



CARE

**CULTIVATING A
RESPONSIBLE ENTERPRISE**

FY2024 Disclosures

About This Report

As part of Parsons' commitment to Cultivating a Responsible Enterprise (CARE), this report provides our stakeholders with quantitative and qualitative nonfinancial disclosures. Our report benchmarks against the Sustainability Accounting Standards Board ([SASB](#)) matrix, the Task Force on Climate-Related Financial Disclosures ([TCFD](#)) matrix, and the Taskforce on Nature-Related Disclosures ([TNFD](#)) frameworks, and is inspired by Global Reporting Initiative ([GRI](#)) standards. This report, which is published annually, aligns with calendar year 2024 and our fiscal year 2024 (FY2024), covering the period of January 1, 2024, to December 31, 2024.

Additional details about Parsons and associated reporting frameworks and programs can be found in the following resources:

- [Parsons' Cultivating a Responsible Enterprise \(CARE\) web page](#)
- [Governance Documents](#)
- [2025 Proxy Statement](#)
- [Fiscal Year 2024 \(FY24\) 10-K](#)

We announced the acquisition of [BlackSignal Technologies, LLC](#), on August 16, 2024, and [BCC Engineering, LLC](#), on November 1, 2024. Data from acquisitions have been included in our disclosures where available. Due to the timing of the full integration of acquisitions into Parsons' operations, not all disclosures include all acquisitions, and exclusions have been noted, where applicable, in this report.

Parsons' CARE 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, Parsons' Legal department, 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 Catherine T. Sheane, Vice President, Environmental, Social, Governance, and Sustainability (catherine.sheane@parsons.com).

DOCUMENT HISTORY

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Revision	Date	Description
1.0	August 26, 2025	Initial release

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CHAIR, PRESIDENT, AND CEO LETTER

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

Our leadership vision is anchored in our people, our agility, and our growth. The work we do influences the communities where we live and work. Our Cultivating a Responsible Enterprise (CARE) FY2024 disclosures document how we complete this work responsibly and ethically around the world.

In 2024, we were again recognized by Ethisphere, a global leader in defining and advancing the standards of ethical business practices, as one of the World's Most Ethical Companies. This marks the 15th year Parsons has been honored with the recognition. Being named one of the World's Most Ethical Companies year after year exemplifies the value we place on ethics and integrity as drivers of our culture of performance. The principles honored in this distinction are foundational and will continue to serve as we deliver for our customers, employees, and shareholders across the national security and global infrastructure sectors.

CARE is at the heart of our people-first culture. We live our values and invest in our employees' well-being because we know that a flexible and resilient work environment is required for delivering mission solutions that create lasting change. These talented employees have continued to deliver projects across our markets, meeting customer and stakeholder needs for complex, resilient, and sustainable solutions that fulfill the life-cycle needs of the communities these projects serve. Whether it's delivering connectivity through rail and transit projects, managing a transformational linear city driven by 100% renewable energy, or empowering new means of mobility—Parsons is leading with the agility and entrepreneurship required to solve the world's most challenging problems.

We are also at the forefront of tackling the “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 over 2,000 PFAS investigations to date, patented new destruction technology, and invested more than 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.

Our people, our agility, and our growth guide how we imagine next to grow our business. Thanks to the commitment of our employees, we continue to work in partnership with our customers' missions to make the world a better, safer, and more transparent place for everyone.

Carey Smith

Chair, President, and Chief Executive Officer,
Parsons Corporation



FY2024 RECOGNITION AND ACHIEVEMENTS

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



CORPORATE RESPONSIBILITY HIGHLIGHTS



47%
Reduction in greenhouse gas emissions (Scope 1 and 2 market based) (2019 to 2024)



80%
Renewable electricity (2024)



15
Years named to World's Most Ethical Companies (2010 to 2024)



0.16
Total recordable incident rate in 2024 (safety)



59%
Small business spend (2024)

ACHIEVEMENTS AND AWARDS

As part of our 80-plus-year history, we are proud of the work that we do every day to make the world a better place. Our company and projects have been recognized in the past year throughout our geographies for a variety of achievements that acknowledge our commitment to our core values and our status as a good corporate citizen. The following awards reflect our corporate culture of delivering positive impacts for our customers, employees, shareholders, and communities where we live and work.



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 (NYSE) under