targets, including a 50% reduction in Scope 1 & 2 GHG emissions and a 30% reduction in Scope 3 emissions by 2030, aiming for net-zero by 2045 and 100% renewable electricity by 2028.

We are also at the forefront of tackling the national "forever chemicals" challenge, aggressively researching innovative technologies, methodologies, and partnerships to address PFAS for our clients globally and to eliminate PFAS risk to people and the environment. As an industry leader, we have completed nearly 2,000 PFAS investigations to date and invested over 15 years in the development of advanced PFAS detection, measurement tools, and artificial intelligence–driven data analysis to address PFAS in drinking water, groundwater, and soils.

I'm proud of the recognition our team has garnered for their successful results in our CARE enterprise. These recognitions, ranging from the Equality 100 Award from the Human Rights Campaign Foundation on its 2023–2024 Corporate Equality Index (CEI) for active support and inclusion of the lesbian, gay, bisexual, transgender, queer (LGBTQ+) community to Forbes' 2023 Best Employers for Diversity represent our commitment to our core values. These recognitions are underpinned by our pride in being named one of the World's Most Ethical Companies for the 14th consecutive year by Ethisphere.

Our values guide how we imagine next to grow our business in partnership with our customers' missions to make the world a better, safer, and more sustainable place for everyone. Thanks to the commitment of our more than 18,500 employees, our core values will remain the foundation for future growth and success.

Carey Smith
Chair, President, and Chief Executive Officer, Parsons Corporation

FY 2023 RECOGNITION AND ACHIEVEMENTS

We imagine next by taking a people-first approach to enhancing sustainability, partnering with our communities and their local populations, ensuring a commitment to ethics and compliance, and promoting the tenets of diversity, equity, and inclusion to inspire a thriving workforce. CARE is woven into our fabric, along with our core values, to underpin who we are and how we operate.

Quality · Safety · Diversity · Integrity · Innovation · Sustainability · PARSONS

CORPORATE RESPONSIBILITY HIGHLIGHTS

48%
Reduction in greenhouse gas emission (Scope 1 and 2 market based) (2019 to 2023)

38%
Executive leadership diversity and woman CEO (2023)

36%
Women directors (2023)

14
Years named to World's Most Ethical Companies (2010–2023)

0.13
Total recordable incident rate in 2023 (safety)

52%
Supplier diversity (2023)

ACHIEVEMENTS AND AWARDS

At Parsons, we strive to create and enhance environmental, economic, and social balance. As part of our 80-year history of cultivating a responsible enterprise, we are proud of the work we do every day to improve the environment and make the world a better place. Our commitment to enhancing diversity, equity, and inclusion is fundamental to our corporate culture and is evident through Parsons' corporate responsibility accomplishments. These successes reinforce the company's commitment to delivering a better world for our customers, employees, shareholders, and the communities where we live and work.

Ethisphere: 2023 World's Most Ethical Companies

Woman Engineer Magazine: Top 50 Employer 2023

Human Rights Campaign: Equality 100 Award 2023/2024

STEM Workforce Diversity Magazine: Top 50 Employer

Forbes: Best Employers for Diversity 2023

Washington Business Journal (WBJ): Corporate Diversity Index 2023

Minority Engineer Magazine: Top 50 Employer 2023

About Parsons

Parsons Corporation (Parsons) is a publicly held company incorporated in the state of Delaware with shares traded on the New York Stock Exchange under the ticker PSN. Our FY23 Form 10-K (10-K) Exhibit 21 contains a list of all subsidiaries of Parsons. Parsons' global headquarters are located at 14291 Park Meadow Drive, Suite 100, Chantilly, VA 20151, United States of America. A list of our office locations can be found on our website.

Parsons is a leading provider of the solutions and services required to support the complex security environment, unprecedented global infrastructure demand, and a world of digital transformation. For 80 years, we have solved our customers' most challenging problems and enabled a safer, smarter, more secure, and more connected world, thanks to a culture of innovation, a focus on delivery, and a mission-focused workforce. Across those eight decades, we've established ourselves as a leading provider of integrated solutions and services that solve emerging customer challenges leveraging our depth of experience and expertise in the markets where we operate. Today, that legacy of success has never been more true or more important, with Parsons uniquely positioned to solve our customers' most critical challenges.

Our One Parsons approach brings together capabilities and innovations from across our markets to provide integrated and unique offerings that leverage our global experience and in-depth technological expertise in areas of emerging demand, like cyber protection for critical infrastructure.

Organizationally, we operate in two reportable segments, Federal Solutions and Critical Infrastructure.

- Our Federal Solutions segment is an advanced technology provider to the US Government, delivering timely, cost-effective solutions for mission-critical projects. We provide critical technologies, including cybersecurity, missile defense, intelligence, space launch and ground systems, space and weapon system resiliency, geospatial intelligence, signals intelligence, environmental remediation, border security, critical infrastructure protection, counter–unmanned air systems, biometrics, and biosurveillance. The US Government and its agencies represent substantially all the revenue of our Federal Solutions segment. These US Government agencies include the Intelligence Community; the Departments of Defense, Energy, Labor, State, Homeland Security, and Commerce; the United States Postal Service; the National Aeronautics and Space Administration; and the Federal Aviation Administration.
- Our Critical Infrastructure segment provides program management, design and engineering services, and owners representative support for complex physical and digital infrastructure around the globe. We develop digital solutions focused on next-generation aviation; rail and transit; and bridges, roads, and highways, leveraging sensors and data to drive smart, sustainable infrastructure. Our capabilities in environmental remediation, water and wastewater treatment systems, and urban development allow us to deliver value to our customers by employing advanced technologies, improving timelines, and reducing costs while reducing environmental impacts and improving quality of life. We design and lead the delivery of complex infrastructure projects, leveraging our expertise as a leader in bridges, transportation, and urban development to support customers in programs that are transforming the global landscape. We serve a diverse global customer base, including federal, state, municipal and industry customers, and private-sector infrastructure owners, such as the transportation authorities for the Cities of Los Angeles, San Francisco, New York, and Paris; the State of New Jersey; AMTRAK; CSX; Metrolinx (Ontario, Canada); Southern Nevada Water Authority; Riyadh Metro; Dubai Roads and Transportation Authority (Dubai RTA); Abu Dhabi Department of Municipalities and Transport; Qatar Public Works Authority (Qatar PWA); the Saudi Arabia Public Investment Fund; and international developers.

Environmental

Introduction

Our environmental strategy not only spans our corporate activities and disclosures but also informs our approach to client services. Since achieving our original Scope 1 and Scope 2 emissions reduction target, established in 2021, we have set bolder decarbonization targets and are working toward a long-term net-zero operational goal. We also have enhanced resources and personnel focused on the delivery of resilient, environmentally sound, and socially sustainable solutions. Additional information on our innovative project solutions can be found on our website.

GHG Emissions

METHODOLOGY & BOUNDARY

Our Scope 1 and Scope 2 greenhouse gas (GHG) emissions calculations and methodology are consistent with the GHG Protocol Accounting and Reporting Standard. Our Scope 3 emissions calculations and methodology are consistent with the GHGp Corporate Value Chain (Scope 3) Standard.

Boundary

Using the operational control approach defined by the GHG Protocol, this calculation accounts for all GHG emissions from operations over which it has control. In this context, control is defined as operational control, where Parsons has the full authority to introduce and implement operating policies at the operation or facility. As such, the calculation will not account for GHG emissions from operations in which Parsons owns an interest but does not have full control. Alignment with financial reporting is also considered in determining the operational boundary. This means that the operational boundary excludes the following:
- Client-owned or client-leased facilities where Parsons employees operate.
- Joint-venture offices or other facilities where Parsons does not have majority control or financial control (i.e., income from noncontrolling interests).
- Emissions from purchased steam apply to one office and have been excluded as immaterial due to the low volume.
- Fugitive emissions from refrigerators in Parsons' offices have been excluded as immaterial due to low volume.
- Exclusion of Scope 3 categories determined to be immaterial as discussed in this document.

Methodology

Our methodology is updated as needed to reflect any changes to our GHG calculation process and ensure we are keeping in line with the GHG Protocol. Parsons' ESG team reviews and incorporates necessary changes to the methodology, which is then verified internally. In 2023, we made several important updates to the data collection process, verification process, and Scope 3 categories, which are described in the following section on methodology updates.

Our calculations include an accounting of the seven greenhouse gases covered by the Kyoto Protocol; i.e., carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), the overall impact of which is expressed in terms of metric tonnes of carbon dioxide equivalents (tCO_2e). Our Scopes 1 and 2 emissions factors come from several sources, including the EPA, UK Department for Environment, Food & Rural Affairs (DEFRA), and Greenhouse Gas Sources and Sinks in the Canada National Inventory Report. Our Scope 3 emission factors are sourced from the North American Industry Classification System (NAICS), EPA, DEFRA, and the International Energy Agency (IEA).

The calculation methodologies are applied consistently across the base year (2019) and the subsequent reporting years (2020 to 2023) using emissions factors relevant for the time period. We define the "significant threshold" of structural change, which triggers a recalculation of prior years' emissions, as 5% of group emissions (structural change includes

outsourcing, divestment, acquisition, or mergers). The acquisition of Xator Corporation in 2022 surpassed our threshold, and we have calculated an updated 2019 baseline, which is further discussed in this document.

2023 Methodology Updates

In 2023, we made comprehensive updates to our GHG methodology to ensure completeness of data, align with best practices, and improve auditability for our first limited assurance of our emissions. All methodology changes have been applied to updates to our 2019–2022 emissions. Recalculated emissions are shown in all GHG tables, below.

Scope 1

Our emissions from mobile fuel sources include our United States fuel card data and fuel spend data from all other countries. Working with our finance team, we have obtained mobile fuel spend across our entire global operations and included it in our calculations. For stationary combustion, we previously estimated our emissions by calculating known emissions from offices with utility data, which was scaled up to our entire leased footprint. For our update, we have changed to a ground-up approach for each office using Commercial Buildings Energy Consumption Survey (CBECS) data published by the US Energy Information Administration, office location, and office square footage.

Scope 2

For our Scope 2 emissions, we previously estimated total emissions by calculating known emissions from offices with utility data, which was scaled up to our entire leased footprint. For our update, we have changed to a ground-up approach for each office using CBECS data published by the US Energy Information Administration, office location, and office square footage. We also updated our methodology to account for our purchase of Renewable Energy Certificates (RECs).

Scope 3

Significant changes to our Scope 3 calculations were made with our 2023 methodology updates.

Our Category 1, Purchased Goods and Services, was updated to include our total procurement spend, including corporate purchases and project subcontracts. Emissions have been calculated using spend by vendor spend data and US Environmentally-Extended Input-Output (EEIO) factors. Due to the large number of vendors Parsons works with, we prioritized categorization of vendors with the highest spend. For 2023, we were able to categorize 66.9% of our spend and scaled up our calculations to account for our total spend. We previously reported Category 2 Capital Goods in our emissions reporting. This calculation was also based on vendor spend data and has now been incorporated into our Category 1 calculations.

Our Category 3, Fuel- and Energy-related Activities (not included in Scope 1 or Scope 2), has been updated to account for both transmission and distribution losses as well as upstream emissions of purchased electricity.

We previously reported Category 5, Waste Generated in Operations, but are no longer calculating these emissions as we have determined them to be immaterial due to the low volume of emissions.

Category 6, Business Travel, was updated to fully capture our entire scope of activities. Working with internal teams, we obtained complete taxi/rideshare data and train/transit/public transport spend data for incorporation into our calculations. In addition, we have included Well-to-Tank (WTT) emissions in accordance with Science-Based Targets Initiative (SBTi) requirements to include full Well-to-Wheel (WTW) emissions.

Our Category 7, Employee Commuting, emissions were also updated to account for WTW emissions with the addition of WTT emissions.

2019 BASELINE

In 2022, Parsons announced the acquisition of Xator Corporation in a transaction valued at $400 million, expected to generate revenue of approximately $300 million. Upon evaluation of Xator's financials, real estate footprint, and markets served, it was determined that the acquisition would likely surpass our 5% threshold for recalculation of our baseline year emissions. Using actual financial spend data, where available, and estimations based on Xator financials relative to

Parsons, we calculated the following 2019 baseline emissions. The 2019 baseline is used for the purposes of our targets and internal tracking and is shown in all GHG tables in this document.

Table 1. 2019 Baseline GHG Emissions

Metric	2019 (Actual)	2019 (Baseline)	Baseline Change vs. Actual
Scope 1	8,224	8,872	7.9%
Scope 2 (Location Based)	14,297	15,240	6.6%
Scope 2 (Market Based)	13,820	14,763	6.8%
Scope 3	380,633	410,004	7.7%

TARGETS

In January 2023, with CEO and board approval, Parsons committed to set updated near- and long-term targets for GHG emissions aligned with 1.5°C and net-zero through the SBTi. In May 2024, we submitted the following targets to SBTi for verification. At the time of publication of this document, the following targets have not been validated and should not be considered approved targets:

- A 50% reduction for Scope 1 and Scope 2 market-based and a 30% reduction for Scope 3 by 2030 compared to a 2019 baseline
- Net-zero GHG emissions no later than 2045
- 100% renewable electricity by 2028 through the purchase of RECs or Energy Attribute Certificates (EACs)

Parsons' plan to achieve climate goals includes continued reduction of the company's real estate footprint, low-carbon energy procurement, ongoing flexible work options for employees, and 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.

Table 2. Emissions Reductions From Baseline (tCO$_2$e Per Year)

Metric	2019 (Baseline)	2023	Change In Emissions
Scope 1	8,872	8,838	-0.4%
Scope 2 (Market Based)	14,763	3,479	-76.4%
Scope 3	410,004	732,463	78.6%
Scope 1 & 2 (Market Based)	23,635	12,317	-47.9%

SCOPE 1 (DIRECT)

Our Scope 1 emissions include stationary fuel consumption from the use of natural gas heating in our offices and mobile fuel consumption from the use of gasoline, diesel, ethanol, and biodiesel in our vehicle fleet. In 2023, utility and building owner actual natural gas usage data was collected for approximately 50% of total offices (by square footage). Natural gas usage for the remaining 50% have been estimated using Commercial Buildings Energy Consumption Survey (CBECS) data published by the US Energy Information Administration, office location, and office square footage.

In 2023, we experienced a small decrease in the number of offices we were able to collect data for due to mid-year office closures. We plan to add more offices in the future and increase the percentage of total offices for which data are collected. Mobile emissions are calculated using fuel type and volume purchased collected from the use of fleet-vehicle fuel cards where available. The remainder of our fuel emissions are estimated from fuel spend data.

Table 3. Scope 1 Emissions (tCO$_2$e Per Year)

Metric	2019 (Baseline)	2020	2021	2022	2023
Scope 1	8,872	7,428	6,981	7,789	8,838

In 2023, we experienced a year over year increase in our Scope 1 mobile combustion emissions linked to a rise in mobile fuel consumption because of employees returning to both the office and fieldwork and strong growth in our EMEA region. This increase was slightly mitigated by reductions in the square footage of our leased office space and the addition of electric trucks to support one of our clients in North Carolina. We have achieved reductions in our Scope 1 stationary emissions since 2019, primarily through the continued right-sizing of our office space, which has decreased our leased square footage 12% in 2023 from our 2019 baseline. The net result was a year-over-year increase in our Scope 1 emissions.

To mitigate this year-over-year increase in Scope 1 emissions and reach our new 2030 absolute targets, we will improve the fuel efficiency of our fleet vehicles and continue our transition to electric-vehicle (EV) fleets in addition to continuing to right-size our office space. As we look to add more EV fleets in the coming years, Parsons must continue to consider numerous challenges regarding the management of vehicle fleets. These challenges include but are not limited to charging infrastructure, vehicle cost, and vehicle performance.

SCOPE 2 (INDIRECT)

Our Scope 2 emissions include the use of electricity in Parsons' office locations. Parsons leases 100% of our real estate footprint and has limited control regarding the availability of raw usage data directly from the utility companies. We thus rely on data provided from property owners or managers and allocate a percentage of overall facility use based on square footage leased divided by total square footage. Data has been collected for electricity usage from approximately 50% of total offices (by square footage). The electricity usage for the remaining offices was estimated using Commercial Buildings Energy Consumption Survey (CBECS) data published by the US Energy Information Administration, office location, and office square footage.

Table 4. Scope 2 Emissions (tCO$_2$e Per Year)

Metric	2019 (Baseline)	2020	2021	2022	2023
Scope 2 (Location Based)	15,240	12,581	11,686	10,932	11,340
Scope 2 (Market Based)	14,763	12,302	11,492	10,706	3,479

Table 5. Purchased Electricity

Metric	2019 (Baseline)	2020	2021	2022	2023
Electricity (Non-Renewable) (MWh)	40,286	35,463	33,801	33,260	8,825
Electricity (Non-Renewable) (%)	100%	100%	100%	100%	27%
Electricity (Renewable) (MWh)	0	0	0	0	23,881
Electricity (Renewable) (%)	0%	0%	0%	0%	73%
Electricity From Grid (%)	100%	100%	100%	100%	100%

Table 6. Purchased Electricity Intensity

Metric	2019 (Baseline)	2020	2021	2022	2023
Total Electricity (MWh)	40,286	35,463	33,801	33,260	32,706
Revenue ($M US)	3,955	3,919	3,661	4,195	5,443
Revenue Intensity (MWh per $M)	N/A*	9.05	9.23	7.93	6.01

*2019 revenue does not include Xator Corporation and does not match emissions including Xator Corporation.

In 2023, we experienced a 3.7% year-over-year increase in our Scope 2 location-based emissions, despite decreases in our electricity usage and leased real estate, due to changes in emissions factors. We are still seeing progress towards our targets with a 25.6% decrease over our 2019 baseline.

We recorded a decrease in market-based emissions, due in large part to our purchase of RECs for the 2023 calendar year. We purchased 23,881 MWh, which amounts to 73% of our annual electricity consumption. When considering purchased RECs in the market-based emissions calculation, the year-over-year decrease is 67.5% and a 76.4% decrease from our 2019 baseline. This performance aligns with our target of 50% reduction in Scope 1 and 2 emissions.

Table 7. Purchased RECs (MWh)

Country	2023
United States	21,906
Canada	1,975
Total	23,881

To continue to drive reductions to our location-based emissions, our corporate real estate and facilities team continuously analyzes upcoming critical junctions in the leasing timeline, office utilization, occupancy, capacity, revenue generation, and other key metrics to leverage all opportunities to drive portfolio optimization.

EMISSIONS INTENSITY

The following table summarizes the emissions intensity of our Scope 1 and 2 emissions.

Table 8. Scope 1 & 2 Emissions Intensity

Metric	2019 (Baseline)	2020	2021	2022	2023
Scope 1 & 2 (Location Based) (tCO$_2$e)	24,111	20,008	18,666	18,721	20,178
Scope 1 & 2 (Market Based) (tCO$_2$e)	23,635	19,730	18,473	18,496	12,317
Revenue ($M US)	3,955*	3,919	3,661	4,195	5,443
Revenue Intensity (Location Based) (tCO$_2$e per $M)	N/A*	5.11	5.10	4.46	3.71
Revenue Intensity (Market Based) (tCO$_2$e per $M)	N/A*	5.03	5.05	4.41	2.26

*2019 revenue does not include Xator Corporation and does not match emissions including Xator Corporation.

SCOPE 3 (OTHER INDIRECT)

Our Scope 3 emissions include the following GHG-emitting activities:

- Category 1: Purchased Goods and Services – Emissions from our total procurement spend, including corporate purchases and project subcontracts. Emissions have been calculated using spend by vendor spend data and US Environmentally-Extended Input-Output (EEIO) factors. In the future, we plan to collect vendor specific emissions data to improve the accuracy of our calculations. In 2023, the large increase in emissions was driven by one large subcontractor in an emissions intensive industry, accounting for approximately 410,000 tCO$_2$e.

- Category 3: Fuel and Energy – The upstream emissions related to the extraction, processing, and distribution of energy used for Scope 1 and Scope 2 activities related to our fleet of vehicles and offices energy usage.
- Category 6: Business Travel – The well-to-wheel emissions released from business-travel activities, including taxis, rental/personal vehicle use, air travel, and hotel stays. We continue to see increases in business travel from 2020 lows due to the COVID-19 pandemic.
- Category 7: Employee Commuting – The emissions released from employees commuting to offices or project sites. We completed an employee survey in 2019 that was used for our 2019–2021 emissions estimates. In 2023, we completed a survey of employee commuting in 2022 used for 2022 and 2023 emissions estimates. Policies to encourage telecommuting have been partially offset by growth in employee count through organic growth and acquisitions.

Table 9. Scope 3 Emissions (tCO$_2$e Per Year)

Category	2019 (Baseline)	2020	2021	2022	2023
1. Purchased Goods & Services	327,396	320,212	254,415	236,090	673,910
3. Fuel- & Energy-Related Activities	5,545	4,596	4,374	4,427	4,656
6. Business Travel (WTW)	35,497	12,519	11,707	15,506	24,045
7. Employee Commuting (WTW)	41,566	29,935	25,772	28,902	29,852
Total Scope 3 Emissions	410,004	367,262	296,269	284,926	732,463

Energy

ENERGY CONSUMPTION

The following table summarizes the energy consumption included in the Scope 1 and Scope 2 emissions associated with the use of gasoline, diesel, ethanol, and biodiesel for our fleet vehicles as well as natural gas for office heating, and electricity for our offices. All our purchased electricity is delivered from the grid. Since we have limited control over our electricity consumption in our leased spaces, we have purchased RECs to lower our Scope 2 emissions. This purchase has contributed to a 67.5% year-over-year decrease in our Scope 2 market-based emissions. In the future, we plan to continue purchasing RECs and EACs to help lower our emissions and achieve our GHG and renewable electricity targets. You can read more in our Scope 2 (Indirect) section above.

Table 10. Scope 1 & 2 Energy Consumption (MWh)

Metric	2019 (Baseline)	2020	2021	2022	2023
Consumption Of Fuel (Non-Renewable) (Natural Gas, Gasoline, & Diesel)	39,458	33,105	31,227	34,507	38,727
Consumption Of Fuel (Renewable) (Ethanol & Biodiesel)	0	0	0	0	24
Consumption Of Purchased Or Acquired Electricity (Non-Renewable)	40,286	35,463	33,801	33,260	8,825
Consumption Of Purchased Or Acquired Electricity (Renewable)	0	0	0	0	23,881
Total Energy Consumption	79,745	68,568	65,028	67,767	71,457
% Renewable	0%	0%	0%	0%	33%

ENERGY INTENSITY

The following table summarizes the energy intensity of our operations.

Table 11. Operational Energy Intensity

Metric	2019 (Baseline)	2020	2021	2022	2023
Total Energy Consumption (MWh)	79,745	68,568	65,028	67,767	71,457
Revenue ($M US)	3,955*	3,919	3,661	4,195	5,443
Energy Intensity (MWh per $M US)	N/A*	17.50	17.76	16.15	13.13

*2019 revenue does not include Xator Corporation and does not match energy including Xator Corporation.

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 relative square footage of the Parsons office within the whole building. We have included all water charges provided by owners, including landscaping, but coverage is inconsistent across facilities. In 2023, we were able to obtain data covering approximately 39% of our leased footprint. Total water use for the entire footprint was calculated by extrapolating based on our total area of leased real estate. In prior years, we only included home offices in our calculations in line with our GHG reporting. For 2023 we now also include project offices. Estimations of water usage in prior years has been updated to match this change in methodology.

Table 12. Total Office Water Usage (Cubic Meters)

Water Source	2020* (Estimated)	2021 (Estimated)	2022 (Estimated)	2023 (Estimated)
Municipal Water Supplies	114,535	110,063	104,950	100,623

* Water usage data unavailable for 2020; estimated using 2021 rates of consumption per SF leased real estate.

Wastewater generated in our offices is discharged through municipal systems. Wastewater charges are typically included in lessor charges. Due to the limited availability of data, we are unable to provide estimations of the wastewater generated. Our wastewater discharge is assumed to be equal to our water usage.

Waste

Parsons leases 100% of our real estate footprint, and waste charges are typically included in total lessor charges, so data are unavailable. Due to our limited ability to collect waste data, our waste data has been calculated using employee badge scan data for our home offices and project offices and an estimate of 2.45 pounds per person per day in the office (half of the EPA estimate of 4.9 pounds per person per day). In 2023, we experienced an increase in waste generated as a result of a rise in new hires and employees returning to the office. Our recycled-paper values are provided by Iron Mountain, which recycles our securely shredded paper. In 2023, our North American operations diverted 85 metric tonnes of securely shredded paper, equivalent to preserving 2,237 trees.

The remaining waste is considered unknown disposal, as we can't estimate the quantity recycled and sent to the landfill. While all our offices have programs to split recyclable items from landfill waste, we lack the ability to measure the landfill diversion rates for our office spaces.

Table 13. Total Office Waste (Metric Tonnes)

Waste	2020*	2021*	2022*	2023
Recycled Paper (North America Only)	141	167	118	85
Unknown Disposal/Landfill (Estimated)	510	361	599	987
Total Waste Disposed (Estimated)	651	528	717	1,071

* 2020 to 2022 values have been updated to include project offices in addition to home offices.

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. 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 2023, 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. Additionally, in our Qatar and United Arab Emirates offices, we recycled or repurposed 957 hardware units.

Table 14. Hazardous Waste Management (Metric Tonnes)

	2020	2021	2022	2023
Hazardous Waste	N/A	N/A	N/A	N/A

Climate & Nature

OVERVIEW

As part of our FY23 disclosures, we have updated our Taskforce on Climate-Related Financial Disclosures (TCFD) and added a section for Taskforce on Nature-Related Disclosures (TNFD).

To update our climate-related disclosures, we held workshops with employees in key markets to collect insights on how Parsons' risks and opportunities in relation to climate have shifted in the past year. During these workshops, we revisited previously identified risks and opportunities to discuss which items were no longer material to Parsons and what new items have come about in the past year. For more information on how we performed our original identification process in 2022 and updated our disclosures in 2023, please refer to the Climate-Related Risks & Opportunities section, below.

This past year, we also performed our first nature-related analysis to understand the interfaces we share with nature and identify our perceived risks and opportunities. We considered guidance provided by TNFD to help us identify and create a strategy surrounding our interactions with nature. As part of our analysis, we held workshops with several different markets to introduce the concept of nature-related risks and opportunities and learn what our employees in these varying markets identified as focal points. Since Parsons is a service provider, our interactions with nature are limited, which is reflected in our analysis below. In the future, we plan to further investigate how we directly connect with nature through our operations and how we can strategize our business model to minimize risks and capitalize on opportunities identified.

Both disclosures look internally to identify our risks and opportunities with climate and nature, respectively. Moving forward, we plan to continue analyzing our strategy to manage our identified risks and opportunities and update our disclosures annually to reflect any changes.

CLIMATE

Governance

General information regarding the Parsons Board of Directors may be found in the Board Of Directors & Committees section of this document. Board oversight and management's responsibility for climate-related issues, policies, risk, and opportunities are discussed in detail in the ESG & Climate Governance section of this document.

Strategy

Climate-Related Risks & Opportunities

In the fall of 2023, Parsons conducted risk and opportunity workshops to update our previously published climate disclosures. The workshops included senior business unit leadership, 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.

While climate change may present risks to Parsons, it may also present opportunities for the business. Investments in low-carbon materials, technologies, and energy sources provide opportunities to expand or add new services. While the physical impacts of climate change will have devastating social and environmental impacts, it may offer opportunities around resilience, mitigation, and adaptation.

Low Carbon & Energy Transition

Services we may be able to expand or add to support lower carbon products and the energy transition include the following:

- Fleet electrification
- Sustainable infrastructure
- EV infrastructure
- GHG emissions calculation and reporting
- Mass transit

- Low-carbon energy generation
- Smart city technology
- Energy transmission
- Green buildings
- Mining for critical materials

Resilience, Mitigation & Adaptation

Services we may be able to expand or add to our portfolio that support resilience, mitigation, and adaptation to climate change include the following:

- Hardening of existing infrastructure
- Coastal protection
- Flood protection and mitigation
- Water resources
- Natural disaster management and recovery

- Asset management
- Climate risk and vulnerability assessments
- Resilience mitigation planning
- Green infrastructure/low-impact development

For the purposes of climate-related risks and opportunities, we defined time horizons as shown in the following table.

Table 15. Climate-Related Risks & Opportunities Timelines

Timeline	From (Years)	To (Years)
Short Term	0	3
Medium Term	3	10
Long Term	10	80

The table below provides a summary of the climate-related risks and opportunities synthesized from workshop output and a description of their attributes and possible mitigation response. Risks are categorized by the following:

- Transitional, including those due to current regulation, emerging regulation, and technology, as well as legal, market-based, and reputational risk
- Physical, including acute and chronic risk

Table 16. Climate-Related Risks & Opportunities

Risk Type	Time Frame	Risks	Opportunities
TRANSITIONAL RISKS			
Current Regulation	Short	In 2024, the Securities and Exchange Commission (SEC) finalized rules to enhance and standardize climate-related disclosures for investors. If Parsons does not prepare to disclose all the information proposed by the new rule, we run the risk of monetary penalties, disruptions to business continuity, and/or legal actions. The California Climate Corporate Data Accountability Act (SB 253), Climate-Related Financial Risk Act (SB 261), and Voluntary Carbon Market Disclosures Act (AB 1305) are the first of potentially many states to enact climate-related reporting requirements. Parsons must comply with all current and future requirements. Legislation to end the sales of internal combustion engine vehicles may increase demand for electric vehicles (EVs). An increased demand for EVs may limit Parsons' ability to procure EVs for our own fleet and impact achievement of our GHG goals.	The passage of the Inflation Reduction Act of 2022 in the United States is estimated to create investments of US$369 billion in energy security and climate change over the next 10 years. Parsons has already won projects and continues to pursue additional projects tied to this funding. Regulatory reporting requirements globally may allow Parsons opportunities to assist clients with preparation of data for disclosures and support for decarbonization activities. Increased EV demand will require development of EV charging infrastructure. Parsons provides clients with design of EV infrastructure and fleet electrification with potential for continued growth.
Emerging Regulation	Short-Medium	Our business could see negative and/or positive impacts from potential future climate-related legislation. Efforts to reduce GHG emissions from projects may increase project costs, causing clients to cancel, postpone, or reduce the volume of projects to meet budgets. Legislation to end the sales of internal combustion engine vehicles may increase demand for electric vehicle (EV) infrastructure. Transportation project funding is heavily reliant on gas taxes for funding. Therefore, a transition to EVs without new funding sources could reduce budgets for transportation projects, impacting the number of client projects available to Parsons or increasing the cost of doing business.	Regulation to report and reduce GHG emissions may create opportunities to assist clients with calculations of emissions.
Technology	Short-Medium	Technology is a standard risk in Parsons' ERM Program, including climate-related technology. With the pace of technology change, Parsons faces a risk of falling behind competitors or experiencing business impacts due to an unknown disruptive technology.	
Technology	Long	Parsons will be reliant on other companies to deliver solutions that depend on the supply chain for components such as sustainable materials, EVs, or direct air capture for the removal of atmospheric carbon emissions.	Emerging climate-change technologies may increase current and potential clients' demand for sustainable infrastructure.
Legal	Short-Medium	Although Parsons monitors regulatory changes to ensure full regulatory compliance in the geographies in which we operate, we face the risk of stricter enforcement of climate-related regulatory requirements. We could face climate-related legal implications for our projects if we do not adhere to all new and evolving regulations. For example, the corporation could face litigation if we fail to deliver climate-related contractual requirements.	Parsons continues to develop and strengthen our project risk evaluation process, which considers legal implications during the pursuit phase and monitors during the execution phase, making us a leading candidate for potential future clients.

Risk Type	Time Frame	Risks	Opportunities
Market	Medium	The energy transition may create demand for more services in the markets of EV infrastructure, mass transit, fleet electrification and zero-emission vehicles, energy conservation, and renewable energy. Parsons' failure to hire, train, and retain talent to meet shifting market demand and client needs could limit our ability to win future work.	Our clients' physical risks may create opportunities in resilience, mitigation, and adaptation due to changes in weather patterns, sea level rise, rising mean temperatures, and increased severity of weather events.
Reputation	Medium-Long	Expectations around ESG matters, including climate change, continue to evolve, causing increased stakeholder scrutiny regarding transparency, target-setting, and performance reporting. Parsons risks reputational damage if we fail to adequately address these expectations with potential impacts, including loss of business, inability to attract and retain talent, and negative shareholder views.	
PHYSICAL RISKS			
Acute	Medium-Long	Increased severity of weather events, including but not limited to flooding, hurricanes, heat waves, and winter storms, presents the risk of business continuity to Parsons. Parsons leases 100% of its facilities, and physical damage to buildings in which we operate would not be our responsibility but could impact our ability to do business. Increased severity of weather events could also cause additional working disruptions. The potential failure to balance the demand for local staff by certain clients with the potential safety and continuity benefits of relocation or consolidation of leased offices and remote work locations can cause working disruptions. Furthermore, employees working outdoors and on project sites may need to reduce working hours due to extreme heat and other weather events.	Parsons can mitigate the risk of physical damage to assets within our leased facilities through insurance. Potential loss of functionality in any physical office location is mitigated by contingency planning and flexible/remote work for many employees. As safety is a core value for Parsons, we are committed to maintaining the health and safety of our employees in the face of changes to the climate over time. This commitment can provide us with a competitive edge and help us to be prepared to handle more projects and clients, even in the face of work disruptions.
Chronic	Medium-Long	Changes in precipitation, variability in weather patterns, and rising mean temperatures could cause unpredictable living and working conditions. Parsons experiences risks to our leased spaces and our staff, like the acute physical risks discussed above. Rising temperatures in particular present a risk to the safety of our outdoor and on-site staff. Increased temperatures may change the prevalence and geographic distribution of diseases borne by vectors such as fleas, ticks, and mosquitos. We could also experience new or increased exposure to biological hazards that thrive in warmer environments and not have a response system in place because of the unpredictability of these new hazards. Air quality may be impacted by increases in ground-level ozone, air pollution, and wildfires.	While extreme cold-weather incidents may be reduced, this is likely offset by an increase in heat-related incidents.

Scenario Analysis

In 2022, we considered two different scenarios aligned with Representative Concentration Pathway (RCP) 2.6 and RCP 7.0 to analyze the resilience of our climate strategy. The first was a "Paris Agreement" scenario (RCP 2.6), where the global average temperature increase is held between 1.5 and 2°C. We also considered a "business as usual" scenario (RCP 7.0) aligned with a 4°C temperature increase. In discussions during workshops, we agreed that the risks and opportunities in both scenarios were likely to be the same in many aspects, with the key difference being the level of impact on the business. In 2023, we updated our scenario analysis by having TCFD workshop participants take a survey

to understand if our previously identified risks and opportunities still had the same level of impact on Parsons in each scenario.

"Paris Agreement" Scenario

Under the "Paris Agreement" scenario, we expect that in addition to a lower level of temperature rise, there will be a less significant increase in natural-disaster frequency and severity due to the implementation of proactive mitigation measures. We also expect robust investment in the clean energy transition, increased adoption of EVs, energy conservation, less water stress, increased adoption of GHG reporting, increased pricing of GHG emissions, and greater demand of sustainable infrastructure and construction materials.

"Business As Usual" Scenario

Under the "business as usual" scenario, we expect to see the most intense increase in the frequency and severity of natural disasters and sea-level rise. We also expect a less intense increase in extreme variations in temperature and precipitation over time. Resource scarcity, particularly water, could cause a rise in geopolitical instability, while famine could create more climate refugees. We would expect increased spending compared to the "Paris Agreement" scenario, which would be required for recovery, mitigation, and adaptation to offset physical impacts and improve infrastructure resilience but lower spend on the energy transition.

Risk Management

Risk & Opportunity Identification Process

In 2022, Parsons performed a detailed analysis of the risks and opportunities presented by climate change. Through surveys and discussions with the ELT, we determined governance of climate, a process for identifying risks and opportunities, and integration into our Enterprise Risk Management (ERM) process. Climate risk and opportunity are incorporated into our overall ERM process and managed by our ESG team. To identify risks and opportunities, the ESG team first performed an initial assessment of potential risks and opportunities as a starting point for further discussions. The ESG team then completed work sessions with senior leaders from our four business units, our Middle East geography, and relevant corporate functions.

Preliminary meetings led by the ESG team introduced the TCFD framework, presented definitions of transition and physical risks, introduced the concept that client risks can be Parsons' opportunities, and concluded with the identification of specific preliminary risks and opportunities. Participants were then asked to conduct research on their specific markets and geographies to further identify risks and opportunities in the realm of transitional and physical risk for the short-, medium-, and long-term time frames. Follow-up work sessions were held to share and discuss findings and discuss mitigation actions.

This process was repeated in 2023, and the ESG team consolidated results from meetings and research for internal and external reporting. While we have not yet released financial estimates for climate risks and opportunities, we have considered the potential impacts on the business during our internal processes. For internal discussions, we define a "substantive" financial impact as one that is greater than or equal to 5% of Parsons' revenue, either positive or negative.

Managing Climate-Related Risks

While we created a specialized process for the identification of climate-related risks and opportunities, as described above, the overall management of the identified risks still falls within our ERM processes and procedures. Parsons has identified risks to the corporation overall, which we assess annually and continually monitor. Our senior vice president, chief security and risk officer, reports to our chief technology officer and works with our chief legal officer for the purposes of reporting to the Audit and Risk (A&R) Committee and is responsible for the administration of our ERM. The A&R Committee provides board oversight. ERM helps develop and foster a risk-intelligent culture throughout the corporation and provides reasonable assurance that our strategy and business objectives will be achieved by encouraging proactive risk-management practices that are integrated with strategy setting, operations planning, and performance management. This includes considering risk as part of strategy development. The ERM process also includes anticipating and addressing emerging risks and continuously improving governance processes and internal

controls. Business units and corporate management convey their understanding and control of risks that could significantly impact the corporation through their risk assessments. The process encompasses the following components:

- Strategy – The plan to achieve our mission and vision is integral to the ERM process.
- Objectives – Strategic objectives and financial targets provide the proper context for evaluating and mitigating risks.
- Identification – Significant opportunities and threats to the objectives are identified.
- Assessment – Selected risks are periodically assessed, considering likelihood and potential impact.
- Monitoring – Risks and controls are regularly monitored.
- Communication – ERM activities are reported to the ELT, business management, and the A&R Committee.
- Response – Action plans are established as needed and tracked to address significant risks.

As a part of the annual risk assessment, risk owners develop the following:

- Current Comments – A brief narrative is provided describing specific threats and opportunities; highlighting changes to the probability, impact, and overall risk rating; and discussing circumstances currently affecting the risk.
- Risk Level – The risk owner's professional opinion of the level of risk against tolerance guidelines, considering both likelihood and impact. Risk levels are evaluated for both the inherent risk (prior to mitigation action) and residual (reflecting existing mitigation activities) states. Standard risk definitions, tolerance guidelines, and mitigation activities for each risk ensure that ratings are applied consistently across the company.
- Control Activities – The company's primary controls to mitigate the inherent risk to the residual level.
- Action Plans – Brief description of actions planned to move the residual risk level closer to the optimal range. Action items are required for items outside of the company's risk appetite (those rated high or low). Descriptions include the responsible party and estimated completion date.
- Impact Score – Residual risks are assigned an impact score of 1 to 5, respectively, for immaterial, low, moderate, significant, or very significant impact on the operation's ability to meet strategic objectives and/or financial targets.

The senior vice president, chief security and risk officer, develops an annual ERM report that summarizes the ERM process, which is reviewed by the ELT and corporate risk advisory committee. An executive summary brief is prepared for the A&R Committee's July meeting, outlining the findings of the corporate ERM report. The executive summary focuses on the higher-level enterprise risks and current prevailing emerging risks. The detained report itself is made available to members of the A&R Committee members upon request.

Metrics & Targets

The tables below show reported absolute emissions and leased office area for the 2019 and 2023 reporting years. Additional details on the calculation methodology, boundary, and targets can be found in the Methodology & Boundary and Targets sections, above. We continuously strive to improve our calculations using evolving best practices and improvements in data collection.

Table 17. Absolute Emissions By Scope (Market Based) (tCO$_2$e Per Year)

Metric	2019 (Baseline)	2023
Scope 1	8,872	8,838
Scope 2 (Market Based)	14,763	3,479
Scope 3	410,004	732,463
Total	433,639	744,780
Scope 1 & 2 (Market Based)	23,635	12,317
Scope 1 & 2 (Market Based) % Change From 2019 Baseline	N/A	-47.9%
Scope 3 % Change from 2019 Baseline	N/A	78.6%

As part of our core value metrics, the Operations team tracks our overall corporate real estate footprint, as represented by our leased area (in square feet). The table below shows a reduction of 12.3% from the baseline year of 2019 through 2023. Reductions in our leased area have been partially offset by increases due to acquired companies. Our calculation of annual leased space is updated for 2023 to include project offices to align with our greenhouse gas emissions calculations.

Table 18. Annual Leased Space

Metric	2019 (Baseline)	2023
Annual Average Square Footage	2,673,256	2,344,076
Leased Area % Change From 2019 Baseline	N/A	-12.3%

Carbon Price

The internal price of carbon ($51/metric tonne) that we set in 2022 represents the social cost of carbon established by the United States Government. We are applying a shadow price to be used in long-term business planning and investment. We are committed to continue evaluating how to best utilize carbon pricing to further our climate goals and drive employee best practices.

NATURE

Strategy

Nature Impacts & Dependencies

To fully understand our risks and opportunities with nature, we first needed to identify our impacts and dependencies. These are reflective of our interfaces with nature and better helped us identify risks and opportunities. Following guidance from the TNFD and World Wildlife Fund (WWF), we created a list of ecosystem services impacts. All impacts have been determined using the BRF Heat Mapping tool on the WWF Risk Filter site. The impacts below are ones that scored a three or above on the tool under the Offices and Professional Services sector.

   i. Land, freshwater, and sea use change
   ii. Tree cover loss
   iii. Pollution
   iv. Protected/conserved areas
   v. Key/biodiversity areas
   vi. Other important delineated areas
   vii. Ecosystem condition

Similarly, we identified our dependencies using the same resources and guidance. Below is the list of ecosystem services dependencies identified based on our market segment and impacts.

   i. Air filtration
   ii. Flood mitigation (regionally specific)
   iii. Storm mitigation
   iv. Rainfall
   v. Soil and sediment retention
   vi. Climate change mitigation (this is nature's ability to mitigate GHG emissions)

Nature Risks & Opportunities

For nature-related risks and opportunities, we defined time horizons the same as climate.

Table 19. Nature-Related Risks & Opportunities Timelines

Timeline	From (Years)	To (Years)
Short Term	0	3
Medium Term	3	10
Long Term	10	80

The chart below shows the nature-related risks and opportunities Parsons faces. We first identified the impact or dependency category, followed by the driver description, which conveys the interface Parsons has with nature regarding the identified impact or dependency, the time frame in which we anticipate the driver to occur, and then the risk or opportunity to Parsons' business strategy or financial planning.

Table 20. Nature-Related Risks & Opportunities

Impact/ Dependency	Impact/ Dependency Category	Driver Description	Time Frame	Risk/ Opportunity	Potential Impacts On Our Businesses, Strategy, & Financial Planning
Dependency	Air filtration	Deforestation reduces nature's ability to filter air and sustain good air quality.	Medium	Opportunity	Parsons has the opportunity to offer products/services that help filter air, especially in major geographical locations where we already have a market presence.
Dependency	Air filtration	Deforestation reduces nature's ability to filter air and sustain good air quality.	Medium	Risk	Poor air quality and smog lead to inability for Parsons' contractors to perform outside construction work, especially in major cities where smog becomes a rising problem. This, in turn, creates reduced work opportunities for Parsons.
Dependency	Climate change mitigation	Deforestation leads to nature's reduced ability to combat climate change. Fewer trees to sequester carbon.	Medium	Opportunity	Parsons has the opportunity to develop carbon capture technologies to enhance carbon sequestration and help combat climate change.
Dependency	Climate change mitigation	Deforestation leads to nature's reduced ability to combat climate change. Fewer trees to sequester carbon.	Medium	Risk	Nature's reduced ability to sequester carbon leads to extreme heat, reducing Parsons employees' ability to continue working outside.
Dependency	Flood mitigation	Infrastructure along coastlines removes critical land mass and native species that prevent flooding.	Long	Opportunity	Parsons is able to tap into the green infrastructure market and offer services to design and build green infrastructure that help prevent/adapt to flooding.
Dependency	Flood mitigation	Infrastructure along coastlines removes critical land mass and native species that prevent flooding.	Long	Risk	Parsons' operations/offices along the coast experience material impacts, causing disruptions to service delivery. Secondary impact leading us to relocate, pause, and/or cancel projects.
Impact	Pollution	Parsons does not minimize office space and does not minimize our pollution.	Medium	Risk	Inefficient offices overheat due to rising temperatures, impacting our ability to work.

Impact/ Dependency	Impact/ Dependency Category	Driver Description	Time Frame	Risk/ Opportunity	Potential Impacts On Our Businesses, Strategy, & Financial Planning
Impact	Protected/ conserved areas	Parsons' construction projects add to infrastructure increase, causing more land to be protected.	Long	Risk	There is a loss of work availability because clients are not able to expand or increase their infrastructure due to increased protected land.
Impact	Protected/ conserved areas	Growing suburban areas increase demand for outward expansion of infrastructure is met by pushback to protect natural landscapes, creating limited opportunities for construction projects.	Long	Opportunity	Parsons has the opportunity to offer more services reinforcing or creating green infrastructure for clients who can no longer expand their projects on land due to nature protection restrictions.
Dependency	Rainfall	Growing GHG emissions and rising avg. global temperatures cause extreme droughts, affecting precipitation and causing unpredictable weather patterns.	Long	Risk	If weather patterns/rainfall become unpredictable, Parsons' project planning is impacted. Parsons may have to stall, cancel, or invest more in projects. Previous data for seasonal project planning in different regions is no longer reliable, creating a new learning curve, which may require heavy financial resources.
Dependency	Soil and sediment retention	Mass destruction of natural landscapes and construction of non-green infrastructure causes nature to lose its ability to naturally retain soil, leading to frequent landslides/land loss.	Long	Opportunity	Parsons has the opportunity to rebuild/repair critical infrastructure that is damaged by increased erosions.
Dependency	Soil and sediment retention	Mass destruction of natural landscapes and construction of non-green infrastructure causes nature to lose its ability to naturally retain soil, leading to frequent landslides/land loss.	Long	Risk	If soil retention is no longer able to happen naturally, Parsons may experience damages to projects, loss of work, and serious impacts to office locations.
Dependency	Tree cover loss	Parsons contributes to tree loss because of growing demand for critical infrastructure.	Medium	Risk	Shrinking opportunities for (non-green) infrastructure projects because land spaces become increasingly limited.

Sustainability

POLICY & PROCEDURES

Our corporate sustainability and climate change policy sets our vision for our sustainability core value and for our company. The policy contains a commitment to providing sustainable and resilient solutions for our customers and in our business operations, as well as pledges to implement sustainable solutions in a manner that is consistent with project, company, and stakeholder objectives using a value-based approach that considers the environmental, economic, social, and corporate governance aspects of sustainability. It also supports our internal culture of sustainability and continuous improvement through clearly defined governance pathways and decentralized responsibilities, providing references,

tools, and resources, such as our Sustainability Handbook, which facilitates and captures sustainability in client services and corporate operations.

APPROACH

We use a proven process to evaluate the most feasible and applicable sustainability strategies using a value-based approach that integrates environmental, sociocultural, and economic concepts to improve GHG emissions, health, the environment, resilience, economic development, innovation, partnerships, and equity. Our goal is to select the best-value sustainability strategies based on environmental impact, as well as other factors, such as life-cycle cost, operations and maintenance benefits, value to internal and external stakeholders, and the ability to measure and communicate success transparently.

We have extensive experience integrating sustainability practices and goals into the project planning, design development, construction, and operations phases. Our philosophy is that including sustainability and resilience considerations early in project development sets a consistent standard and language for evaluating life-cycle sustainability performance. It also encourages early collaboration and decision-making, which leads to the following benefits:

- Engagement between our clients, the project team, and relevant stakeholders to create a cohesive narrative regarding the environmental, social, and economic performance of the project
- Improved sense of accountability and transparency
- Enhancement to safety and quality-of-life benefits for affected communities and avoidance or mitigation of negative impacts to human and environmental health
- Reduced life-cycle costs of the project due to earlier implementation of sustainable elements into design
- Opportunity to set goals for and obtain recognition in the marketplace via third-party certifications and awards

SUSTAINABILITY SERVICES

Parsons offers consulting services that emphasize environmentally sound, sustainable, and resilient solutions for infrastructure, defense, security, and construction clients. Our service offerings include but are not limited to the following:

- Climate risk and vulnerability assessment
- Ecological restoration and preservation
- Electrification and zero-emission vehicle (ZEV) initiatives
- Energy evaluations, modeling, and design (including renewables)
- Hazardous, toxic, and radioactive waste (HTRW) remediation
- Infrastructure risk assessments
- Life-cycle analysis (LCA)/greenhouse gas and carbon impact calculations

- Life-cycle cost analysis (LCCA)
- PFAS, sediment, and groundwater remediation
- Resilience mitigation planning
- Stormwater best management practices (BMPs) and low-impact development
- Sustainability program management
- Third-party certification administration (e.g., Envision®, INVEST, LEED®, Estidama)
- Water storage, treatment, conveyance, and reuse

Social

Introduction

At Parsons, our people are our greatest asset, and we are dedicated to creating an inclusive and resilient work environment that allows everyone to feel a sense of place and belonging.

Diversity, Equity & Inclusion

POLICIES & PROCEDURES

Diversity is a Parsons core value, and we pursue diversity, equity, and inclusion (DEI) in our workforce, our markets, our suppliers, and our services because we recognize that optimum solutions require perspectives from many different backgrounds. Embracing diversity, equity, and inclusion in every aspect of our business is a cornerstone of our DEI strategy, fundamental to our corporate culture and vital to our continued growth and success.

We cultivate a positive culture of employee engagement as we nurture the careers of our workforce at all levels of our organization. We are committed to honoring each employee's unique voice, empowering them to be their authentic selves at work. Our employees are our greatest asset, and in an open-minded, supportive, inclusive environment, they thrive, shaping the future of the corporation through collaboration and innovation as we strive to deliver a better world. We are fostering an environment where everyone feels welcome and is actively included to create a sense of belonging. Our corporate Diversity Policy reflects this commitment. Learn more on our DEI webpage.

Policy On Non-Discrimination

We have a zero-tolerance policy against harassment and discrimination, including harassment based on race, color, creed, religion, national origin, ancestry, and ethnicity. Additional details can be found in the Human Rights, Discrimination & Harassment discussion in the Social section of this document.

Whistleblower Program

Employees are encouraged to report instances of discrimination, including through our Ethics Helpline. Additional details on our Whistleblower Program can be found in the Whistleblower Program discussion in the Governance section of this document.

Supply Chain

Please see the Supplier Diversity discussion in the Governance section of this document.

AWARDS

Parsons has consistently received awards from both federal and private organizations for our focus on developing an organizational DEI culture. Some of those awards in the past year include but are not limited to the following:

- Human Rights Campaign: Equality 100 Award 2023/2024
- Military Times: Best for Vets 2023
- Forbes: Best Employers for Diversity 2023
- Military-Friendly Employer: 2023 Gold Top 10
- Minority Engineer Magazine: Top 50 Employer 2023
- Washington Business Journal: Corporate Diversity Index 2023
- ACEC New York: Community Impact Award 2023
- US Veterans Magazine: Best of the Best 2023
- STEM Workforce Diversity Magazine: Top 50 Employer 2023
- Los Angeles Business Journal: DEI Company of the Year 2023

- Woman Engineer Magazine: Top 50 Employer 2023
- Washington Business Journal: Women on Company Boards List 2023
- VETS Indexes: 4 Star Employer 2023

We are proud of our award-winning DEI Program and are expanding these best practices throughout the enterprise for reporting and monitoring performance, and we are leveraging opportunities to further embed DEI in every aspect of our business to achieve our goals of inclusion and a sense of belonging for all.

DEI PROGRAMS & INITIATIVES

By embedding DEI in every aspect of our business, we are creating a culture that looks beyond mere requirements. Instead, through authenticity, transparency, and acceptance, we are evolving to make real and meaningful progress as an employer of choice that creates an enduring culture where everyone can not only succeed but have a true sense of belonging.

Our DEI director, who is a member of Parsons' Employee Experience team in Human Resources, oversees our DEI strategy, our DEI councils, employee business resource groups (EBRGs), and other DEI-related initiatives to ensure alignment with our overall mission and vision.

We encourage and foster diverse backgrounds, new perspectives, and open minds. Our DEI Program develops initiatives and consistency of process to empower our employees to be their authentic selves at work and celebrate the qualities, beliefs, and experiences that make us unique.

Councils Represent All Levels Of Engagement

In 2017, Parsons established a council dedicated to DEI in recognition of the importance of equity in our DEI journey. The DEI Council has worked to drive the DEI strategy forward, providing leadership, educational programming and strategy, EBRGs, focused outreach, communications, and mentoring. In 2023, we recognized that to embed DEI more actively throughout the business, we needed a broader approach. We moved from a singular council to a system of three councils: the JEDI Council, DEI Advisory Council, and the Ambassador Council.

- The JEDI (Justice, Equity, Diversity, and Inclusion) Council comprises members of our Executive Leadership Team (ELT), the executive sponsors of our EBRGs, and key leaders in Talent Acquisition and Environment, Social, and Governance. The JEDI Council ensures alignment of the DEI Strategic Plan with Parsons' mission and vision, organizational adoption of the DEI strategy as the liaison to the ELT, approval of DEI key performance indicators (KPIs), and development of the future state of DEI at Parsons.
- The DEI Advisory Council comprises the leaders of our EBRGs, the Employee Experience manager (Communications), a data committee, and our ambassador lead. The DEI Advisory Council prioritizes and recommends planning to affect the identified KPIs, identifies barriers to success and revises the DEI Strategic Plan as necessary, and communicates DEI programming and initiatives.
- The DEI Ambassador Council comprises regional representatives from key offices within the organization. The ambassadors act as local champions within Parsons to promote DEI activities and events and develop engagement activities to increase inclusion and retention of both hybrid and on-site employees.

Employee Business Resource Groups

Enhancing our commitment to DEI, our EBRGs have been established around common dimensions of diversity, equity, and inclusion and provide both employees and allies with networking, mentoring, coaching, recruiting, personal and professional development, and community outreach opportunities. EBRGs are voluntary, employee-led groups, and all employees are welcome to join one or more EBRGs that resonate with them.

- BELONG: Blacks Engaging, Leading, Organizing, Nurturing, and Growing
- HOLA: Hispanic Origin and Latin American Network
- Parsons PRIDE Alliance (LGBQT+)
- PWR: Parsons Women's Roundtable

- SOAR: Society of Oceanic and Asian Regions
- MILVET: Military and Veteran Community
- FORCE: Formation of Rising Career Employees

Educate, Elevate & Celebrate

In 2023, we maintained our goal to develop DEI-related employee engagement, deepening our commitment to education, elevation, and celebration through activities focusing on various cultural competencies and intersectionality, including the following:

Educate:

- International Women's Day panel discussion
- Generation to Generation ... Perspectives on Social Justice and Equality
- Panel Discussion – Honoring Female Veterans
- Guest speaker events with world-renowned experts
- Bi-annual virtual speed mentoring
- Thoughtful Thursdays – a biweekly blog looking at daily interactions through a DEI lens

Elevate:

- HBCU Alliance Juneteenth Career Fair participation
- Professional development events
- PWR Annual Conference
- World Mental Health Day
- International Transgender Day of Visibility
- Veterans Day montage honoring our veterans and military families

Celebrate:

- Celebration of the EBRG heritage/history months and Juneteenth
- HBCU Day – Cameras On
- Virtual tour of an Asian grocery store
- Earth Month Ecochallenge
- TAPS Mountain Region Survivor Seminar and Good Grief Camp

DIVERSE WORKFORCE

Workforce Diversity Outreach

We continued our commitments to workforce diversity in 2023 through our talent acquisition and retention efforts, as follows:

- Enhancing gender diversity in our global workforce
- Enhancing racial/ethnic diversity in our US workforce

In 2023, the diversity goals noted above were also included in the metrics for determining short-term incentive (STI) compensation for Parsons' employees. Additional details can be found in the Incentives for Non-Financial Metrics discussion in the Governance section of this document.

Talent Acquisition

We employ a best-in-class Talent Acquisition team focused on specific outreach and sourcing efforts, and our focus on diversity begins well before an employee is hired. Our varied yet targeted programs are designed to improve diversity in our applicant pools, and we expanded our outreach efforts in 2023, which resulted in 19.2% women hires worldwide and 40.3% racially and ethnically diverse hires in the United States.

We have a dedicated team for military and veteran outreach and recruitment. Our veteran-focused EBRG, MILVET, partners closely with the Military and Veteran Hiring team to participate in attracting veterans to Parsons, leveraging relationships with other internal employee groups, such as the Base Ambassador Group, the Women's Veteran Group, the Spouse Group, and the PRIDE Alliance EBRG, as well as outreach to external organizations, such as the Student Veterans of America chapters at Parsons-designated university partners, the military LBGTQ+ organization (Modern Military Association of America), and the Native American veteran issue-solving organization (Hesperus).

We also tap into the student pipeline by investing in university partnerships with historically Black colleges and universities (HBCUs), minority-serving institutions (MSIs), and diverse national organizations focused on racial and ethnic diversity as well as by using the Parsons Internship Program, which offers both virtual and in-person experiences in alignment with our flexible work options. Last, but not least, our Internal Mobility team ensures our employees have an opportunity to grow within Parsons.

Workforce Metrics

EMPLOYEES

Our total workforce headcount was 18,235 on December 31, 2023, which constitutes a 6.3% increase from 2022. Headcount data covered 98.5% of our total workforce at the end of 2023. Recent acquisitions excluded from 2023 workforce headcounts are QRC®, SGSS, and SealingTech (52, 94, and 128 total employees, respectively) which have not been fully integrated into our data systems. Detailed breakdowns by region, age, and employee type are provided below.

The vast majority of our staff (94.1%) are full-time employees, with the largest contingency in the Americas, followed by the Middle East, and less than 1% of our employees in Asia, Europe, or elsewhere. We experienced 6.3% growth in our workforce in 2023, primarily due to a significant increase in the Middle East region (14.4%), followed by the Americas (2.1%). Employees between the ages of 30 and 50 have remained over half of our headcount, with the proportion of employees under the age of 30 increasing slightly and a similar decrease in the over-50 category.

Table 21. Total Workforce

Workforce	2020	2021	2022	2023
Total Employees (Headcount)	15,411	15,290	17,159	18,235
Non-Integrated Acquisitions	0	0	146	274
% Of Total Headcount	100%	100%	99.2%	98.5%
Change From Previous Year	-2.4%	-0.8%	12.2%	6.3%

Table 22. Workforce Breakdown By Region

Region	2020	2021	2022	2023
Americas	71.1%	70.6%	67.9%	65.3%
Asia	0.0%	0.0%	0.0%	0.0%
Europe	0.4%	0.3%	0.3%	0.3%
Middle East	28.5%	29.1%	31.8%	34.2%
Other	0.0%	0.0%	0.0%	0.2%

Table 23. Workforce Breakdown By Age

Age Group	2020	2021	2022	2023*
<30 Years Old	12.1%	10.9%	11.8%	12.2%
30–50 Years Old	52.8%	53.5%	54.1%	54.7%
>50 Years Old	35.1%	35.5%	34.0%	32.8%

*2023 age breakdown accounts for 99.71% of disclosed workforce headcount. Employees whose birthdates were unavailable have been excluded.

Table 24. Workforce Breakdown By Employee Type

Employee Type Category*	2020	2021	2022	2023
Permanent	95.4%	96.3%	96.6%	96.5%
Full-Time	*92.5%*	*93.2%*	*94.0%*	*94.1%*
Part-Time	*3.0%*	*3.0%*	*2.6%*	*2.4%*
Temporary	0.6%	0.6%	0.4%	0.4%
Non-Guaranteed Hours	4.0%	3.2%	3.0%	3.1%

*Categories are not mutually exclusive. "Full-Time" and "Part-Time" employees are subsets of the "Permanent" category.

NON-EMPLOYEE WORKERS

Parsons workers who are not employees whose work is controlled by the organization fall into the following categories:
- Contractors
- Volunteers or interns

At the end of 2023, our workforce included 125 interns, who are included in the "Non-Guaranteed Hours" category in Table 24, above. Parsons typically employs interns from June through August, and in 2023 we employed 217 interns. We are improving the tracking and accuracy of contractor metrics and do not currently disclose this data. Non-employee worker breakdown by category and type of work performed is provided in the table below.

Table 25. Non-Employee Worker Summary

Employee Type	2022	2023
Contractors	Not disclosed	
Interns	103	125*

*125 interns were active at the end of 2023, and 217 were employed from June through August 2023.

GENDER

A summary of our companywide gender breakdown, as well as representation in management categories, is provided below. We observed another minor year-over-year decrease in gender diversity within our global workforce between 2022 and 2023. However, between 2022 and 2023, we observed an increase of 2.7% in the representation of women in management overall and a 3.9% increase in top/executive management positions. The share of women in the junior management and management in revenue-generating functions categories both experienced a 4.9% decrease.

Table 26. Workforce Breakdown By Gender (Global)

Gender Category	2020	2021	2022	2023
Men	78.0%	77.7%	77.4%	77.8%
Women	21.8%	22.2%	22.1%	21.6%
Prefer Not To Disclose	0.1%	0.1%	0.4%	0.3%
No Response	0.1%	0.0%	0.1%	0.4%

Table 27. Gender Representation In Management

% Women	2020	2021	2022	2023
All Management Positions	16.9%	17.1%	17.5%	18.0%
Junior Management Positions	21.4%	22.5%	23.9%	22.7%
Top/Executive Management Positions	42.6%	27.7%	34.0%	35.4%
Management Positions In Revenue-Generating Functions	35.7%	34.8%	37.4%	35.5%

RACE & ETHNICITY

A summary of our US headcount breakdown by racial and ethnic self-identification, as well as representation in management categories, is provided in the tables below, respectively. For the fourth consecutive year, we observed an increase in overall racial/ethnic diversity as well as an increase in racial/ethnic diversity in the all management positions category. At the end of 2023, we reached 32.7% racial/ethnic diversity overall and 27.0% racial/ethnic diversity in all management positions, which represents an 18.2% and 13.9% improvement, respectively, since the end of 2019.

Table 28. Workforce Breakdown By Racial & Ethnic Self-Identification (US Only)

Racial/Ethnic Group	2020	2021	2022	2023*
Asian	10.0%	9.9%	9.4%	10.0%
Black/African American	8.4%	8.7%	9.7%	9.9%
Hispanic Or Latinx	7.3%	7.8%	9.3%	9.4%
Indigenous Or Native	0.4%	0.4%	0.4%	0.4%
Native Hawaiian Or Pacific Islander	0.5%	0.6%	0.6%	0.6%
Two Or More Races	2.0%	2.1%	2.3%	2.3%
Total Diverse	**28.7%**	**29.4%**	**31.8%**	**32.7%**
White	69.7%	69.4%	66.9%	65.3%
Choose Not To Disclose	1.6%	1.2%	1.2%	2.1%

*2023 US workforce accounts for 57.5% of disclosed global headcount.

Table 29. Racial & Ethnic Representation In Management (US Only)

Management Category	Asian	Black/ African American	Hispanic Or Latinx	Indigenous Or Native	Native Hawaiian/ Pacific Islander	Two Or More Races	White	I Choose Not To Disclose
All Management Positions (2022)	10.3%	6.3%	7.1%	0.4%	0.2%	1.6%	73.3%	0.8%
All Management Positions (2023)*	10.7%	6.3%	7.6%	0.5%	0.2%	1.7%	71.6%	1.4%
Junior Management Positions (2023)	5.7%	9.8%	6.3%	0.6%	1.2%	3.3%	70.3%	2.8%
Top/Executive Management Positions (2023)	5.8%	2.3%	5.8%	0.0%	1.2%	1.2%	82.6%	1.2%
Management Positions In Revenue-Generating Functions (2023)	2.5%	2.5%	12.7%	1.3%	1.3%	1.3%	75.9%	2.5%

*2023 US workforce accounts for 57.5% of disclosed global headcount.

OTHER DIVERSITY INDICATORS

In the fall of 2023, we launched a self-identification campaign for employees in the US and Canada, including workforce attributes such as gender identity and disability. We expect that numbers will evolve as employees become more familiar with the data collection process and plan to report on these workforce attributes in subsequent annual disclosures.

FREEDOM OF ASSOCIATION

Table 30. Employees Covered By Collective Bargaining

Category	2020	2021	2022	2023
Covered Employees	336	313	249	292
% Covered Employees	2.2%	2.0%	1.5%	1.6%

Hiring & Turnover

EMPLOYEE HIRES

In 2023, we hired 4,068 new, regular-status (i.e., full-time and part-time) employees. In addition, we filled 725 positions with internal candidates. New hires broken down by region, age group, gender, race/ethnicity, and management level are provided below. Between 2022 and 2023, we observed an increase in racial/ethnic diversity in overall hiring rates (38.4% to 40.3%) and in overall management hires (32.8% to 37.5%).

Table 31. Hiring (Global)

Category	2020	2021	2022	2023
New Hires	2,146	2,753	3,975	4,068
Positions Filled By Internal Candidates	132	461	594	725
Total	2,278	3,214	4,569	4,793

Table 32. Hiring By Region (Global)

Region	2020	2021	2022	2023
Americas	62.8%	56.3%	48.5%	47.4%
Asia	0.1%	0.0%	0.0%	0.0%
Europe	0.4%	0.3%	0.1%	0.3%
Middle East	36.7%	43.5%	51.4 %	52.3%
Other	0.0%	0.0%	0.0%	0.0%

Table 33. Hiring By Age Group (Global)

Age Group	2020	2021	2022	2023*
<30 Years Old	21.5%	19.6%	21.2%	23.0%
30–50 Years Old	56.4%	58.8%	59.7%	58.6%
>50 Years Old	22.1%	21.7%	19.1%	18.4%

*2023 age breakdown accounts for 99.7% of disclosed hires. New hires whose birthdates were unavailable have been excluded.

Table 34. Hiring By Gender (Global)

Gender Category	2020	2021	2022	2023
Men	78.2%	79.7%	79.0%	80.2%
Women	21.6%	20.3%	20.6%	19.2%
Prefer Not To Disclose	0.1%	0.0%	0.2%	0.4%
No Response	0.0%	0.0%	0.2%	0.3%

Table 35. Hiring By Race/Ethnicity (US Only)

Racial/Ethnic Group	2020	2021	2022	2023*
Asian	10.0%	9.6%	9.6%	10.7%
Black/African American	12.0%	10.5%	12.6%	14.2%
Hispanic Or Latinx	10.1%	9.1%	12.3%	11.7%
Indigenous Or Native	0.5%	0.4%	0.7%	0.5%
Native Hawaiian Or Pacific Islander	0.4%	0.5%	0.6%	0.5%
Two Or More Races	2.9%	3.1%	2.5%	2.7%
Total Diverse Hires	**36.0%**	**33.2%**	**38.4%**	**40.3%**
White	61.2%	64.5%	59.1%	57.4%
Choose Not To Disclose	2.8%	2.2%	2.5%	2.3%

*2023 US hires account for 40.7% of disclosed global hiring.

Table 36. Managerial Hires By Race/Ethnicity (US Only)

Management Category	Asian	Black/ African American	Hispanic Or Latino	Indigenous Or Native	Native Hawaiian/ Pacific Islander	Two Or More Races	White	I Choose Not To Disclose
All Management Positions (2022)	7.7%	9.3%	13.2%	1.0%	0.0%	1.6%	64.6%	2.6%
All Management Positions (2023)	11.4%	11.1%	11.9%	0.8%	0.6%	1.7%	60.8%	1.7%
Junior Management Positions (2023)*	NA	NA	NA	NA	NA	NA	NA	NA
Top/Executive Management Positions (2023)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%	0.0%
Management Positions In Revenue-Generating Functions (2023)	5.0%	5.0%	15.0%	0.0%	0.0%	0.0%	75.0%	0.0%

* Status of new hires at the junior management level is unknown, as direct reports are assigned after hire.

EMPLOYEE TURNOVER

In 2023, global turnover amounted to 3,122 employees, or a 17.1% turnover rate (which includes voluntary and involuntary terminations), down almost 2% since 2022. At an enterprise level, non-retirement voluntary turnover is almost 2.5 times that of involuntary turnover.

Turnover rates detailed by region, age group, and gender are provided in Table 37 to Table 40. While turnover rates in all categories were lower in 2023 than 2022, employees in younger age groups are more likely to leave Parsons than older age groups, and women are still more likely to leave Parsons voluntarily than men.

Table 37. Global Employee Turnover Rate

Turnover Category	2020	2021	2022	2023
Retirement	0.7%	1.1%	0.9%	0.8%
Voluntary (Excl. Retirement)	8.8%	12.1%	11.9%	11.6%
Involuntary	8.1%	6.6%	6.1%	4.7%
Total	17.6%	19.7%	19.0%	17.1%

Table 38. Global Turnover Rate By Region

Region*	2020	2021	2022	2023*
Americas	14.6%	17.6%	18.4%	15.1%
Middle East	24.6%	24.8%	20.1%	21.2%

*2023 regional turnover rates account for 99.9% of total turnover headcount. "Asia," "Europe," and "Other" categories have been excluded due to the low overall proportion of the workforce located in those areas.

Table 39. Global Turnover Rate By Age Group

Age Group	2020	2021	2022	2023*
<30 Years Old	18.8%	29.1%	24.1%	21.8%
30–50 Years Old	18.0%	19.4%	18.9%	17.5%
>50 Years Old	16.5%	17.2%	17.1%	14.9%

*2023 age group turnover rates account for 99.8% of total turnover headcount. Employees whose birthdates were unavailable have been excluded.

Table 40. Global Turnover Rate By Gender

Gender Category	Turnover Type	2020	2021	2022	2023*
Men	Retirement	0.7%	1.1%	0.9%	0.8%
	Voluntary (Other)	8.6%	11.7%	11.6%	11.5%
	Involuntary	8.8%	7.3%	6.6%	5.0%
	Overall	**18.2%**	**20.2%**	**19.1%**	**17.3%**
Women	Retirement	0.5%	1.0%	1.0%	0.9%
	Voluntary (Other)	9.1%	13.2%	13.1%	12.2%
	Involuntary	5.5%	3.7%	4.5%	3.6%
	Overall	**15.1%**	**17.9%**	**18.6%**	**16.8%**

*2023 turnover rates by gender account for 99.6% of total turnover headcount. "Prefer not to Disclose" and "No Response" categories have been excluded.

Benefits

FULL-TIME EMPLOYEE BENEFITS

Benefits offered to employees in the United States include medical, dental, vision, flexible spending accounts, commuter accounts, health savings accounts, basic term life and optional life insurance, basic and voluntary accidental dismemberment insurance (AD&D), and short-term and long-term disability insurance. Additional benefits include critical illness, group accident, hospital indemnity insurance, legal plan, identity protection plan, pet insurance, auto and home insurance, 401(k) plan, employee stock ownership plan, and Employee Assistance Program (EAP).

Canadian employees receive medical, pharmacy, dental, and vision insurance, an EAP, life insurance, accidental death and dismemberment insurance, healthcare spending accounts, short-term and long-term disability insurance, emergency travel coverage, and a defined contribution retirement plan. Additionally, employees can purchase optional life insurance for their spouse and children.

Employees in the Middle East and Africa (MEA) receive medical, dental, vision, EAP, life insurance, and evacuation coverage.

Employee Support Programs

Employee Assistance Program

Parsons offers an Employee Assistance Program (EAP) to all employees companywide, which provides them and their families personal counseling, mental health management, family and caregiving guidance, safety and crisis-planning resources, self-improvement tools, life-learning opportunities, and chronic-conditions support. These services are free, confidential, and available 24 hours a day, seven days a week, via a toll-free number. Up to eight counseling sessions per occurrence per year are available with an EAP specialist to help with personal or professional issues that may arise at no cost to the employee. We've continued to offer this important program to show our commitment to providing our employees with tools, information, and services that help manage everyday challenges and support wellness for life.

Allsup (US Only)

We partner with Allsup, which is an organization that provides personalized assistance for veterans with service-related disabilities. Filing a disability claim with the Department of Veterans Affairs can be an overwhelming experience. Trained Allsup claims specialists can help our veteran employees navigate the complex process.

Dependent Care (US Only)

The dependent care flexible spending account (FSA) allows employees to set aside money on a pre-tax basis to apply for eligible day care expenses. Employees can contribute up to $5,000 annually to their dependent care FSA as per IRS regulations.

Parental Leave (US Only)

Employees who have a newborn or newly adopted child are eligible for paid parental leave up to a maximum of 160 hours. Paid leave can be used within the first 12 months of the child's birth or adoption. Leave can be taken in hourly increments, either consecutively or non-consecutively.

Wellness Programs & Incentives

Live Well. Be Well. (US Only)

Our US-based Live Well. Be Well. wellness program empowers our employees to manage their health. Our program offers health-improvement resources, such as health screenings, education, personalized health coaching, and cash incentives for participation. We hold weekly wellness events to assist our employees and their families, including the following:

- Meditation Monday
- Stretch and Flex Tuesday
- Wellness Wednesdays
- Virtual bingo and trivia games
- Healthy cooking classes
- Virtual paint parties
- Steps challenge

To encourage optimal participation in the wellness program, we offer financial incentives to employees who participate by discounting medical premiums and awarding quarterly raffle prizes. Opportunities for random drawings are also available when completing other wellness activities.

Active & Fit (US Only)

We partner with Active & Fit to help employees achieve their wellness goals through discounted gym memberships at more than 11,000 fitness centers.

WINFertility & Hinge Health (US Only)

Employees enrolled in an Anthem medical plan may also access the following programs:

- WINFertility provides inclusive family-building solutions and compassionate guidance for employees. Their nurse care advocates help employees navigate care throughout their fertility journey, including clinical and emotional support.
- Hinge Health provides personalized care and digital exercise therapy to help employees accomplish their health goals related to musculoskeletal health. Hinge Health will assess the employee's condition, match the employee with a care team, and personalize a treatment plan related to back, muscle, wrist, joint, and pelvic pain.

NON-SALARY BENEFITS & WORK-LIFE BALANCE

We provide employee benefits driven by the desire to create a healthy and productive work environment for our employees. These programs are described in more detail below.

Workplace Flexibility

Flexible Work Options

We reimagined the workplace and introduced flexible work options (FWOs) in 2020 in response to the COVID-19 pandemic, and those options are still available. FWOs are an evolution of our telecommuting (work-at-home) and alternative-work-schedule policies that empower employees and managers to design a preferred work arrangement that best suits the individual needs of the employee. FWOs are intended to enhance our employees' work-life balance, foster a resilient workforce, and reduce the environmental impact of commuting.

Working-Time Reduction

We offer part-time and contract/casual working options to employees. Part-time employees who work a minimum of 17.5 hours per week are eligible for all the benefits listed above. Casual employees are eligible for the EAP.

Employee Stock Ownership

Parsons provides long-term incentives for employees, including stock ownership. Opportunities that Parsons offers employees include the following:

- The Parsons Employee Stock Ownership Plan (ESOP) is a retirement plan by which eligible employees have an opportunity to own Parsons common stock. The company contributes up to 8% of eligible compensation annually to individual ESOP accounts maintained for each participant to reflect their share of the ESOP's ownership. Approximately 65% of the benefits-eligible population is enrolled in the ESOP. To be eligible, one must be employed by an ESOP Member Company as designated by the board of directors.
- The Parsons Employee Stock Purchase Plan (ESPP) provides an opportunity for eligible employees to own Parsons stock. By participating in the plan, eligible employees can purchase Parsons shares at a 5% discount from the closing price on the purchase date.

DRIVE Program

Parsons offers cash incentives through our Distinguished Recognition and Incentive (DRIVE) Program, which was launched in July of 2019 to recognize, reward, and encourage high-caliber work. As of December 2023, 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. That flexibility is what we're most proud of, as every employee can recognize someone else or be recognized themselves. Each award level has strong ties to our mission of creating a better world.

The program not only includes monetary and non-monetary rewards for employees but also allows us to make contributions to charitable organizations to celebrate each of our True to the Core awardees. These organizations, which align with our Parsons Gives Back categories, rotate every six months, allowing us to positively impact the communities in which we work and live. This community support reinforces our commitment to the causes that align with our core values. For example, for the first half of 2023, the Rainforest Trust was selected for its alignment with our sustainability core value, and for the second half of the year, Technovation was selected for its alignment with our innovation and diversity core values.

At Parsons, we also encourage informal avenues to recognize the contributions of our employees. We create specially designed core value coins and CEO coins, similar to military challenge coins, for managers to employ as on-the-spot employee recognition. Additionally, social recognition through short personal messages and celebratory kudos on internal communications channels provides meaningful feedback and acknowledgment for a job well done.

Training & Development

INTRODUCTION

In 2023, under the direction of the Executive Leadership Team, the Talent and Organizational Development team facilitated the creation of Parsons' Leadership Vision for the company. As a tool to strengthen organizational culture, the Leadership Vision identifies the key leadership principles and accompanying behaviors that drive the company's continued growth and serves as the foundation of Parsons' leadership development framework. Through individual interviews of over 70 senior leaders, Parsons' Leadership Vision describes the organizational culture that is the foundation of Parsons' success and seeks to develop it even further. The Leadership Vision was launched to the company through multiple communication channels beginning in early 2024.

In 2023, the Talent and Organizational Development team created a SharePoint site providing Parsons employees convenient access to a variety of training and professional development services and programs. All employees are now able to register for any of the 18 Learning Series sessions, covering topics such as Goal Setting to Drive Performance, Communication Skills, Leading a Virtual Team, and DEI in Action. Employees are also able to access information and resources regarding the Mentoring Program—as both mentors and mentees—as well as tuition reimbursement for continuing education.

Professional development services such as executive coaching, 360-degree feedback, and bespoke team development events are available through the site, allowing company leaders to easily access valuable resources in support of their own or their team's continued development. Nomination-based leadership programs were created for delivery in 2024: the Engaged Leader Program for Managers and the Intentional Leader Program for senior leaders' advanced leadership development. Additionally, the Learning and Development team's services include online course development for business leaders and subject matter experts, curriculum development consulting for those creating training in their area of expertise, and the sharing of trainings, such as webinars, on Workday Learning. LinkedIn Learning is available to all employees as well as other learning resources, such as external vendors that provide training in specialty areas.

EDUCATION & TRAINING

In 2023, employees had access to a robust learning catalog of over 20,000 digital and virtual instructor-led professional development and compliance courses offered through our learning management system and LinkedIn Learning, our learning content provider introduced in 2022. All new hires and employees are required to take a number of compliance training courses, either every year or every other year, depending on the topic. Compliance training topics include integrity, corporate security, harassment prevention (with a separate course for managers), anti-corruption, insider threat awareness, proactive event reporting, quality, and safety. Employees working in our Federal Solutions business must also

complete training on government security, international trade compliance, government property management, and combating trafficking in people.

Parsons employees completed approximately 23,000 hours of optional virtual coursework on technical, DEI, ethics, safety, and security topics, among others.

In this new hybrid world, our training approach has adapted to meet virtual needs, and our employees continued to take advantage of this flexible approach to sharpen and grow their skills. We recorded an average of 4.3 hours of training and development per employee, which is a 43% increase over 2022. These values represent training that is trackable in our Workday system and through our formal training partners but does not present the entire picture of learning and development across the corporation.

Table 41. Employee Training

Description	2020	2021	2022	2023
Total Training/Development (Hours)	47,792	41,154	51,390	77,976
Average Training/Employee (Hrs./Employee)	3.1	2.7	3.0	4.3

Degree Programs/Certifications

Parsons offers a Tuition Reimbursement Program to North American employees, providing reimbursement for the completion of job-related college courses at an accredited or recognized school, college, or university. We also have an established partnership with Colorado Technical University (CTU), which provides online education toward associate, bachelor's, and master's degrees. CTU offers a commitment grant for eligible Parsons employees, which, when coupled with our Tuition Reimbursement Program, covers 100% of employees' tuition costs.

In 2023, Parsons invested over $1,050,000 in our employees' education; 213 employees received reimbursement under the program and completed 617 courses related to their careers.

Technical Webinar Series

Parsons offers technical webinars focused on the latest solutions to deliver complex environmental remediation, innovative engineering, and future-ready water and energy systems for a cleaner, safer planet. These monthly webinars are led by Parsons' own subject matter experts and, in 2023, covered such topics as Constructing a Virtual World: The Benefits of Digital Twins and How to Build Them, Lessons Learned in Applying PFAS Adsorption Technologies to Surface Water and Groundwater, and Evolution and Innovation of Power Generation in the 21st Century, to name a few.

MANAGERIAL & LEADERSHIP DEVELOPMENT

Strategic Leadership Program

The overall mission of the Strategic Leadership Program (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 the Implementing Winning Strategies executive education 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 program empowers participants to think systematically about strategy, then understand the roles and responsibilities for creating aligned strategies, and finally cascade those strategies through an organization. They worked on Parsons-themed assignments and received pertinent, direct feedback from the faculty. In 2023, after completing 4,800 total hours of training, the SLP graduates presented their capstone project to the Executive Leadership Team with key recommendations based on their strategic learnings in the program.

The program delivers significant benefits to the corporation, including creating increased networking opportunities across the business that facilitate knowledge-sharing and providing a platform for funneling information from across the organization up to executive leaders. In addition, the program provides opportunities for executive leaders to evaluate and further develop employee talent, ensuring Parsons has viable successors for future executive leadership roles across the corporation.

Lead & Engage Leadership Development Program

The Lead and 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 2023, 135 Parsons managers participated in the program from across the company, for a total of 1,080 hours of virtual, live training and 956 hours of online training. Managers who completed the program have found it to be impactful and have been able to deploy lessons learned immediately.

MISCELLANEOUS

Career Paths

Our Technical Career Path demonstrates two distinct career progressions for technical employees across our organization: one that follows a management path and another that can be followed as an individual contributor. The Technical Career Path, along with an integrated competency model and Workday tools such as the Opportunity Graph, are resources designed to aid an employee in determining their next opportunity. In collaboration with initiatives such as the Guild, which is our technical community that supports the skill development of technical employees in our Defense and Intelligence business unit, the Technical Career Path provides a backbone for the growth of technical talent at Parsons.

Mentor Program

Parsons' Mentor Program continued to thrive, with a growing 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 was 305 in 2023, with 331 active mentorship pairings (several employees had more than one mentor). The number of executives available as mentors grew from 133 in 2022 to 173 in 2023. Mentorship is also provided through a number of other avenues as part of our DEI Program, including the EBRGs, such as the Parsons Women's Roundtable (PWR) and the Military and Veterans Affairs Program (MILVET).

TALENT PIPELINE

Talent Development Strategy

We're committed to enhancing our position as a leading employer in our industry. Our culture and reputation as a leading provider of technology-driven solutions in the national security and critical infrastructure markets enables us to recruit and retain some of the best available talent across the globe. We believe that we're stronger and smarter when we work together. We believe in doing right by the communities we serve. And we believe Parsons is the place where employees make a difference. We employ a best-in-class Talent Acquisition team focused on specific outreach and sourcing efforts, and our focus on diversity starts well before someone is employed by us. Our varied yet targeted programs are designed to enhance our applicant pools.

Early Talent Program

We are committed to assisting our young professionals as they imagine what's next for themselves and elevate their careers. Parsons' Intern Program provides a valuable experience that is personal, educational, and intentional. The focus

is to provide meaningful work experience that allows students to obtain a true sense of the workplace and contribute. To do this, we have dedicated partnerships with core universities, including HBCUs, where the company is focused on growing the relationships with faculty and students. We integrate mentorships, career development webinars, and networking opportunities throughout the summer as well as for those individuals who remain in part-time and co-op situations. We've expanded and extended our relationship with the students to provide additional professional development activities while they are back at school. Many of our interns return year after year during their college and post-college education, and we strive to convert our students into full-time employees upon graduation. Additional details regarding our Early Talent Program can be found on our website.

Diversity Outreach

We have a dedicated team for military and veteran outreach and recruitment. Our veteran-focused EBRG, MILVET, partners closely with the Military and Veteran Hiring team to participate in attracting veterans to Parsons, leveraging relationships with other internal employee groups, such as the Base Ambassador Group, the Women's Veteran Group, the Military Spouse Group, and the PRIDE Alliance EBRG, as well as outreach to external organizations, such as the Student Veterans of America chapters at Parsons-designated university partners, the military LBGTQ+ organization (Modern Military Association of America), and the Native American veteran issue-solving organization (Hesperus).

PERFORMANCE MANAGEMENT

In 2023, 98% of our eligible workforce received an end-of-the-year performance and career development review—a substantial increase over the 80% participation rate in 2022. The data are shown in the table below, broken down by gender.

Table 42. Employee Performance Reviews

Employee Category	Eligible Employees*	Quantity	% Completed Reviews
Men	11,292	11,025	98%
Women	3,169	3,128	99%
Prefer Not To Disclose	36	35	97%
No Response	13	13	100%
Total	14,510	14,201	98%

* Eligible employees were regular full- and part-time employees hired on or before August 28, 2023. Employees on leave as of the review launch date, union/craft workers, operatives, laborers, helpers, service workers, PFCU employees, and employees of non-integrated companies are excluded.

Parsons uses a management-by-objectives performance appraisal method for performance-related compensation decision-making, which entails the use of agreed-upon measurable targets by line superior. Our year-round one-on-one (1:1) conversation model encourages managers and employees to have regular, meaningful conversations to enable Parsons' employees to reach their full potential while achieving Parsons' goals and objectives. Annual performance goals are set at the beginning of each calendar year to align with high-level organizational objectives as well as leader and individual goals.

Employees and managers strive to complete those goals throughout the year, with the encouragement of at least two (mid-year and end-of-year) performance reviews. One-on-one conversations drive performance, foster engagement, ensure organizational alignment, and manage career development. Resources such as information sessions and helpful job aids are provided to managers and employees to aid them in having conversations in each of these four focus areas throughout the year.

A formal process for talent reviews, which includes succession planning, is also conducted annually at the level of the ELT and their direct reports. Talent leaders also work with other leaders within the organizations they support who request succession planning for their leadership as needed.

Employee Engagement

APPROACH

For years, Parsons has measured employee satisfaction and engagement through an annual pulse survey, which helps us identify areas where our culture is evolving and identify key strategic areas where we need to continue to focus our energies to improve employee engagement and the employee experience. These data are critical in guiding our cultural journey as a dynamic, entrepreneurial, and creative place to work. We drive and encourage employee participation by engaging our senior leadership and talent leaders in the process to help ensure employees understand that their voice matters, and that Parsons acts on results. And we show employees that their voice matters by intentionally acting on feedback received each year to align action planning to our company initiatives to best enhance the identified areas of opportunities at all levels.

In 2023, we partnered with Glint and implemented its survey platform companywide. We chose Glint for its exceptional and confidential survey experience, benchmarked questions, results analysis dashboard, and after-action planning tools for managers. The robust platform gives managers real-time results, resources, and videos addressing ways to improve engagement based on their specific results.

OUTCOMES

In 2023, we were pleased to have met or exceeded Glint's global benchmark in all areas. Our overall engagement score was 78, compared to the global benchmark of 75, which is an indication that Parsons employees are more engaged than those at many other companies. The engagement score is the average of our employees' responses to the employee satisfaction question, which is "How happy are you working at Parsons?" and the recommend prompt, which is "I would recommend Parsons as a great place to work." The engagement score is what Parsons will use to analyze trends going forward to understand how engaged employees are at Parsons.

When measuring employee satisfaction alone (vs. employee engagement), Parsons scored 77, which is three points higher than Glint's global benchmark of 74.

The following are the key outcomes:

- Employees value their purpose, people, camaraderie, and opportunities to grow.
- Employees describe a collaborative culture and affiliation with peers yet may lack a sense of connection to the broader organization.
- Employees feel comfortable speaking up in an authentic way but are sharing that they desire greater recognition.
- Employees are satisfied with the communication they receive; however, they see opportunities in the areas of total compensation and rewards.

The results of the survey continue to drive action planning and improvement in the employee experience well beyond just the annual survey period to help our employees imagine an even better Parsons together.

Table 43. Employee Engagement

Employee Engagement Survey	2020	2021	2022	2023
Total Eligible Employees*	15,040	14,422	14,708	15,257
Employee Satisfaction (%)**	69%	73%	74%	NA
Employee Satisfaction (Points)***	NA	NA	NA	77
Total Survey Participants (%)	46%	41%	48%	54%

* Eligible employees were regular full- and part-time employees hired on or before July 18, 2023. Union/craft workers, casual, contractor/subcontractor, contingent workers, and employees of non-integrated companies are excluded.

** Up to 2022, satisfaction was defined as the % of employees who responded "Positive" to the statement "I am satisfied with my overall employee experience."

*** As of 2023, satisfaction is defined as the average score on a 5-point agreement scale (transformed to a 100-point scale) to the question "How happy are you working at Parsons?"

Community Investment

INTRODUCTION

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.

Long-term community involvement programs we have in place include sponsoring the annual Tragedy Assistance Program for Survivors (TAPS) golf tournament, featuring web page build events for non-profit organizations via 48 in 48, employer-match donations to charities of choice for PARPAC participants, a scholarship program in conjunction with the Modern Military Association of America, an end-of-year holiday donation to a non-profit (Technovation in 2023), Volunteer of the Year philanthropic giving, and more. Parsons also offers a scholarship program which sponsors both graduate and undergraduate scholarships for dependent children of Parsons employees. The student must be pursuing a coursework in the fields of science, technology, engineering or math (STEM). In alignment with our continued focus on diversity, equity, and inclusion, we dedicate a portion of scholarship funding to students who are studying at historically Black colleges and universities (HBCUs) or minority-serving institutions (MSIs). In 2023, we awarded 16 new student scholarships and renewed 22 awards for a total of $125,500.

We monitor and evaluate the impacts of our community projects by collecting stakeholder feedback and improving our year-over-year contributions. In 2023, our employees self-reported 35,114 hours of volunteer time, a 76% increase over 2022.

Table 44. Employee Volunteerism

Employee Self-Reported Volunteerism	2020	2021	2022	2023
Hours	12,991	13,122	19,925	35,114

CORPORATE CITIZENSHIP STRATEGY

Our philanthropic program consists of volunteer activities, in-kind donations, and charitable contributions that align with our corporate mission of driving recruitment and improving employee retention; promoting social equity in the communities in which we live and work; supporting diverse, underserved communities; and living out our core values of integrity, quality, diversity, safety, innovation, and sustainability. This strategy aligns with our overall corporate strategy of imagining next as we seek to create more sustainable, scalable communities. We align our voluntary and charitable priorities with the following three main 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 HBCU-related hours, mentoring, and education support (talent-pool-building–type activities).
- Vibrant Communities – Related to improving climate action, providing good health and well-being, and achieving zero hunger. Examples include sustainability/environmental cleanup, community impact, and access to vital services (health, food, education).

These priorities align with the United Nations Sustainable Development Goals (SDGs) and our business drivers, as shown in the table below. We also measure performance through the key performance indicators (KPIs) shown in the table below.

Table 45. Philanthropic Priorities

Philanthropic Priority	Related SDGs	Related Business Drivers	KPI
Military/Veteran	Good Health & Well-Being Quality Education Gender Equality Decent Work & Economic Growth Reduced Inequality	Recruitment/Retention Diversity Social Equity	Job Creation: We are proud of the partnerships we have that support military transition programs, both through SkillBridge, as noted earlier, and through active recruiting programs in military forums. We are committed to honoring the service of our military members and to providing them with quality opportunities as part of the Parsons organization.
STEM/Educational	Quality Education Gender Equality Decent Work & Economic Growth Reduced Inequality	Diversity Social Equity Recruitment/Retention	Recruiting and Cultivating a Diverse Talent Pool: We actively monitor recruiting and retention, especially in highly technical career fields where STEM talent is at a premium. Our investments in STEM programming enhance our brand in recruiting and cement our foundation of retention as an innovative corporation with current employees. Community Impact, Outreach, and Engagement: Parsons is dedicated to the global Technovation Girls AI Challenge, the Ace Mentorship Program, and other STEM programs worldwide to grow available talent pools and provide opportunities, access, and exposure to new, quality careers. Parsons has also awarded scholarships through various STEM-focused career programs.
Vibrant Communities	All	Delivering A Better World Serving Underserved Communities Urban Development And Sustainable, Scalable Communities	Recruiting, Social Responsibility: We recognize the importance of brand affinity as part of our current and future business opportunities in the communities where we invest. Equally, having a strong brand in the community promotes recruiting (a priority for our company) and retention. Improved Quality of Life and Advancement of Vibrant Communities Worldwide: In addition, Parsons has received awards and recognition as an employer of choice for veterans, LGBTQ+ community support, and diversity advancement.

Occupational Health & Safety

POLICY

Safety is a Parsons core value. Our world-class approach to safety, health, and the environment (SH&E) makes it imperative that all employees and stakeholders actively engage in, and take responsibility for, SH&E matters. Our SH&E policy is supported by industry best practices, which are highlighted in our Environmental, Safety, Health, and Risk Program (ESHARP). Our knowledge-share portal remains a key tool for communicating relevant information and making it accessible to all employees. We continue to engage our employees in robust training and awareness activities that include important topics, such as mental health and well-being, distracted driving, roadway worker protection, remote work safety, and seasonal safety.

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM

ESHARP covers all employees worldwide and is aligned with the requirements of American National Standards Institute (ANSI) Z10 and International Organization for Standardization (ISO) 45001 for occupational health and safety management systems and ISO 14001 for environmental management of work activities. It is fully implemented and covers all workers (including contractors), workplaces, and activities. ESHARP provides the minimum standards for managing SH&E hazards and risks associated with our activities and operations, providing the strategies and tools to continue pursuing SH&E performance excellence, leading to improved quality of life for our employees, contractors, customers, and communities.

ESHARP encapsulates the scope and operation of our management system while reflecting the nature and scale of the risks we face. Using ESHARP, we implement, maintain, and continually improve our management system to conform to legal requirements and to the national and international standards to which we subscribe. ESHARP is prominently posted on our internal Corporate Policy landing page and is provided to the companies with which we work as a reference document for the following topics:

- Learning and understanding our SH&E systems
- Planning for SH&E requirements
- Controlling hazards and managing risk
- Activity planning
- Conducting SH&E audits
- Investigating and reporting incidents
- Increasing safety awareness for existing staff
- Setting competence
- Reviewing and improving SH&E systems

We are committed to and guided by the following tenets:

- SH&E stewardship is a responsibility shared by all.
- Executive management leads our SH&E processes and strives to continually improve our management systems.
- SH&E performance is a key business driver.
- Employees are provided with the expectation, resources, and knowledge to ensure they achieve high levels of SH&E performance in business operations and project work.
- Employees and stakeholders are authorized and expected to stop work when hazardous conditions warrant it.
- Our SH&E efforts extend beyond our workplaces to include travel, our homes, and our communities.

Responsibility for the success of our SH&E system rests on our leaders, who are not only engaged in the development and continuous improvement of our SH&E programs and processes but also enthusiastic sponsors who ensure that SH&E is integrated into everything we do. This enthusiasm is a true reflection of a company culture that values the well-being of people and the environment.

We do not primarily focus our program on historic performance; we measure and value leading indicators, such as the number and quality of safety observations and audits completed, near misses and lessons learned documented, and the number and quality of leadership safety engagements.

Health and safety procedures are written in the English language and cover all employees. Contractors are required to translate written and spoken health and safety communications as applicable for their workforce.

SH&E SYSTEM COVERAGE, CERTIFICATION & AUDITS

We are certified to third-party SH&E management system standards in locations where there is a business need. In 2023, our offices and projects in the United Arab Emirates, Qatar, and the United Kingdom completed a series of audits from the British Standards Institute (BSI) and obtained a renewal of our certifications for ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System. These certifications cover approximately 18% of our employee population.

In Canada, we have renewed our Certificate of Recognition (COR) in Ontario, Alberta, and the Yukon Territory. COR is an occupational safety and health accreditation program that verifies a fully implemented safety and health management system that meets national Canadian standards. COR covers approximately 6% of our employee population. Contractor flow-down language has been implemented to ensure that all contractors align with the same SH&E management system principles. Contractors are prequalified against these expectations and are closely monitored during project execution through regular meetings, inspections, audits, and other engagement activities.

HAZARD IDENTIFICATION, RISK ASSESSMENT & INCIDENT INVESTIGATION PROCESSES

Hazard & Risk Identification

Processes used to identify work-related hazards and assess risks include regular worksite SH&E inspections, project self-assessments, and programmatic audits. These activities serve as the cornerstone of our hazard-identification, risk-assessment, and exposure-control methods. Using these process tools helps us evaluate compliance with our SH&E policies, procedures, and expectations. Projects establish formal inspection, self-assessment, and audit protocol in accordance with our ESHARP management system. This protocol, which also applies to areas controlled by our contractors and their lower-tier contractors, includes the following:

- A Project Safety, Health, and Environmental Plan (PSHEP) to establish and implement effective and compliant worksite inspection, self-assessment, inspection requirements, and audit protocols, using a risk register and the associated compliance programs and best practices
- Audits (at least semi-annual) to validate that our management system, as defined by the PSHEP, is operating as intended
- Routine inspections (at least weekly) to search for the symptoms of any management system deficiencies
- Investigation and corrective action to address management system deficiencies (root causes) associated with the findings through tracked corrective actions

Participants in the audits and assessments typically include the following:

- Site-specific and corporate SH&E professionals experienced in auditing
- Third-party independent internal and external auditors who report directly to our board of directors
- The project manager (PM) or, if the PM is not resident on the project, the most senior worksite leader
- The SH&E project representative or the director of SH&E (or delegate)

During field execution, a fundamental risk-assessment method used on our projects is the activity hazard analysis (AHA), which provides a broad overview of the actions associated with an activity, the associated hazards, and the steps taken to mitigate those hazards. Although not all SH&E risks can be assessed and controlled using an AHA, the AHA is the most common type of field risk-assessment method we use. Its linear, flexible structure is ideal for understanding the SH&E risks of most work activities and the associated risk control strategies. Employees are trained to complete AHAs as a primary risk-assessment tool and instructed regarding the AHAs applicable to their work. AHAs and other risk assessments must be reviewed annually (with the annual PSHEP review) and updated, if necessary.

Risks are comprehensively analyzed for severity and probability. As such, our risk evaluation uses metrics such as risk severity, probability, and risk assessment code (RAC) to identify and categorize risk. RAC is determined by combining severity with likelihood in a risk matrix. After RAC is determined, the risk is scored (i.e., extreme, high, moderate, low) and recorded in the risk register. The higher the risk, the more efforts are needed to reduce the risk. We expect the risk of our activities to be reduced to as low as reasonably possible. This final determination of RAC helps to ensure that these expectations are met. Risks are controlled based on their respective RAC using one or more of the high-level risk control strategies of Avoid, Transfer, Reduce, and/or Accept.

Worker Reporting

Employees can report work-related hazards and hazardous situations directly to their supervisor, SH&E representative, or a member of the SH&E committee. In addition, employees report proactive events into our online reporting systems (e.g., IndustrySafe, Salesforce). Reported proactive events are reviewed and monitored for correction.

We have a strict policy against retaliation toward any employee making a good faith report of a hazard or hazardous situation. Appropriate action is taken to discipline any supervisor or other employee who initiates, condones, or participates in any act of retaliation.

Process For Workers To Remove Themselves From Unsafe Situations

Each employee and contracted person is a critical leader for preventing injuries, illnesses, and adverse environmental impacts. Therefore, each employee is authorized to stop work immediately if a safety, health, or environmental concern exists or if the work is not going according to plan. Once work is stopped, each employee is expected to communicate the work stoppage to the other affected stakeholders and further evaluate the condition and adjust the work plan to resolve the safety, health, or environmental concern before restarting the work. This process is called STOP.

- **S**top the task you are doing or intervene with a coworker if appropriate.
- **T**ake immediate measures to notify any others affected. If there is no imminent danger, notify the appropriate line supervisors and site leaders. This is also a good time to make any other pertinent notifications, such as to the client or building management.
- **O**ffer correction or get help if needed. Keep it positive. Affected parties shall discuss and gain agreement on the resolution of the stop-work issue. The initiator of the stop-work event shall be thanked for their concern.
- **P**repare to resume once the concern has been resolved. If necessary, suspend that task until the adjusted work plan can be reviewed and revised, when needed. When opinions differ regarding the validity of the stop-work issue or adequacy of the resolution, the appropriate site leader shall make the final determination, giving full weight to all opinions and views. Positive feedback shall be provided to affected personnel regarding the resolution of the stop-work issue.

We have a strict policy against retaliation toward any employee who conscientiously exercised their stop-work authority. Appropriate action is taken to discipline any supervisor or other employee who initiates, condones, or participates in any act of retaliation.

Investigation Of Work-Related Incidents

All workplace incidents (including near misses) are analyzed collaboratively with affected workers, supervisors, and one or more SH&E professionals. The incident analysis focuses on management system deficiencies that allowed the unacceptable condition(s), and the incident, to occur. Corrective actions are applied using the hierarchy of controls (i.e., elimination, substitution, using engineering controls, using personal protective equipment).

For significant work-related injuries, illnesses, environmental incidents, security incidents, or property damage incidents, senior management is notified immediately. The project SH&E representative or the SH&E director (or delegate) will be consulted to assist with determining the root causes of the incident and for support developing and distributing lessons-learned publications.

The investigation process starts as soon as the initial report of the investigation is submitted. The project manager (or delegate) leads the investigation and seeks assistance from the project SH&E representative or SH&E director (or delegate) for subject matter expertise and investigation support.

A formal incident investigation report with corrective actions and accountability assignments is distributed to the appropriate members of the project team and our leadership team and submitted in IndustrySafe (incident reporting system) as a part of the IndustrySafe record of the incident. Along with lessons learned, the results of incident investigations are utilized to improve safety in design, update processes, protect the health of potentially exposed workers, develop training, and promote leadership engagement.

The complexity of our business demands that we are prepared to respond to a range of possible disruptions, such as significant incidents, political instability, or extreme weather. Our corporate Crisis Response Program outlines a framework that can be used to manage our response to emergency situations. Our response management program incorporates multiple factors to ensure readiness. These include making resources available to employees at all levels of an organization, appropriate response management team staffing, aligned and flexible communications, and a training and testing program.

SH&E SERVICES

Before awarding work to a subcontractor, we align with the client on the project's SH&E requirements and how these requirements affect contractors that may be selected to perform the work. Each contractor must demonstrate that it can meet both the project's technical requirements and our SH&E expectations before it is awarded a contract to perform the fieldwork activities for us. Prospective contractors are provided with the project's SH&E performance expectations to which a contractor and its lower-tier subcontractors must adhere while performing work. Our PM will follow the Procurement and Contractor Management Procedure to select, monitor, and evaluate contractors and consultants to help ensure that they are aligned to our SH&E expectations and will deliver work that meets these expectations. These SH&E expectations include the timely reporting of workplace incidents, investigation of incidents, implementation of corrective actions, and distribution of employee awareness documents.

SH&E WORKER PARTICIPATION

Employee Consultation

We care about each employee's whole self, and we seek to foster an inclusive environment that nurtures trust. ESHARP compels affected stakeholders to proactively collaborate to identify scope-of-work risks and craft unique office- and project-specific SH&E plans (PSHEP) to ensure effective mitigation measures are in place. Effective SH&E implementation is not limited to written policies and procedures, safe work briefings, orientation, and training sessions, nor is it limited to discussions about the physical aspects of safety, health, and the environment. Our communications and campaigns also incorporate topics such as mental wellness, mindfulness, fatigue management, and sustainability, as appropriate. Employee consultation and participation fosters cooperation and develops lasting partnerships among workers, the leadership team, contractors, and stakeholders. Consultation and participation allow workers to raise concerns and influence decisions on SH&E management on the project, yielding collaborative solutions to problems and helping develop and maintain a positive SH&E culture. Our processes for worker participation and consultation in the development, implementation, and evaluation of ESHARP and for providing access to and communicating relevant information on occupational health and safety to workers include the following:

- Regular SH&E communications for team members and stakeholders appear in written form on bulletin boards, posters, brochures, newsletters, lessons learned, and memos. Verbal communications occur during regular meetings, celebrations, and team-building events.
- Each location must ensure that two-way SH&E communications and consultation occur continually throughout the life of the project and that project team members and stakeholders are actively engaged in these communications and consultations so that they are frequent and relevant, as well as formal and informal.
- Our locations seek worker input and collaboration on SH&E matters, such as developing, reviewing, and updating the following:

  o Work plans
  o Risk assessments and AHAs
  o Compliance programs and best practices
  o Project policies and procedures
  o Training programs
  o Orientation programs
  o SH&E performance measures and objectives
  o Awareness campaigns

- Input from line employees or the chartered employee SH&E committee will be solicited under the following circumstances:

  o When new work processes, equipment, or tools are being designed, purchased, or modified
  o When occupational health issues and worksite monitoring issues are identified
  o During incident investigations
  o During site visits by members of the senior leadership team
  o When programs related to worker-initiated SH&E observations are being considered or evaluated

- SH&E consultation and participation are also required when employees have formal (e.g., bargaining unit) representation on SH&E matters.

Joint Management-Worker SH&E Committees

The development of an SH&E committee at each applicable location is a key component for maintaining safety and security. The SH&E committee emphasizes a proactive approach to prevent injuries and supports the corporate commitment to a zero-incident philosophy and a safe and healthy environment for all employees. The SH&E committee identifies opportunities to improve SH&E processes by determining if the risk control strategies defined in the site-specific SH&E plan are functioning properly to fulfill the ESHARP management system and regulatory requirements.

An SH&E committee is established with a simple written charter describing the following:
- Scope
- Authority
- Work expectations
- First members
- Formal reporting lines for communicating suggestions and requests to accountable members of the project team for resolution

SH&E committee members assist the local leader (i.e., a Parsons employee who is a supervisor, project manager, functional manager, or executive with operational or supervisory oversight of Parsons employees, agency employees retained by Parsons, or contractors) in guiding and promoting SH&E goals and objectives (both corporate and local), participate while in SH&E committee meetings, engage with workers to improve SH&E performance, and ensure that all applicable SH&E measures are properly administered. They also communicate meeting minutes to project or office personnel (e.g., through email and posts on safety bulletin boards), participate in incident investigations in accordance with applicable legislation and ESHARP management system requirements, and track corrective actions.

SH&E TRAINING

In accordance with ESHARP, our employees receive occupational health and safety training to raise awareness and reduce operational health and safety incidents. This training occurs in three forms: (1) initial employee orientation and education; (2) initial and ongoing site-specific training to recognize and control the workplace hazards associated with their scope of work and how to report health and safety incidents and steps taken to investigate; and (3) shared findings, lessons learned, and the status of the corrective actions identified in incident investigation reports. All employees are required to attend a general and site-specific SH&E orientation. Initial and ongoing training is determined by the employee's function and as determined using the resources summarized in the next paragraph. Lessons learned and shared findings are distributed locally through training sessions or enterprise-wide digital communications as applicable.

SH&E-related training, certification, qualification, or competency needs are identified from a variety of sources to ensure that training, certification, qualification, and competency needs are thoroughly analyzed and evaluated against the scope of work among all levels of employees, including the senior leadership team. The risk register in the project SH&E plan is a primary source, along with its related AHAs, other risk assessments, and written compliance programs and best practices. This results in the creation and promulgation of a site-specific SH&E training matrix. Workers and other stakeholders are also sources for identifying training and competency needs. When these needs are identified, the risk

register, associated AHAs, and compliance programs and best practices must be updated, resolving any gaps that may have been discovered.

PROMOTION OF WORKER HEALTH

We are committed to promoting the mental and physical well-being of our employees. Worker access to non-occupational medical and healthcare services and voluntary health promotion services and programs, such as our EAP and Live Well. Be Well. program, are described in greater detail in the Benefits section, above.

We endeavor to return employees to gainful employment with minimal emotional and financial disruption to their lives. Our Stay-at-Work Program benefits the employee and Parsons by maintaining productivity and by reducing the costs and lost time that may result from a work-related injury. We endorse temporary transitional duty that strives to return an injured worker back to their regular assignment within 60 days. The success of our Stay-at-Work Program depends on all employees understanding and adhering to the following roles and responsibilities: For an incident involving an employee who sustains a work-related injury or illness, the designated project team members or corporate workers' compensation specialist and Human Resources will communicate with the affected worker to coordinate with their care and treatment and to help ensure the medical providers understand the employee's job roles and opportunities for the employee to engage in alternative work. Knowledgeable escorts accompany injured/ill persons to secondary medical facilities and provide oversight during the injury/illness case-management process.

In addition, Parsons and WorkCare™ have partnered to promote Incident Intervention™, a resource designed to provide our employees with immediate access to qualified medical clinicians who are able to provide them with prompt medical assessment in the event of a non-life-threatening, non-medical-emergency, work-related injury or illness. Through this process, we leverage clinical-expert resources to coordinate appropriate treatment care. When an employee is injured on the job and unable to return to their regular job, the medical provider outlines specific restrictions. We will ask employees to perform only those job functions that the medical provider has determined can be safely performed during the recovery process. All alternative and modified job assignments will be structured to meet the physical capabilities of the injured worker. The Stay-at-Work Program is meant to be a temporary and progressive program. As the employee becomes healthier, they will gradually resume the job duties that have been restricted. The success of our Stay-at-Work Program depends on the assurance that all employees understand and adhere to the roles and responsibilities as outlined in our procedure.

Parsons has established guidance on recording and communicating employee injuries and illnesses (work-related or otherwise) to ensure that sensitive and private information is protected as appropriate. Applicable federal, state, or local law or regulation that requires protection or restricts access to sensitive information is enforced. Under no circumstances is retribution or retaliation directed toward any employee who reports a work-related incident or seeks occupational health services.

SH&E MITIGATION & PREVENTION

Our approach to preventing or mitigating business-relationship impacts is part of a site's risk assessment process (and documented in the site's risk register). During this process, risks to the public and third parties (such as vendors and visitors) are considered and explicitly controlled, with the risk control schemas documented in the site management plans or site safety plans.

Enterprise Risk Management (ERM) helps develop a risk-intelligent culture throughout the corporation and provides reasonable assurance that our strategy and business objectives will be achieved by encouraging proactive risk-management practices that are integrated with strategy setting and performance management. ERM includes considering risk as part of strategy development. The ERM process also includes anticipating and addressing emerging risks and continuously improving governance processes and internal controls. Components of the ERM strategy include the following:

- Strategy: Risks are considered when selecting the strategy, and the selected strategy forms the foundation for business objectives and the risk assessment.
- Objectives: ERM risks are assessed in terms of impact on the company's ability to achieve its strategy and business objectives. A forward-looking, three-year time horizon is used for risk assessments.
- Identification and assignment: Risks are divided into five areas: financial, legal, talent, operational, and strategic. Risk owners are identified for each risk. Standard risk definitions are used across all assessments to provide consistency. Business units review the risk list for gaps and relevance and add risks if needed.
- Assessment: Management assesses risks by considering their likelihood and potential impact. Ratings reflect input provided by personnel familiar with the related activities. Risks are assessed in the unmitigated/inherent state and in the mitigated/residual state, reflecting the effectiveness of our control activities. Ratings are consistent with standard guidelines and reflect objective data and subjective expert opinions of complex, interrelated circumstances.
- Monitoring: Management monitors significant and emerging risks continuously. Changes to the published action plans are made when needed.
- Response: Mitigation action plans are provided to reduce threats or increase opportunities associated with all significant risks. The status of mitigation plans is tracked from development through implementation. If no mitigating actions are viable, the situation is explained in the risk assessment.
- Communication: Corporate ERM reports are distributed to senior leadership, who communicate risk information with their teams. A detailed report on the ERM process and the resulting risk assessment is presented to the Audit and Risk Committee of the board of directors annually, with updates given in interim quarters. Our ERM process includes a comprehensive annual review of SH&E-related risk.

Safety Metrics

At the local level, contractor SH&E performance is tracked and monitored against prescribed key performance indicators. Employee and contractor incidents are reported into our incident reporting system for investigation and tracking of corrective actions. All Parsons office locations and project sites undergo an SH&E risk assessment using the procedures described previously. We do not have roll-up visibility of contractor hours at the enterprise level; thus, recordable and lost-time injury rates for contractors are not included in our annual reports. In 2023, we remained effectively flat with our historic 2022 global total recordable incident rate (TRIR) at 0.13 (recordable work-related injuries per 200,000 hours). Additional details regarding our SH&E policy and practices can be found on our website.

Table 46. Total Recordable Incident Rate

Total Recordable Incident Rate	2020	2021	2022	2023
Recordable Work-Related Injuries (#)	55	39	21	25
Number Of Hours Worked	36,664,052	33,832,078	34,067,146	37,739,467
TRIR (#/Million Hours Worked)	1.50	1.15	0.62	0.66
TRIR (#/200,000 Hours Worked)	0.30	0.23	0.12	0.13

Table 47. Lost-Time Injury Frequency Rate

Lost-Time Injury Frequency Rate (LTIFR)	2020	2021	2022	2023
Lost-Time Injuries (#)	26	16	7	6
Number Of Hours Worked	36,664,052	33,832,078	34,067,146	37,739,467
LTIFR (#/Million Hours Worked)	0.71	0.47	0.21	0.16
LTIFR (#/200,000 Hours Worked)	0.14	0.09	0.04	0.03

Table 48. Fatalities (# Of Fatalities)

Fatalities	2020	2021	2022	2023
Employees	0	0	0	0
Contractors	0	0	0	0

Table 49. Occupational Illness Frequency Rate

Occupational Illness Frequency Rate (OIFR)	2020	2021	2022	2023
Work-Related Ill Health Incidents (#)	16	9	0	0
Number Of Hours Worked	36,664,052	33,832,078	34,067,146	37,739,467
OIFR (#/Million Hours Worked)	0.44	0.27	0.00	0.00
OIFR (#/200,000 Hours Worked)	0.09	0.05	0.00	0.00

Human Rights, Discrimination & Harassment

HUMAN RIGHTS

Policy

In 2022, we published a company-specific Human Rights Policy 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 other Parsons corporate policies and guidance, such as the following:

- Code of Conduct, as further discussed in the Ethics & Values section of this document.
- Harassment and Discrimination Policy; Employment Equity Policy; Recruitment, Hiring, and Transfer Policy; Equal Opportunity Affirmative Action Policy; and other related policies and procedures, which commit to equal-opportunity recruitment, retention, pay, and promotion without regard to sex, sexual orientation, age, gender identity or expression, disability, religion, genetic information, veteran status, or national origin (among other status or characteristics protected by applicable law or regulation).
- Anti-Corruption Policy, Conflict of Interest Policy, Agent Approval Policy, and associated procedures, which prohibit bribery and corruption of any kind and implement internal controls, communication lines, and procedures for preventing, reporting, and identifying prohibited practices, as well as detailed due-diligence procedures for vetting agents, consultants, subcontractors, partners, intermediaries, and other third parties. They also mandate that all contracts with third parties, including joint-venture partners, must contain current anti-corruption contract clauses. The due-diligence process includes review of entities' human rights records, where available.
- Human trafficking policies and guidance, which mandate safe, secure, and humane working conditions and fair wages and provide for zero tolerance for forced labor, involuntary servitude, child labor, commercial exploitation, or human trafficking. All local staffing and recruiting agencies are appropriately vetted to ensure compliance with all applicable labor and employment law and regulation and to ensure those partners conduct their business in a way consistent with Parsons' core values. Parsons provides multiple reporting mechanisms and directs prompt reporting of any suspected violation.
- Diversity Policy and Disability and Accommodation Policy, which prioritize equitable inclusion of people of all gender identities, sexes, sexual orientations, ages, races, ethnicities, national origins, cultures, religious or political beliefs, languages, socioeconomic backgrounds, veteran status, and disabilities.
- Privacy Policy and related policies and procedures, which commit to providing safeguards, access controls, and protections for the confidentiality and integrity of personal information. Parsons collects and processes personal information fairly and lawfully and only for lawful business activities. Parsons provides notice, transparency, and

choice; does not market, sell, or trade personal information; and responds to and notifies appropriate individuals, authorities, and organizations in the event of a security breach involving personal information in accordance with all applicable laws and regulations. Parsons requires that all third parties that access or process systems or personal identifiable information (PII) execute an agreement holding it to the same standards that Parsons follows internally and as required by law.

We also became signatories to the United Nations Global Compact (UNGC) in May 2022 and are preparing for the first reporting cycle. The Ten Principles of the UNGC, which concern human rights, labor, environment, and anti-corruption, align very well with Parsons' core values and policies.

Governance

Parsons has established an Ethics Committee to promote an organizational culture committed to ethical conduct. It is a cross-functional committee, including the chief legal officer and the chief human resources officer, among others. The committee reports to the CEO and the Audit and Risk Committee of the board of directors and is responsible for all ethics matters, including human rights, labor rights, and anti-corruption. The committee develops, maintains, and enforces relevant policies and procedures; conducts internal investigations; develops and provides training to employees and business partners; selects and trains ethics officers; monitors metrics and implements mitigation measures to address any trends; provides instructions and means for reporting and addressing ethics issues promptly and fairly; and enforces a strict anti-retaliation policy.

Materiality

The following human rights topics are considered material to Parsons' operations and value chain:

- Forced labor
- Non-discrimination in employment and occupation
- Safe and healthy working environment
- Working conditions (wages, working hours)
- Freedom of expression
- Access to water and sanitation
- Digital security/privacy
- Gender equality and women's rights
- Rights of Indigenous peoples
- Freedom of association (Parsons supports workers' freedom to associate. Approximately 1.6% of our overall workforce was covered by a collective bargaining agreement in 2022. Additionally, Parsons respects and does not impede employees' right to engage in protected concerted activities.)

Notes on non-material topics:

- Child labor: Our Human Rights Policy prohibits child labor. However, the nature of our operations and value chain does not make this human rights topic high risk for our company.
- Access to water and sanitation: The geographic areas in which we operate are not those with significant barriers to accessing clean water and sanitation. However, Parsons ensures that its employees have safe working and living conditions where applicable.
- Rights of refugees and migrants: Parsons' policies and procedures prohibit discrimination based on citizenship or national origin in hiring, firing, or recruitment. Parsons adheres to fair documentary practices during the employment eligibility verification process (generally, Form I-9 and E-Verify), and Parsons prohibits retaliation or intimidation.

Risk Assessment & Due-Diligence Process

Parsons actively supports US foreign policy, including anti-corruption policies, through compliance with all applicable export requirements, such as those of the Office of Foreign Assets Control (OFAC), Bureau of Industry and Security (BIS), Directorate of Defense Trade Controls (DDTC), and other regulatory agencies. Parsons completes due diligence on all its suppliers before onboarding, including the following topics and registrations/certifications:

- Cybersecurity: Cyber Incident Reporting and Cybersecurity and Infrastructure Security Agency (CISA) Incident Reporting
- Conflict minerals: Disclosing Use of Conflict Minerals and Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system
- Counterfeit parts: Government Industry Data Exchange Program (GIDEP)
- Directorate of Defense Trade Controls (DDTC)
- Supplier Performance Risk System (SPRS)

Recent updates to our ethics and compliance program stemmed from our entry into certain high-risk markets that had previously been infeasible to work in. Consequently, and due to the global nature of our business, including where we operate, our supply chain, our clients, and the diversity of our employees, we apply our robust due-diligence process broadly. No third party may be engaged without due diligence and enhanced due diligence is applied if the risk level warrants doing so. All contracts must contain anti-corruption clauses. Enhanced due diligence also applies to agents and intermediaries authorized to represent or act on behalf of the company in sales activities, and/or to foreign government agencies or officials. Additional due-diligence actions are taken in cases where "red flags" arise.

Human Rights Assessments

Internally, via its policies, Parsons upholds and protects human rights in the treatment of its employees by adhering to the following:

- Forbidding discrimination against any individual based on gender, sexual orientation, color, national origin, ethnic origin, social origin, religion, age, family status, or pregnancy
- Protecting the rights of women and minority groups, and promoting diversity of thought, culture, and customs
- Taking measures to promote equal opportunity and diversity worldwide
- Maintaining internal accountability standards for employees failing to meet company standards regarding slavery and human trafficking

In addition, Parsons is subject to annual accountability reporting; conducts internal and external audits; provides multiple reporting mechanisms for employees to report any violations; and maintains a robust program aimed at recognizing and addressing issues through ethics and the employee dispute resolution processes, provides annual trainings, and employs employee relations specialists that are ready to assist employees with issues that arise.

With respect to contractors, suppliers and JVs, business partners, clients, and supply chain, Parsons manages its commitment to human rights by implementing and enforcing contractual requirements, and performing due diligence, including the following:

- Conducting research on business partners', clients', and vendors' history of human trafficking, slavery, and corruption
- Vetting all business partners, clients, agents, and vendors for environmental performance, trade controls, labor practices, and human rights practices
- Maintaining internal accountability standards for contractors failing to meet company standards regarding slavery and human trafficking

Concerns & Grievance Mechanisms

If members of our workforce, clients, suppliers, subcontractors, or other business partners desire to raise concerns about the company's conduct related to human rights, Parsons encourages them to do so, and we provide a range of secure channels for them to do so confidentially and anonymously. They may contact an ethics officer, contact a member of the

Ethics Committee, contact the chief ethics and compliance counsel or other member of the Legal team, call our hotline, or make a report (anonymously if preferred) via our online web portal, which creates metrics to summarize all human rights, labor rights, environmental, or anti-corruption incidents that are reported. Root cause investigation is completed for each incident. Any investigation that points to a need for policy revisions will be carried out by the Ethics Committee.

Mitigation & Remediation Actions

During the 2023 reporting period, Parsons responded to 783 reports and inquiries through our ethics and compliance program and closed 799 cases. All substantiated cases include recommendations and actions to address issues identified. If necessary, we provide training, disciplinary actions, and/or termination if warranted where violations are identified. We also have and do cancel or modify contracts with those that violate our code of conduct, if warranted. As discussed above, in addition to our Ethics Program, we have internal ethics officers, an Employee Dispute Resolution Program, dedicated employee relations staff, internal audits, internal and external reporting mechanisms that promote compliance, regular trainings, contract reviews, due-diligence processes, and executive engagement.

DISCRIMINATION & HARASSMENT

Our policy on harassment and discrimination strictly prohibits unlawful harassment of any kind, including sexual harassment and harassment based on race, color, creed, religion, national origin, ancestry, ethnicity, age, sex, gender, sexual orientation, disability, medical condition as defined by law, pregnancy, childbirth, breastfeeding and related medical conditions, marital status, citizenship status, military or veteran status, family status, natural hair texture and protective hair styles, genetic information, gender assignment, gender expression and gender identity, pardoned conviction, language spoken (including French in Canada), or any other basis protected by applicable law or regulations.

It is a zero-tolerance policy for discrimination and harassment of any kind. All allegations of harassment or discrimination are taken seriously, addressed promptly, with appropriate remedial or disciplinary action up to and including termination. Employees are required to undergo harassment prevention training as required by applicable law. Responsibilities for reporting incidents to a supervisor, Human Resources, the Ethics Hotline, and/or the Employee Dispute-Resolution Program are outlined in the policy. Even though the volume of substantiated harassment claims is small, whenever allegations of harassment are substantiated, Parsons has a record of taking immediate disciplinary action, including termination of employment.

Governance

Introduction

Parsons has an 80-year history of cultivating a responsible enterprise. Driven by our core values, Parsons has long been recognized for excellence in corporate citizenship and ethical performance, which has continued in 2023. Parsons' governance documents are shared on our investor relations website. Information on our Executive Leadership Team (ELT) and board of directors can be found on our website. Additional governance details, including a skills matrix and demographics, may be found in our 2024 Proxy Statement.

Board Of Directors & Committees

Parsons' highest governance body is the board of directors (board), which has adopted bylaws and Corporate Governance Guidelines. The board is led by our chair, president, and chief executive officer (CEO), Carey A. Smith, and the lead independent director, Steven F. Leer. The board is required by its bylaws to establish a Corporate Governance and Responsibility Committee and also may create any additional committees it deems necessary or advisable. Currently, the board has three committees comprising independent directors only: the Corporate Governance and Responsibility (CG&R) Committee, the Audit and Risk Committee (A&R), and the Compensation and Management Development (C&MD) Committee. Each committee has a written charter establishing the duties of the committee, the minimum number of members for the committee, and the requirements for conducting meetings of the committee.

Our board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure to effectively oversee management. Our bylaws and Corporate Governance Guidelines provide our board with the flexibility to combine or separate the positions of chair of the board and CEO. The CG&R Committee is responsible for reviewing and amending the Corporate Governance Guidelines as they deem necessary and appropriate. Our board currently believes that our existing leadership structure is effective, provides the appropriate balance of authority between independent and non-independent directors, and achieves the optimal governance model for us and for our stockholders. The chair/CEO has in-depth knowledge of the company's opportunities and challenges, develops agendas that ensure the board's time is focused on the most critical matters, and enhances our ability to communicate our strategy to our stockholders, customers, and employees.

BOARD COMPOSITION

As of December 31, 2023, the board consisted of 11 directors. Nine of our board members were considered independent, including a lead independent director. Our chair, president, and CEO, Carey A. Smith, and former chief financial officer of Parsons, George L. Ball, were non-independent directors. Our board was 45% racially/ethnically diverse or female, with four female directors (36%) and one racially/ethnically diverse director (9%). The average tenure for our directors was 6.7 years, with four of the nine (44%) independent directors added in the last five years.

NOMINATION PROCESS

The CG&R Committee is responsible for recommending the slate of nominees for election to the board at the annual meeting of shareholders. The committee actively seeks individuals qualified to become board members and recommends them to the board as the need arises to fill vacancies. These recommendations to the board by the CG&R Committee and the factors considered by the board for the selection of director candidates to nominate include a high level of personal and professional integrity, strong ethics and values, and the ability to make mature business judgments.

As detailed in Exhibit A of our Corporate Governance Guidelines (pp. 9–10), the board will also consider the diversity of the candidate, which is defined broadly to include experience, background, and other factors, including gender, age, race, ethnicity, geography, and other characteristics. In addition, the board will consider whether there are potential conflicts of interest with the candidate's other personal and professional pursuits. The board should monitor the mix of specific

experience, qualifications, and skills of its directors to ensure that the board, as a whole, has the necessary tools to perform its oversight function effectively, considering Parsons' business and structure.

INDEPENDENCE

Our Corporate Governance Guidelines provide that we have a lead independent director. In his role as lead independent director, Steven F. Leer calls meetings of the independent directors and chairs said meetings, including all executive sessions of the board; facilitates communications between our chair and the independent directors of the board; and reviews the quantity, quality, and timeliness of information provided to the board, among other duties described in our Corporate Governance Guidelines.

Except as otherwise permitted by the applicable New York Stock Exchange (NYSE) rules, the board will include a majority of directors who qualify as independent directors as required under NYSE rules, and all members of the committees of the board must be independent. The independent directors will meet in executive session without non-independent directors or management present on a regularly scheduled basis. The company will hold an executive session including only independent directors at least once per year.

CONFLICT OF INTEREST

When recommending director candidates for election to the board, the board will consider whether there are potential conflicts of interest with the candidate's other personal and professional pursuits. A change in a director's primary job position or accepting a position on another company's board of directors will trigger a conflict check according to procedures detailed in our Corporate Governance Guidelines (pp. 3–4). The board, our Executive Leadership Team, and their direct reports are required to certify to the Conflict of Interest Policy and disclose, on a quarterly basis, any actual or potential conflicts of interest, outside positions, and related-party transactions.
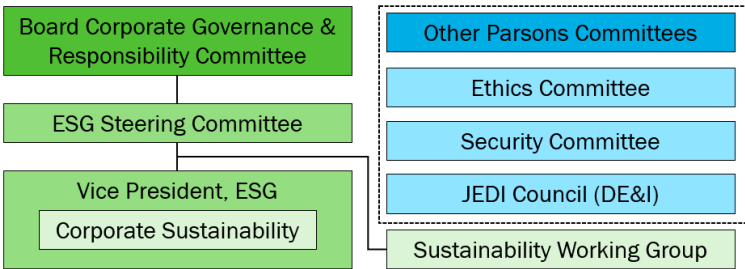
ESG & Climate Governance

BOARD OVERSIGHT

Board committee responsibilities with respect to ESG and climate are as follows:

- CG&R Committee: Responsible for overseeing our overall ESG strategy and risks (including climate-related issues) and major plans of action (i.e., setting ESG objectives and/or targets, implementation and performance monitoring, and review of disclosures). The vice president, ESG, provides quarterly briefings to the CG&R Committee on a range of ESG topics, semi-annual climate-focused meetings to address GHG emissions, and climate-related strategy.
- A&R Committee: Oversees our Enterprise Risk Management (ERM) Program, which includes ESG and climate-related risks. The A&R Committee reviews risk management procedures and risk factors affecting Parsons and is briefed quarterly by the senior vice president, chief security and risk officer.
- Compensation and Management Development: Reviews and recommends policies related to the compensation and benefits of our officers and employees.

EXECUTIVE LEADERSHIP

Our CEO, as the leader of the ELT, holds overall executive-level responsibility for ESG at Parsons, including climate-related issues, policies, risks, and opportunities. 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.

Figure 1. ESG & Climate Governance Chart

In addition, Parsons' ESG Steering Committee, which comprises representatives from Operations, Finance, Human Resources, Communications, and Legal, collaborates on the preparation of non-financial disclosures, establishes metrics, and sets annual targets for our six core values, including sustainability.

The ELT holds monthly management reviews (MMRs) led by the CEO with updates from all business units (BUs) and corporate functions. ESG updates and core value metrics reports are given monthly as a part of the Operations update to keep the ELT informed on climate-related issues. Parsons sets annual targets for its six core values, including sustainability, with monthly updates on progress toward targets. 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 DE&I; the Corporate Response Management Team (CRMT); and the Sustainability Working Group, which focuses on project delivery.

Risk Management

ENTERPRISE RISK MANAGEMENT

Our corporate Enterprise Risk Management (ERM) Program is led by the senior vice president, chief security and risk officer, who reports to the chief technology officer under our chief executive officer and works with the chief legal officer for the purpose of providing reports to the A&R Committee of the board.

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 health, safety, and environment risks. Annually, we apply standard tolerance guidelines and measures to formally assess each of these and formulate controls to mitigate them. Further, we continuously consider and evaluate a wide range of emerging risks to the enterprise, such as 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.

Our board and its committees take an active role in overseeing the management of our risks and bear the ultimate responsibility for risk management. The board regularly reviews information regarding operational, financial, legal, data security, and strategic risks. Specifically, senior risk management personnel attend quarterly board meetings, provide presentations on operations that include significant risks, and are available to address any questions or concerns. In addition, our board's committees assist the board in fulfilling its oversight responsibilities in certain areas of risk. The A&R Committee coordinates the board's oversight of our internal control over financial reporting, disclosure controls and procedures, risk, related-party transactions, Code of Conduct, and information security. The CM&D Committee helps the board oversee the management of risks arising from our compensation policies and programs, as well as succession planning as it relates to our chief executive officer and executive leadership. The CG&R Committee helps the board oversee the management of risks associated with board organization, membership and structure, succession planning for our directors, and corporate ESG matters. When any of the committees receives a report related to material risk, the chair of the relevant committee will report on the discussion to the full board.

A summary of the principal risks that could adversely affect our business, operations, and financial results is included in our Form 10-K (pp. 22–50).

PROJECT RISK

Our project-related risks are managed by dedicated risk management leaders, who are responsible for project-related risk policies and procedures.

All projects at Parsons go through risk evaluation across the different phases of each project. When pursuing projects, a risk evaluation is completed as a part of the go/no-go decision and may cause Parsons to not pursue a project. When a

project is won, the risk register is updated, and risks are priced for inclusion in contract negotiations. The risk register is maintained by the project/program manager during the execution phase of the project. Topics evaluated include the following:

- Contractual risk
- Political and governmental risk
- Environmental risk

- Financial risk
- Schedule risk
- Execution risk

- Health and safety risk
- Procurement risk
- Physical site risk

Remuneration

EXECUTIVE REMUNERATION

Policies and processes for determining remuneration for named executives are detailed in our 2024 Proxy Statement. As disclosed in our 2023 Proxy Statement (p. 61) and 2024 Proxy Statement (p. 54), the following table details CEO annual total compensation, median employee annual total compensation (excluding CEO), and the ratio between CEO and median employee annual total compensation.

Table 50. CEO & Employee Annual Compensation

Compensation (USD)	2022	2023	% Change
CEO Annual Total Compensation	$6,973,806	$18,596,895	166.7%
Median Employee Annual Total Compensation	$101,392	$105,042	3.6%
Ratio Of CEO To Median Employee Annual Total Compensation	69 TO 1	177 TO 1	

INCENTIVES FOR NON-FINANCIAL METRICS

Commencing in fiscal 2021, our CEO and our other short-term incentive (STI) participants' annual bonuses were based on our performance against financial goals (90% of overall target bonus opportunity) and on our performance against strategic qualitative goals (10% of overall target bonus opportunity) set at the beginning of the fiscal year and aligned with our core values of diversity, safety, sustainability, quality, integrity, and innovation. For fiscal 2023, annual bonuses included performance against a non-financial strategic qualitative goal aligned with enhanced gender and racial/ethnic diversity (10% of overall target bonus opportunity) set at the beginning of the fiscal year. Similar to financial goals, each of the gender and racial/ethnic diversity goals had threshold, target, and maximum payout opportunities.

Ethics & Values

CORE VALUES

Whether we're in the office, on a project site, or at home, our core values give our people, our partners, and our customers both solutions and a company they believe in. Additional details on our mission, vision, and core values can be found on our website.

- **Safety** – We adeptly avoid risk through our high-value technical and management solutions and a companywide personal commitment to maintaining a safe and healthy culture and environment in all our offices and on each of our projects. Our rigorous safety practices ensure that our customers and employees are safe and that our operations and assets are secure.
- **Quality** – We're on a never-ending quest to improve our processes, services, and products. Our quality management systems ensure International Organization for Standardization (ISO) 9001 compliance every time, and we offer robust testing and validation of our products and services and comprehensive supplier management to meet stringent quality standards and provide our customers with unmatched results. Most of all, we listen. We listen to the ever-evolving industry and our customers to enhance understanding, capture key information, and deliver the level of quality that's become our hallmark.

- **Integrity** – We understand that having high standards is crucial to earning our customers' trust and maintaining a spotless reputation. Having integrity means that we remain transparent in our practices by openly communicating with each other, our customers, and stakeholders; that we prioritize the quality of every job; and that we do the right thing each time we're faced with a tough decision.
- **Diversity** – We pursue diversity in our workforce, our business units, our suppliers, and our services because we recognize that optimum solutions require different backgrounds, new perspectives, and open minds. We're a collaborative, inclusive company that values diversity in skill, background, and knowledge. By offering employee business resource groups (EBRGs), we empower diverse populations around the company to have a voice, inspire one another, and promote allyship. We also ensure supplier diversity by engaging suppliers from various backgrounds, including businesses owned by women, minorities, and veterans.
- **Innovation** – Parsons is an established innovation leader. Our creative work environment attracts the most sought-after employees, ensuring we offer our customers and the world innovations that lead the industry and transform tomorrow for the better. Through intensive research and development, partnerships, and rapid prototyping, we confidently provide inventive processes and unique solutions that offer unrivaled value to our customers.
- **Sustainability** – In all that we do, we're conscious of our impact and strive to create or enhance environmental, economic, and social balance. Backed by empowered teams, we operate in accordance with best practices to deliver solutions while addressing environmental risk and minimizing our carbon footprint. We help our customers do the same by providing clean, efficient, healthy, and effective solutions on all our projects.

CODE OF CONDUCT

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. All employees (full-time, part-time, and casual employees with assignments exceeding 30 days) receive integrity and Code of Conduct training 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%.

Code Of Conduct Compliance

Parsons' Ethics and Compliance Team conducts hundreds of investigations and answers as many queries every year. Internal Audit conducts its audits on a routine basis and as needed depending upon findings or requests from other departments for review. Employees, clients, and other business partners may report an ethics concern in myriad ways, including contacting an ethics officer, contacting a member of the Ethics Committee, contacting the chief ethics and compliance counsel or other member of the Legal team, calling our hotline, or making a report (anonymously if preferred) via our online web portal.

The Ethics and Compliance Team reviews and investigates every case or inquiry it receives and provides actionable guidance to the reporter as well as to management and Human Resources when necessary. Case outcomes are reviewed by the Ethics Committee, and the dispositions upheld when agreed upon. If the Ethics Committee disagrees with the disposition of a case, it may direct a different resolution (up to and including termination of offending actors). Internal audits and ethics investigations often result in policy or procedure changes or require additional training for certain individuals or groups of individuals. Parsons' policy is to initially respond to all reporters within 48 hours of receiving a concern, and ethics cases and inquiries should be closed within no more than 45 days.

An independent third party, PWC, audits Parsons' Ethics Program quarterly, reviewing all reports, case metrics (numbers of new cases, types of cases, and business unit and geography of each case), and disposition of cases (including any whistleblower-type claims). If circumstances warrant, PWC may ask Parsons to hire a third-party law firm to lead an independent investigation of certain issues.

INTEGRITY, COMPLIANCE & ANTI-CORRUPTION

Integrity is a Parsons core value, and we're committed to ethical practices in everything we do. Parsons' program has been reviewed by Ethisphere each year, and Parsons has been honored as a World's Most Ethical Company for 15 consecutive years as of March 2024. Our robust Ethics and Compliance Program ensures that our people engage in and promote ethical behavior and compliance with laws and regulations where we operate. The board, our ELT, and their direct reports are required to certify compliance with the Conflict of Interest Policy and disclose, on a quarterly basis, any actual or potential conflicts of interest, outside positions, and related-party transactions. We also abide by comprehensive anti-corruption policies and procedures and only work with partners and suppliers that share our commitment to doing business with integrity.

Parsons' anti-corruption policy applies to Parsons Corporation and all Parsons businesses and subsidiaries worldwide, including joint ventures and similar partnerships. Per this policy, Parsons conducts all business transactions ethically and in full compliance with all applicable laws, including anti-corruption legislation. Bribery and corruption violate the public's trust, threaten national and international economic and social development, and undermine security. Parsons therefore takes a zero-tolerance approach to bribery and corruption. Parsons does not offer, pay, solicit, or accept bribes under any circumstances, and Parsons does not directly or indirectly authorize paying or accepting bribes. Accordingly, all Parsons employees, agents, partners, and any other third parties doing business with or on behalf of Parsons shall not, in any way, participate in bribery or corruption in the conduct of Parsons' business activities.

Parsons officers, directors, employees, personnel, agents, intermediaries, joint venture partners, subcontractors, consultants, and any other parties doing business with or on behalf of Parsons shall not, directly or indirectly, do any of the following:

- Solicit or accept anything of value (including gifts, hospitality, travel, favors, and/or entertainment) from a vendor, supplier, subcontractor, agent, or customer other than regular and proper payment for business services properly rendered and invoiced for under a contract for company work or nominal items, such as a reasonable meal
- Pay, offer to pay, promise to pay, or authorize the payment of anything of value (including gifts, hospitality, travel, favors, and/or entertainment) to a public or government official:
  - to influence any act or decision of the official; induce the official to do or refrain from doing anything in violation of their duties; induce the official to use their influence with others or obtain any improper advantage
  - for the purpose of assisting Parsons in obtaining or retaining business or directing business to Parsons or any Parsons officer, director, or employee.

"Anything of value" means anything that is of benefit to the recipient, including, without limitation, money (including cash or any form of digital currency); gifts; stock or other investment assets; charitable donations; political contributions; other pecuniary advantages such as a membership in an exclusive club or employment (including employment for a relative); and expenditures on travel, hospitality, lodging, entertainment, and recreational outings.

Parsons will discipline any employee who violates the anti-corruption policy and related procedure, which may include termination of employment in appropriate cases. In severe cases, Parsons may refer conduct that violates this policy and related procedure by employees to governmental authorities, including law enforcement. Parsons may also seek to cause employees who violate this policy and related procedure to reimburse Parsons for any resulting financial loss.

Parsons expects and strongly encourages employees to voluntarily report any suspected violations of this policy and related procedure to the corporate chief ethics and compliance counsel, the Parsons Ethics Committee, or through the Ethics Helpline. A voluntary report demonstrates the integrity and good character that Parsons values in its employees.

WHISTLEBLOWER PROGRAM

In 2009, we implemented our 24-hour Ethics Helpline, which is available to those who want to ask questions or report concerns about business practices, violations of law, and company policies. Our helpline is available to employees, suppliers, customers, and other third parties. Inquiries can be submitted online or through country-specific telephone numbers available on our Ethics Helpline website.

Parsons uses several corporate communications tools and materials to communicate regarding the Code of Conduct, Ethics Program, and conflicts of interest; to heighten ethics awareness; and to handle ethics reports and questions raised by employees. These tools and materials include the following:

- Parsons communicates ethics messages monthly on our company intranet systems, PWeb and Workplace. The ethics messages are viewed by all employees accessing this homepage. Non-current ethics messages are archived for follow-up employee reference.
- Periodically, Parsons issues "all employee" emails to keep employee focus on ethical conduct in general or to draw attention to specific Code of Conduct requirements (an example is gift and gratuity reminders sent out annually prior to the holiday season).
- Periodically, the corporation issues ethics bulletins in lieu of blast emails to address specific ethical issues. This type of communication is issued to all employees via our intranet, through management flow-down, via virtual conferencing, and other means of communications. Ethics communications are distributed at least monthly as part of a formal Ethics and Compliance Communications Plan maintained by the SVP, deputy general counsel – head of Ethics and Compliance.
- Parsons posts ethics notices on designated office bulletin boards notifying employees of the EthicsPoint contact numbers and website and whistleblower rights and contact number information where required and applicable.
- Having broadly and clearly communicated contact points and a breadth of regularized communications, tools, and vehicles available for employee use makes it easy for anyone to report an ethics issue or question and limit the likelihood that any one individual or group of individuals could hide an ethics violation.

Inquiries and reports submitted through EthicsPoint are investigated by Parsons ethics officers and adjudicated by the Parsons Ethics Committee. Non-EthicsPoint employee ethics inquiries and allegations are escalated to Parsons ethics officers and/or the Ethics Committee and entered into EthicsPoint to ensure that accurate and contemporaneous records of the matter are maintained and to enhance reporting and follow-up. In both cases (EthicsPoint or non-EthicsPoint questions/allegations), the ethics officer and Ethics Committee handle the matter through closure, conferring with and relaying recommended corrective or follow-up actions to talent leaders and management as necessary and appropriate.

Parsons' policy is to respond to all reporters within 48 hours of receiving a concern, and ethics cases and inquiries should be closed within no more than 45 days. Additional details on our Whistleblower Program can be found in our Code of Conduct.

Supply Chain

Complying with the Parsons Standards of Ethical Conduct for Business Partners is a condition of doing business with Parsons. Our business partners are responsible for ensuring their own personnel and supply chain are aware of these standards and for requiring compliance with them. Failure to comply with these standards may jeopardize their business relationships with us. Sanctions for noncompliance may result in the withholding of payments under the contract until the contractor complies or in the cancellation, termination, or suspension of the contract, in whole or in part.

All suppliers are also expected to comply with the Parsons Standards of Ethical Conduct for Business Partners and are vetted in accordance with our compliance policies and applicable regulatory requirements. Parsons is committed to completing due diligence on all its suppliers before onboarding. Below are some of the common topics and registrations/certifications we consider:

- Cybersecurity: Cyber Incident Reporting and CISA Incident Reporting
- Conflict minerals: Disclosing Use of Conflict Minerals and EDGAR
- Counterfeit parts: Government Industry Data Exchange Program (GIDEP)
- Directorate of Defense Trade Controls (DDTC)
- Supplier Performance Risk System (SPRS)
- Parsons Services Company (PSC) Purchase Order Terms and Conditions
- Human Rights Policy

We have invested in advancing our technologies and are deploying a modernized digital procurement transformation application that will include third-party and operational risk management capabilities. These enhanced features and functionalities will include operational risk; financial health; cyber risk; ESG; reputational, criminal, and regulatory risk; and foreign ownership, control, and influence.

ESG SUPPLY CHAIN

Responsible sourcing across our integrated supply-chain organization is vital to our business. We evaluate our suppliers on their adoption and adherence to sustainability, trade compliance, and providing quality products to reduce our supply-chain risks.

SUPPLIER DIVERSITY

Supplier diversity is a topic our customers view as important, innovative, and supportive of best practices. Our Supplier Diversity Program engages a variety of firms by leveraging internal and external outreach forums. We're proud of our award-winning program and have expanded those best practices throughout the enterprise for performance monitoring and reporting to further leverage opportunities to use diverse suppliers and subcontractors.

In 2021, we opened the National Intelligence Small Business Center in Annapolis Junction, Maryland, which provides mentoring, facility resources, and a collaborative environment for small businesses. In addition, we participate in a variety of organizations, such as the Capital Region Minority Supplier Development Council, to promote the development and use of a diverse supplier base.

We consistently promote and sustain a diverse supplier base, as evidenced by the fact that, in 2023, we spent approximately $1.44 billion with diverse suppliers, which was 51.4% of our total procurement dollars across the enterprise. 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.

Table 51. Diverse Supplier Spend

Percentage Of Total Procurement Spend	Total Diverse	Small Business	Racially/ Ethnically Diverse Owned	Women Owned	Veteran Owned	Service-Disabled Veteran Owned
2021	36.3%	35.0%	6.3%	5.9%	5.2%	2.7%
2022	39.9%	38.4%	7.1%	5.7%	4.8%	2.6%
2023	51.4%	50.5%	6.2%	6.7%	4.1%	2.5%

Note: Categories are not mutually exclusive.

Quality

Parsons is committed to performance excellence through quality, one of our six core values. Quality drives and impacts all aspects of project execution, including the products we deliver, team performance, customer satisfaction, and project success. We define 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 quality management, 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.

PROGRAM EXCELLENCE

The QPE team focuses on project performance, capturing and measuring metrics across all aspects of execution. Achieving continuous improvement, measuring performance, and removing impediments are the foundational tenets of this team. We coordinate across all projects, programs, and portfolios, providing support and analysis to our line management. Specific areas of focus include the following:

- Organizational engagement: Regular discussions with sector and business unit line management on performance. This includes both areas for improvement as well as areas of success that can be emulated across the company. Feedback from these meetings drives the initiatives that the QPE team completes.
- Policy and procedure: Continual review of corporate policies and procedures, ensuring applicability and information accuracy.
- Project reviews: Support to all levels of projects reviews, focused on top-shelf performance. Focus areas include change management, quality deliverables, team performance, access to needed resources, and product effectiveness.
- Customer assessments: Customer feedback is critical to measuring the performance of the project team. QPE manages the assessment system and supports outreach to each customer at regular intervals, helping to maintain constant communication for continuous improvements.
- Program Excellence Working Group: This is a working group consisting of leadership representation from all sectors across Parsons that discusses enterprise initiatives, obstacles facing our project teams, and knowledge sharing.
- Training: In 2022, our proprietary Quality 101 training was required for all employees, and new hires had to complete the training within their first 90 days. The completion rate for the training is 99%.

PROJECT MANAGEMENT

At Parsons, the project manager (PM) is responsible for all aspects of project delivery, with support from a host of business operations staff, including those from Contracts, Finance, and Human Resources; technical experts; and other professionals. Effective PMs are exemplary leaders who assemble, organize, motivate, and supervise teams that come together; deliver the project; and eventually disband. Making that happen requires a vision of the completed project, an understanding of how to get it done, and the leadership skills necessary to motivate the team from start to finish. To be an outstanding PM, even more is required. Parsons' PM Model of Excellence identifies many key attributes that have proven to be essential characteristics of our best PMs and serves as the foundation for which other project management capabilities and initiatives are created.

Project management is crucial to a project's success, and Parsons is committed to providing the resources needed by our project managers. Below are the foundational resources available to all PMs at Parsons:

- Project Manager Development (PMD) Model: The Parsons PMD Model establishes a standard baseline for foundational PM knowledge and Parsons-specific PM knowledge, resulting in Parsons-qualified PMs. It consists of four tiers reflecting the journey of PM development, the accumulation of knowledge and skills required to successfully perform as a PM, and continuing development throughout a PM's career. The capstone tier focuses on Parsons' systems and processes, teaching PMs how to navigate being a project manager at Parsons.
- Program Management Center of Excellence (PMCoE): This is the hub for all project and program management needs at Parsons. It provides information and resources for our PMs across the enterprise.

  o Knowledge and Learning: Certification information, training tracks, industry resources
  o Project Execution: Templates, document standards, project repositories
  o Business Operations: Quick links to business operations sites, key contacts across operations
  o PMD: Hosts the training curriculum as a "how-to" resource that is always available to PMs

- Community of Practice: Parsons has created a community of practice focused on knowledge-sharing and growing the next team of PMs. This consists of an internal forum where information is shared, a mentorship program, and the sharing of lessons learned and best practices. The Program Management Working Group (PMWG) is a focused group of leadership from each business unit that meets regularly to discuss execution obstacles.

- Training: Development of training that meets the real-world needs of our PMs, covering topics such as project opening, financial performance, risk management, and change management.
- Completed 2023 initiatives included the following:

  o Launch of the Leadership and Project Delivery Information System (LPDIS)
  o Automation of common actions, reducing administrative burden
  o Project opening improvements to include award handoff and process clarity
  o Removal of processes lacking execution value
  o Preferred training vendor agreement established, bringing discounted project-related training

AUDITING & CERTIFICATIONS

Auditing is a fundamental QA activity used to verify that the systems, processes, and tools used to manage and create deliverables are being used appropriately and are operating effectively to ensure compliance with requirements. Audits are conducted using a Plan-Act-Check-Excel (PACE) framework, which establishes a structured continuous-improvement cycle that ensures effective QA practices. There are several different kinds of audits: project quality audits, project compliance self-audits, internal audits, process audits, and ISO compliance audits.

- Project quality audits: Verify compliance with Parsons' requirements, project plans, procedures, and other requirements. Each year, the QPE team creates a plan identifying projects, offices, and processes to be reviewed.
- Project compliance audit: A PM-directed review of their internal operations or of a subcontractor, subconsultant, or supplier. The timing/frequency is determined by the PM or business unit.
- Internal audit: The Parsons Internal Audit Department provides objective, independent, risk-based assurance and advice to Parsons management and the A&R Committee of the board regarding company operations and the effectiveness of internal controls.
- Process audit: Assess efficiency, effectiveness, and compliance with established Parsons' processes. Each year, the QPE team conducts a detailed analysis to determine which processes to audit.
- ISO compliance audit: To maintain our ISO certification, we are required to undergo regular recertification and surveillance audits. As part of this process, the independent auditor selects various projects at multiple Parsons' offices to participate in the audit.

All audits include planning, fact-finding, and reporting phases, as well as the examination of objective evidence to verify compliance. Audits must be performed by a qualified auditor who is independent of the work being audited, typically assigned by the QPE team. All projects are potentially subject to audit. Project selection is based on several factors, including risk, contract value, market and sector diversity, and the results of previous audits. Audits are performed to provide confidence that systems are implemented properly to deliver compliance and successful quality outcomes.

CUSTOMER SATISFACTION

At Parsons, customer engagement and satisfaction embody our commitment to quality. All projects are required to elicit customer feedback at least once a year. As a best practice, we reinforce that our project managers should engage with their customer at a high frequency, and especially before and after major milestones and deliveries, to ensure that we are not only meeting the contract requirements but also their expectations for quality service. In addition, this feedback is utilized as an input into the continuous improvement process as part of our PACE quality best practice methodology. Customer feedback is part of the Check process, which acts as an input during Excel, where improvements are then input back into the Plan stage, and the cycle repeats on an ongoing basis throughout the life cycle of the project.

Projects are reviewed by various levels of management on an ongoing basis to ensure their performance against financial targets, conformance to contractual requirements, and to discuss client engagement and satisfaction. Those projects that present high performance risk can be designated as Red or Yellow programs. This is designed to vector additional support for these projects to ensure that we are developing and deploying mitigation to reduce the severity of identified risks.

Materiality

In 2023, we undertook an updated materiality assessment, to considered double materiality; i.e., impacts to both enterprise value and externally on society and the environment.

MATERIAL TOPICS

Our first step was to identify material topics for Parsons. To do this, we reviewed our 2020 materiality assessment, peers' assessments, regulatory and voluntary reporting trends, industry and client trends, investor priorities, and emerging issues. After selecting 16 material topics, we collaborated with internal subject matter experts to establish definitions, shown below in alphabetical order, identified by category; i.e., Environmental (ENV), Social (SOC), or Governance (GOV):

- Biodiversity preservation (ENV): Action by an organization to preserve the diversity of animals, plants, and microorganisms, with the goal of maintaining healthy ecosystems and the evolutionary, ecological, and cultural processes that sustain human, plant, and animal life. These actions may include protecting or restoring wildlife habitats, avoiding development of natural areas, implementing regionally specific and/or nature-based design solutions, or addressing issues of pollution and invasive species.
- Business continuity (GOV): An organization's level of readiness to maintain critical functions after an emergency or disruption, ensuring that personnel and assets are protected and can function quickly. These disruptions can be human-induced (e.g., security breach) or natural (e.g., severe weather event).
- Climate change (ENV): The long-term shift in global temperatures and weather patterns, as well as an organization's ability to identify its role in contributing to this change. The assessment of organizational risks and opportunities associated with climate change and the implementation of strategies to manage or mitigate risks and impacts (e.g., energy and water conservation, GHG emissions reductions, project climate resilience assessments).
- Community action (SOC): Giving back in areas where an organization's employees work and live (e.g., volunteering, corporate donations, and community relations) to create a more equitable society. Engagement with the goal of building social relationships in pursuit of common community interests.
- Diversity, equity, and inclusion (DEI) (SOC): A workforce culture that supports a sense of belonging by all employees because of inclusive and welcoming consideration of unique employee attributes, such as race, ethnicity, gender identity, disability status, socio-economic status, veteran status, sexual orientation, and age.
- Enterprise Risk Management (GOV): The culture and structured, consistent, and continual processes that are integrated with strategy setting and performance to help a company maximize value by providing reasonable assurance of achieving our strategy and business objectives.
- Ethics and integrity (GOV): A corporate culture demonstrated through corporate policies, programs, operational transparency, and leadership involvement in the Ethics Program of an organization. Integrity is about making good choices and understanding what a corporation should do, beyond what it must do for compliance as an ethical organization. Most important, ethics and integrity, taken together, mean always doing the right thing.
- Human and labor rights (SOC): Ensuring an organization's employees and workers in the supply chain are entitled to fundamental human rights in the workplace, including freedom of association; gender and pay equity; the elimination of child labor, discrimination, forced labor, and corruption; and the provision of safe and healthy work environments.
- Information security, data security, and privacy (GOV): Management systems and policies in place to ensure customer, employee, client, and supplier data are collected, protected, and processed responsibly.
- Innovation (GOV): The internal generation of industry-leading and transformative technologies through intensive research, development, partnerships, and rapid prototyping for an organization to use in its own operations as well as to offer to clients.
- Project impact (ENV): Efforts to have a net positive impact on the economy, environment, and society through our client projects and services.
- Recruiting, development, and retention (SOC): Fairly and broadly identifying talented individuals to add to an organization's team, helping to improve their capabilities, and retaining those individuals for the long run.

- Safety and health (SOC): A set of practices, guidelines, and policies supporting the well-being of employees, as well as the commitment to protecting the workplace and community health and safety via the prevention of accidents, injuries, and illnesses by identifying, assessing, and controlling potential hazards and risks.
- Supply-chain sustainability (GOV): The performance standards and responsible practices that an organization holds for its suppliers, business partners, and subcontractors, specifically related to managing the environmental (e.g., GHG emissions) and social impacts (e.g., DEI) associated with their respective products, operations, and services.
- Waste management (ENV): The management of an organization's waste generated through operations, processes, and client services. This includes the responsible disposal of e-waste and potentially hazardous materials, setting goals for (and tracking) the reduction in overall waste generation and diversion from landfills (e.g., recycling and reuse), as well as the responsible disposal of conventional waste.
- Water management (ENV): The identification of the potential and actual impacts of an organization's operations and client services on water resources and the strategies to address these impacts, such as improving efficiency of water usage in its operations.

ASSESSMENT PROCESS

The initial outreach step in our process was to survey the ELT, asking them about the importance of topics to internal operations, importance to investors, ability to impact through internal operations, and ability to impact through projects and services. As a next step, we sent a similar survey to all employees, but instead asked them about the importance of topics to their clients rather than investors. We conducted 1:1 discussions with the entirety of the ELT as well as senior management across Parsons' BUs and corporate functions. Meetings were held early in the process with Investor Relations to start soliciting investor perspectives, and a final interview was held to discuss any insights. The results of all outreach were compiled into the materiality matrix, shown in Figure 2. Parsons' Employee Stock Ownership Plan (ESOP) is a majority owner of Parsons, and employee feedback is also considered as investor feedback. As a final step, the matrix was discussed with our CEO for final sign-off before presentation to the board.
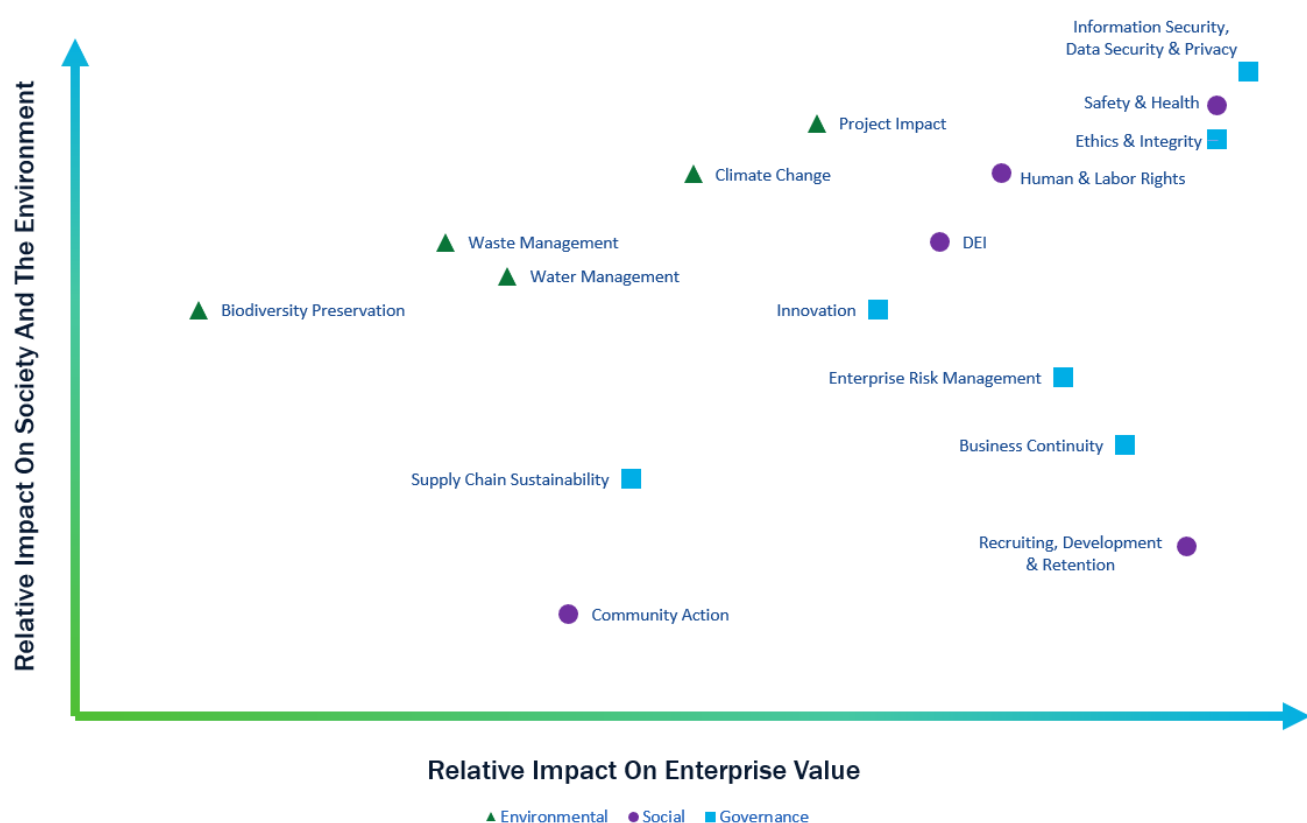

Figure 2. Materiality Matrix

Issues are weighted and plotted on the materiality matrix to help prioritize areas that are important to Parsons' stakeholders, the success of the business, and impact. It is important to note that all issues on this materiality map have been identified as relevant and significant to Parsons, regardless of where they fall. The purpose of the materiality map is to prioritize these material issues based on their relative importance according to stakeholders, the impact on Parsons' business, and external impact.

Tax

APPROACH

The way Parsons Corporation and its subsidiaries (Parsons) approaches, manages, and assesses the risk of taxation is grounded in our corporate objective to act as a socially responsible company. We consider the purpose of the tax regulations in each jurisdiction and maintain strict adherence with applicable tax laws. Through this wider tax focus, Parsons' contribution is indirectly supportive of the funding of the UN Sustainable Development Goals (SDGs), especially those that address the global challenges related to economic, social, and environmental sustainability.

Taxes play a necessary and important role in our society, and Parsons believes every corporation has a responsibility to pay all the taxes they owe. The A&R Committee of the board regularly reviews and discusses Parsons' tax matters with management. The committee reports on tax matters from Parsons' chief financial officer; the senior vice president, corporate tax, internal audit; and from Parsons' independent auditor. These reports, among other matters, include updates on significant domestic and international tax-related developments as well as other tax-related legislative matters.

Parsons is a socially responsible company in the tax field and is committed to complying with all applicable taxation laws and regulations. Through our Tax Department, we assure our relevant stakeholders that our tax obligations are properly, effectively, and correctly handled; in addition, we ensure that our tax information is properly disclosed in our annual and quarterly reports.

As a multinational enterprise, we operate in many different tax jurisdictions and frequently deal with intergroup transfers that involve cross-border payments within the group. To avoid potential tax issues with these internal cross-border transactions, we strive to use the same pricing structures for internal transactions as we use with independent parties. This policy of using "arm's-length pricing" (i.e., the same price for intergroup and independent transfers) ensures that we do not artificially shift profits to low-tax jurisdictions to gain unfair tax advantages.

We pursue a tax strategy that is sustainable, transparent, and supports Parsons' business priorities while maintaining our focus on SDGs. Parsons' tax structures follow various recommendations, including those of the Organization for Economic Cooperation and Development (OECD), to avoid unfair tax advantages, such as using hybrid business structures to artificially minimize tax liabilities. Parsons aims to support stable, transparent, and predictable tax systems that incentivize long-term investment and economic growth. We believe that operating within this framework creates a constant contribution to the advancement of the SDGs.

Tax Planning

In making commercial decisions, tax is addressed in the same manner as any other cost. Where there is more than one way of structuring a commercial business arrangement, we take a holistic view, considering all factors, including tax.

We may implement an alternative business arrangement that results in a lower tax cost, provided it is compliant with relevant tax laws and regulations. However, we will not enter arrangements to circumvent the stated purpose of the relevant tax rules. Parsons strives to keep tax cost at a proper level by using applicable tax incentives in accordance with the relevant tax regulations in each jurisdiction.

A group of dedicated tax employees (the tax function) is consulted on significant potential transactions, including acquisitions and dispositions, providing advice on the available preferred routes to minimize potential tax risk and cost. The tax function decides when to consult external advisors. The company recognizes that external tax advisors add value,

particularly with respect to new legislation or where a potential transaction is of significant size or complexity. External advisors are used in a supporting capacity to provide additional guidance around particular risk areas, but the tax team reviews all this advice and is ultimately responsible for any conclusions.

Transfer Pricing

Parsons complies with OECD transfer pricing guidelines and local tax jurisdiction rules; the company sets transfer prices for intercompany transactions based on the arm's-length principle. Parsons strives to pay appropriate amounts of tax in each operating jurisdiction, based on the value created by business activities.

On a regular basis, Parsons also evaluates whether the income and expense allocation appropriately corresponds with contributions made by the company's business units, based on the analysis of each unit's functions, risks, and assets. Parsons strives to prepare transfer pricing documentation in accordance with the relevant transfer pricing regulations in each jurisdiction where it has significant intercompany transfers.

TAX GOVERNANCE & RISK MANAGEMENT

Parsons is committed to complying with all relevant tax rules and regulations in a responsible manner and with due regard to governmental and broader stakeholder requirements. We intend to pay the legally required amount of tax at the right time and to comply fully with our tax-compliance obligations in all territories in which we operate. We understand the importance of transparency. We strive to meet all external tax reporting and compliance requirements, and we do not use opaque or contrived corporate structures to hide or reduce the transparency of our actions. We do not use entities in tax-haven jurisdictions to avoid taxes.

We're focused on ensuring that taxes and tax risks are managed to provide sustainable outcomes within the parameters of the company's strategic and commercial objectives, creating value for our shareholders. We recognize there is always some level of tax risk inherent in operating our businesses due to the general complexity of taxes, frequency of law change, scope for differing interpretations of tax law, and the breadth of taxes related to the company's activities. The company does not have predefined limits in place for the acceptable amount of tax risk. Instead, professional judgment is applied with knowledge of all relevant facts, circumstances, and local rules, considering the principles enumerated above, on an issue-by-issue basis. We emphasize strong internal controls, and the company's key tax risks are reviewed by the Audit and Risk Committee of the board on an annual basis.

The responsibility for tax risk management and governance lies with the chief financial officer, with oversight by our board. Day-to-day responsibility is delegated to the senior vice president, corporate tax, who is supported by dedicated tax function employees (collectively referred to herein as the "tax function" or "tax team") and certain personnel in the wider finance community. The company does not directly remunerate or incentivize its tax team based on their ability to minimize the company's tax liabilities.

Our approach to tax risk management follows the same principles that we apply to other business risks, by considering the following:

- Observation of applicable laws, regulations, and disclosure requirements
- Application of professional care and judgment to arrive at well-reasoned conclusions
- Ensuring that decisions are made at an appropriate level and are supported with documentation that evidences the facts, conclusions, and risks involved

Our tax team works to build and maintain cross-functional relationships spanning the entire business. Through this process, the team promotes the tax strategy and seeks to identify and manage tax risk by using its knowledge of the company's operations and the principles set out above. The tax function works to ensure that informed tax decisions are made with respect to our business operations, both from local country and cross-border perspectives. It provides advice that is consistent with and reflects the company's commercial activities. The company does not engage in tax planning or tax structures that lack appropriate business substance.

The tax function consists of qualified tax and finance professionals who always operate with integrity and professionalism. The tax function operates under the principle of continuous improvement and ongoing education to

maintain an appropriate depth of up-to-date tax knowledge through access to a variety of educational, tax research, and professional tax news resources. The tax team oversees tax compliance activities across the company and actively manages ongoing examinations by local tax authorities as well as any potential disputes regarding tax matters.

Parsons' Code of Conduct (CoC) serves as an ethical framework for our approach to taxes and is effectively embedded within the tax strategy and across the tax organization. The CoC promotes a corporate culture of integrity, provides guidance, and details our expectation for everyone, including Parsons employees and all third parties we do business with, to act in a manner consistent with it. This ethical framework is fully embraced and supported by our board, the ELT, and the entire tax organization. The result is a tax structure that is fully transparent and complies with internationally accepted taxation principles.

Our employees are required to speak up about any violation of Parsons' Code of Conduct or legal or regulatory requirements, and we make it easy for employees to report concerns under their name or anonymously. We count on our employees' participation to bring forward any questions, issues, or concerns about our business or business dealings, including tax matters. Our Ethics Committee, chief ethics officer, EthicsPoint website, and EthicsPoint call center, as well as our managers and Human Resources organization, stand ready to answer any questions and to investigate any issue or concern to ensure that we do the right things and that we do things right.

STAKEHOLDER ENGAGEMENT ON TAX

Parsons maintains an open and collaborative professional relationship with tax authorities by complying with the relevant tax regulations and responding to inquiries from tax authorities in a prompt and courteous manner. The purpose of establishing and maintaining relationships with tax authorities is to enable efficient and cooperative responses to any tax issues and to avoid unreasonable taxation. Parsons may engage in policy discussions related to tax matters where they materially impact our business. Parsons provides regular information to our stakeholders, including investors, analysts, employees, and the general public, about our approach to tax and taxes paid.

Information Security Management

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.

Our ISMS spans multiple policies and procedures, including the following:

- *Information Security Management System Standard* – The ISMS scope is documented in the Statement of Applicability and is reviewed annually. A leadership commitment statement for the ISMS is documented in the ISMS Standard associating the ISMS with the Enterprise Information Security Policy as its driving force. Information security objectives are documented in the ISMS Objectives Tracker. Objective results are measured and tracked via the Continuous Monitoring Program. Outcomes are reported and reviewed at an annual ISO 27001 ISMS management review and documented with the meeting agenda and minutes. Key roles and responsibilities are documented in the Statement of Applicability and reviewed annually.
- *Enterprise Information Security Policy* – Parsons protects people, facilities, systems, and information. Parsons:
  - performs initial and periodic IT system and network risk assessments as part of the Enterprise Risk Management process and as input to the risk and vulnerability remediation process
  - manages user access to systems and information
  - performs periodic and independent security assessments to ensure compliance with legal, regulatory, and contractual requirements and determine remediation requirements and residual risk
  - controls access to audit logs
  - maintains IT systems and infrastructure using approved and authorized personnel in a controlled manner that ensures the integrity and security of the systems and infrastructure

- protects both digital and paper media in accordance with laws, regulations, and contractual requirements
- provides physical and environmental protection of all IT systems and networks
- escorts, monitors, and authorizes the activities of visitors to facilities or secure areas while they are in the facility or secured area
- authorizes, monitors, and controls the shipping and handling of IT assets entering and exiting the facility.

- *Security Communications, Security Awareness, and Security Learning Policy* – To ensure that Parsons' employees, contractors, and agency workers are aware of security policies, procedures, principles, practices, and threats that impact Parsons' facilities, personnel, systems, and information, Parsons maintains a security communications, awareness, and learning program. This program provides formal training, email advisories or notices from organizational officials and internal threat landscape activity, logon-screen message displays, security awareness events/campaigns, infographics, a Security group webpage, Workplace posts, phishing campaigns, and other information through diverse media. To ensure understanding of acceptable and legitimate business uses of Parsons-owned assets and any non-company assets used to perform work or services for Parsons, learners attest to the IT Acceptable Use Policy (AUP) when completing the required annual security learning module. Functional managers and project managers are required to ensure that members of their teams, including contingency workers, complete all applicable required security learning. This includes new team member onboarding and annual learning requirements.
- *Security Incident Response Policy (IRP)* – The IRP is designed to focus on rapid incident response to security incidents impacting any Parsons business lines, locations, services, and regional divisions. The IRP describes Parsons' Security Incident Response Program, including its approach to detecting, analyzing, prioritizing, and handling security incidents. Throughout an investigation, internal notifications and escalations are made based on the current incident categorization and severity to ensure that appropriate organizations and management are aware of the incident and its status.
- *Cybersecurity Monitoring Procedure* – This procedure defines the operations, monitoring, detection, and analysis procedures for the Security Operations Center (SOC) to protect the enterprise and ensure that acceptable use policies are being followed. Major monitoring activities include systems and user activity monitoring, security event monitoring, privileged information system account monitoring, and monitoring in response to specific tasking.
- *Business Continuity Management and Contingency Planning Policy* – Parsons develops, implements, and maintains a Business Continuity and Contingency Planning Program to identify, mitigate, respond to, and manage risks and events that may affect activities and resources that Parsons relies upon to deliver service to its customers and conduct its day-to-day business. Business continuity and contingency planning includes identifying and anticipating potential threats to our people, processes, technology, and facilities. Our policy is informed by ISO 22301:2012, NIST SP 800-34, and NIST 800-53.
- *Data Center Policies* – Parsons has standards for data center equipment, facilities, and security. Additionally, Parsons has policies for data centers and use of cloud services, including the management and security requirements.

Parsons' security services apply to Parsons Corporation and all Parsons businesses and subsidiaries worldwide, including joint ventures and similar partnerships managed by Parsons, and should be included in contractual agreements with third-party suppliers and service providers as appropriate. Parsons is also cognizant of all required disclosures related to cybersecurity incidents, and the chief security and risk officer (CSRO) reports all such incidents to the chief legal officer (CLO) to ensure that all such reporting obligations are satisfied.

GOVERNANCE

Our board considers cybersecurity risk as critical to the enterprise and delegates the cybersecurity risk oversight function to the A&R Committee. The A&R Committee oversees management's design, implementation, and enforcement of our cybersecurity risk management program.

Our CSRO reports to the chief technology officer (CTO) and works closely with the CLO to ensure that all disclosure or reporting requirements are satisfied if an incident were to occur. The CSRO leads Parsons' overall cybersecurity function and provides quarterly reports to the Audit and Risk Committee on our cybersecurity risks, including briefings on our

cybersecurity risk management program and cybersecurity incidents. The Audit and Risk Committee also receives periodic presentations on relevant cybersecurity topics as part of the committee's and the board's continuing education on topics that impact public companies. Our CSRO is the executive sponsor for our ISMS and has been designated the insider threat program senior official (ITPSO). A monthly cyber briefing is held to inform company executives of Information Security operations and observed threats to the enterprise.

Parsons' CSRO supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents. Means include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public, or private sources, including external cybersecurity service providers; and alerts and reports produced by security tools deployed in the IT environment. Our CSRO is responsible for assessing and managing our material risks from cybersecurity threats and has primary responsibility for leading our overall cybersecurity risks management program and supervises both our internal cybersecurity personnel and our external cybersecurity service providers. Our CSRO has significant global experience in managing and leading IT and cybersecurity teams and holds cybersecurity certifications from leading cybersecurity training and research institutes.

Data Protection & Privacy

Parsons' ELT and our board are committed to ensuring data privacy and protection through a robust, effective, and ethical Data Protection and Privacy Program.

Parsons' privacy professionals maintain policies, procedures, and contract requirements consistent with applicable laws and regulations to ensure that confidential, personal, and health data are processed lawfully, fairly, and transparently; limited in time and scope, as needed, for legitimate business purposes; and in a manner that respects data subject rights to notice, consent, access, correction, and deletion where applicable. Parsons' Information Governance and Security teams provide data protection and security controls, including the implementation of state-of-the art technical and physical safeguards and access controls to protect the accessibility, confidentiality, and integrity of Parsons' controlled, sensitive, personal, and other data. Parsons' Compliance team manages accountability, audits, training, and due diligence to consistently measure and enhance the Data Protection and Privacy Program.

PRIVACY AT PARSONS

Parsons collects and processes personal information from candidates and potential employees through a careers portal found on our website. The Website Privacy Policy on that site defines when and why we collect personal information and how we secure, use, and protect candidate information. Parsons collects and processes personal information from employees for all purposes related to their recruitment, employment, and benefits facilitation. Parsons' *Privacy Notice Standard* and related policies and procedures are posted on Parsons' internal website and define when and why we collect personal information and how we secure, use, and protect employee information. Parsons also collects personal information through its contractors, vendors, and clients related to various projects and contracts that Parsons undertakes. Parsons ensures privacy compliance through appropriate contract terms and conditions.

For all data processed, Parsons engages a cross-functional privacy working group to ensure that our organization complies with the following privacy principles:

- Parsons collects and processes personal information fairly and lawfully.
- Parsons obtains personal information only to carry out lawful business activities.
- Parsons limits access to and use of personal information.
- Parsons transfers personal information only for limited, legitimate purposes and to organizations that have agreed to enforce these privacy principles.
- Parsons uses appropriate security safeguards to ensure privacy.
- Parsons provides notice, transparency, choice, accuracy, deletion, and access as required by applicable law.
- Parsons does not market, sell, or trade personal information.
- Parsons recognizes the importance of privacy and holds itself accountable to information protection standards.
- Parsons respects every person's right to consent to and know what personal information Parsons collects.

- Parsons treats and protects personal information as private and controlled, even when such information has otherwise been made available publicly.
- Parsons responds to and notifies appropriate individuals, authorities, and organizations in the event of a security breach involving personal information in accordance with all applicable laws and regulations.

Parsons' Information Governance & Security

Parsons adheres to standards and industry best practice controls including the National Institute of Standards and Technology (NIST), ISO, or the Control Objectives for Information Technologies (COBIT) where applicable for privacy assurance governance and the protection of personal, confidential, and sensitive information.

- Parsons collects personal information from visitors to our public internet sites, such as parsons.com, and to its facilities, but only with appropriate notices and/or consent.
- Parsons limits its collection and use of employee data, as well as access to that data, to that which is necessary for facilitating recruiting, employment, and benefits management.
- Parsons collects, stores, protects, uses, and shares personal information in accordance with written agreements or instructions from Parsons' clients or business partners (as applicable) and in accordance with Parsons' applicable policies and requires the same of its vendors, partners, affiliates, and contractors.
- Parsons' use of personal information received from vendors or other third parties, such as credit bureaus, is governed by written agreements and by applicable data protection and privacy laws that specify permissible uses and restrict disclosures of the information.
- Parsons ensures that all employees, contingency workers, agency workers, and other parties who handle personal information on behalf of Parsons are appropriately trained to do so. Parsons regularly evaluates and reviews the performance of employees, contingency workers, agency workers, and other parties who handle personal information on behalf of Parsons.
- Parsons conducts periodic privacy assessments to identify risks, rate compliance, and determine overall effectiveness in ensuring privacy and protecting personal information in accordance with Parsons' Privacy Policy, Parsons' Privacy Procedure, and privacy principles (outlined above).
- Parsons is committed to effectively protecting transfers of personal information between Parsons' entities and authorized external entities associated with Parsons operating its business, including international transfers.

To implement the information governance standards, and to comply with both internal privacy policies and external laws/regulations, Parsons maintains administrative, technical, and physical safeguards to protect data, including confidential and personal information, from unauthorized access, use, disclosure, alteration, or destruction. Parsons imposes security appropriate to the risk represented by the processing and nature of the personal information, paying due regard to the state-of-the-art and associated costs. Parsons requires the same level of controls from its vendors, suppliers, partners, and contractors. Parsons' Privacy Procedure describes Parsons' overarching procedures for protecting data and includes the following:

- Parsons has an information classification system that requires all data to be marked so that it can be managed and secured as appropriate based on the sensitivity of content.
- Parsons has an Information Classification and Secure Handling Standard that defines how all categories of data shall be handled.
- Parsons requires that employees, contractors, vendors, suppliers, and partners only store information on approved systems, store hard copies in secure areas, and ensure information is inaccessible to anyone not authorized to access or see it.
- Parsons requires that employees, contractors, vendors, suppliers, and partners ensure data are only shared for legitimate business purposes, with consent to share where required, and to verify that third parties have executed an agreement with Parsons that require them to abide by data protection standards equivalent to or stricter than Parsons, share information in a protected manner, and only share necessary information.
- Parsons retains personal information consistent with Parsons' records retention standards. Parsons' polices define processes for proper deletion of personal information.

- Parsons implements network management and maintenance applications and tools, appropriate fraud prevention and detection, and data confidentiality/protection/encryption technologies to include mechanisms to identify and remediate vulnerabilities and apply security patches and logically separate data.
- Data centers as well as facilities, including cargo-handling facilities, storage facilities, and workspaces, must be protected against unauthorized access. Physical access must be monitored, recorded, and controlled, with physical access rights reviewed annually.
- Suppliers maintain adequate controls around issuance and removal of employee, visitor, and vendor identification badges, if used.
- Any backup media containing Parsons' data stored at a site must be kept in a secure location with restricted physical access and be encrypted if technically feasible. If off-site media storage is used, media must have a check-in/check-out process with locked storage for transportation. Unless a disaster recovery (DR) program is otherwise set forth in more detail elsewhere in the contract document, we maintain a DR program for all information systems and facilities. The DR program includes a methodology by which a system can continue to function through an operational interruption or disaster.
- Parsons' data shall not be processed on personal accounts (for example, individual email or cloud services accounts) or on personally owned computers, devices, or media.
- Parsons issues necessary information access mechanisms, including access identities (IDs) and passwords. Personnel are provided the minimum level of access necessary to perform the tasks and functions for which they are responsible. Users are provided individually assigned accounts that require periodic password changes in automated systems.
- Parsons implements multifactor authentication for privileged users and remote access by all users.
- Parsons provides all users with easily implemented mechanisms for reporting potential system breaches, including phishing emails.
- Anyone who has access rights to Parsons' systems who leaves the company or moves to another position that no longer requires such rights are immediately relieved of access.
- Parsons works independently and in conjunction with suppliers to collaborate on security monitoring and incident response, define points of contact on both sides, establish monitoring and response procedures, set escalation thresholds, and conduct awareness training.
- Parsons requests the right to audit privacy and security compliance from all suppliers, contractors, and vendors.
- Parsons maintains and enforces strict safety requirements.
- Upon termination of any contract, Parsons requests the deletion or return of all confidential, sensitive, and/or personal information.
- Parsons manages, tracks, and monitors all IT assets.
- Parsons has a detailed breach procedure that ensures compliance with breach notification and response in all jurisdictions where Parsons conducts business.

Parsons' Compliance Team

Parsons' Compliance Team ensures the adequacy, accountability, and continued improvement of our Data Privacy and Protection Program. It conducts vendor due diligence, regular audits, and training programs both annually and on an as-needed basis.

Parsons' privacy assurance and compliance initiatives apply to Parsons Corporation and all Parsons' wholly owned businesses and subsidiaries worldwide.

Breaches

If our Security Operations Center (SOC) determines that an incident has occurred, affected individuals or organizations are notified in accordance with timeline requirements specified by applicable laws, regulations, and corporate policies. Our Breach Notification Policy outlines the procedure steps and responsible Parsons individuals/organizations to determine required notification about the breach. The response time and method of notification vary based on the classification of information and jurisdiction.

Table 52. Informational Security Breaches

Information Security Breaches	2020	2021	2022	2023
Customer Privacy	0	0	0	0
Customer Data	0	0	1*	0
Net Expenses ($ US)	0	0	0	0

* There was one cyber incident between May 30 and June 1, 2022, in which a third party exploited a previously undisclosed zero-day vulnerability on a single system on a small, non-integrated network of a Parsons subsidiary. Parsons cooperated with officials to minimize the impact of the incident, and the breach did not reach Parsons' enterprise network.

SASB Index

In 2023, MSCI and S&P Global changed Parsons' Global Industry Classification Standard (GICS) sub-industry classification to Research and Consulting Services. Other classification systems, including the SASB Sustainable Industry Classification System (SICS) classify Parsons as Software, Technology, or IT related. We have elected to provide responses to both the "Professional & Commercial Services" and "Software & IT Services" SASB standards where applicable and material. For this reporting, we are using 2018 standards.

Professional & Commercial Services

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Accounting Metric	Category	Unit Of Measure	Code
Topic: Data Security			
Description of approach to identifying and addressing data security risk	Discussion and Analysis	n/a	SV-PS-230a.1
Detailed discussion in Information Security Management and in our Form 10-K (pp. 50–51).			
Description of policies and practices relating to collection, usage, and retention of customer information	Discussion and Analysis	n/a	SV-PS-230a.2
Detailed discussion in Data Protection & Privacy.			
(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	SV-PS-230a.3
Detailed discussion in Breaches.			
Topic: Workforce Diversity & Engagement			
Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Quantitative	Percentage (%)	SV-PS-330a.1
Detailed discussion in Workforce Metrics.			
(1) Voluntary and (2) involuntary turnover rate for employees	Quantitative	Rate	SV-PS-330a.2
Detailed discussion in Hiring & Turnover.			
Employee engagement as a percentage	Quantitative	Percentage (%)	SV-PS-330a.3
Detailed discussion in Employee Engagement.			
Topic: Professional Integrity			
Description of approach to ensuring professional integrity	Discussion and Analysis	n/a	SV-PS-510a.1
Detailed discussion in Ethics & Values and Quality.			
Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Quantitative	Reporting currency	SV-PS-510a.2
Material legal proceedings are disclosed in our Form 10-K (pp. 51–52).			

ACTIVITY METRICS (PS)

Activity Metric	Category	Unit Of Measure	Code
Number of employees by: (1) full time and part time, (2) temporary, and (3) contract	Quantitative	Number	SV-PS-000.A
Detailed discussion in Workforce Metrics.			
Employee hours worked, percentage billable	Quantitative	Hours, Percentage (%)	SV-PS-000.B
Parsons does not disclose this metric at this time.			

Software & IT Services

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Accounting Metric	Category	Unit Of Measure	Code
Topic: Environmental Footprint Of Hardware Infrastructure			
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SI-130a.1
Detailed discussion in GHG Emissions & Energy.			
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m³), Percentage (%)	TC-SI-130a.2
Detailed discussion in Water.			
Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and Analysis	n/a	TC-SI-130a.3
Parsons primarily co-locates server rooms in our leased offices or procures cloud services from various vendors and does not own or operate large data centers.			
Topic: Data Privacy & Freedom Of Expression			
Description of policies and practices relating to behavioral advertising and user privacy	Discussion and Analysis	n/a	TC-SI-220a.1
Parsons does not engage in behavioral advertising, and user privacy is discussed in Data Protection & Privacy.			
Number of users whose information is used for secondary purposes	Quantitative	Number	TC-SI-220a.2
Parsons' user data are not used for secondary purposes.			
Total amount of monetary loses as a result of legal proceedings associated with user privacy	Quantitative	Reporting currency	TC-SI-220a.3
Material legal proceedings are disclosed in our Form 10-K (pp. 51–52).			
(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Quantitative	Number, Percentage (%)	TC-SI-220a.4
Not applicable to Parsons.			

Accounting Metric	Category	Unit Of Measure	Code
List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Discussion and Analysis	n/a	TC-SI-220a.5
Not applicable to Parsons.			
Topic: Data Security			
(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Quantitative	Number, Percentage (%)	TC-SI-230a.1
Detailed discussion in Breaches.			
Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	n/a	TC-SI-230a.2
Detailed discussion in Information Security Management and in our Form 10-K (pp. 50–51).			
Topic: Recruiting & Managing A Global, Diverse & Skilled Workforce			
Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	Percentage (%)	TC-SI-330a.1
(1) Parsons does not disclose the portion of our workforce who are foreign nationals requiring work visas. (2) Parsons does not expressly hire staff to work in a different country location from the projects and operations they support.			
Employee engagement as a percentage	Quantitative	Percentage (%)	TC-SI-330a.2
Detailed discussion in Employee Engagement.			
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	TC-SI-330a.3
Detailed discussion in Workforce Metrics.			
Topic: Intellectual Property Protection & Competitive Behavior			
Total amount of monetary loses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	TC-SI-520a.1
Material legal proceedings are disclosed in our Form 10-K (pp. 51–52).			
Topic: Managing Systemic Risks From Technology Disruptions			
Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Quantitative	Number, Days	TC-SI-550a.1
Not applicable to Parsons.			
Description of business continuity risks related to disruptions of operations	Discussion and Analysis	n/a	TC-SI-550a.2
Detailed discussion in Information Security Management.			

ACTIVITY METRICS (SI)

Activity Metric	Category	Unit Of Measure	Code
(1) Number of licenses or subscriptions, (2) percentage cloud-based	Quantitative	Number, Percentage (%)	TC-SI-000.A

Activity Metric	Category	Unit Of Measure	Code
Not applicable to Parsons.			
(1) Data processing capacity, (2) percentage outsourced	Quantitative	See note	TC-SI-000.B
This is not a material metric to Parsons and is not currently measured.			
(1) Amount of data storage, (2) percentage outsourced	Quantitative	Petabytes, Percentage (%)	TC-SI-000.C
This is not a material metric to Parsons and is not currently measured.			

TCFD Index

Governance
Describe the board's oversight of climate-related risks and opportunities.
The Parsons board's Corporate Governance and Responsibility Committee has oversight of all ESG matters, including climate-related issues. The VP, ESG, provides quarterly briefs to the committee. Detailed discussion in Governance.
Describe management's role in assessing and managing climate-related risks and opportunities.
Parsons' CEO has the highest responsibility for climate change. Our ESG Steering Committee, comprising leadership across corporate functions and business unit leaders, is led by the VP, ESG, who has primary responsibility for climate-related risks and opportunities. Detailed discussion in ESG & Climate Governance.

Strategy
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
Detailed discussion in Climate Strategy.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
Detailed discussion in Climate Strategy.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
To evaluate our strategy's resilience, we considered a "Paris Agreement" 2°C or lower scenario in line with the 2015 Paris Agreement and a "business as usual" 4°C scenario. Detailed discussion in Climate Strategy.

Risk Management
Describe the organization's processes for identifying and assessing climate-related risks.
Climate-related risks and opportunities are included in our Enterprise Risk Management (ERM) Program led by our EVP, corporate risk. Led by our VP, ESG, we perform workshops with our business units and corporate functions to evaluate market- and geographic-based climate-related risks and opportunities. Detailed discussion in Climate Risk Management.
Describe the organization's processes for managing climate-related risks.
Through our overall ERM process, we conduct an annual risk assessment, including identification of risks, unmitigated risk, mitigation activities, mitigated risk, and action plans. The board's Audit and Risk Committee has risk oversight with quarterly updates from our SVP, chief security and risk officer. Detailed discussion in Climate Risk Management.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

See above response and detailed discussion in Risk Management.

Metrics & Targets
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
Parsons reports Scope 1, Scope 2, and material Scope 3 absolute emissions and emissions intensity. We also track and report the square footage of our leased office facilities, which is a main driver of our Scope 1 and Scope 2 emissions. Detailed discussion in Climate Metrics & Targets.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

GHG emissions below are for 2023:
 	
    ▪ Scope 1 – 8,838 tCO_2e
    ▪ Scope 2 (Market Based) – 3,479 tCO_2e
    ▪ Scope 3 – 732,463 tCO_2e
 	
Detailed discussion in Climate Metrics & Targets.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
Parsons has submitted targets to SBTi for verification, including a 50% reduction of Scope 1 and Scope 2 emissions and 30% reduction of Scope 3 emissions by 2030 (2019 baseline), net-zero no later than 2045, and 100% renewable electricity by 2028. Detailed discussion in GHG Emissions Targets.

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YEARS OF PARSONS

2024 marks Parsons' 80th anniversary. This year, we're celebrating eight decades of innovation, evolution, growth, dedication, excellence, and impact—and we're building on that momentum to continue delivering transformative national security and global infrastructure solutions.

PARSONS®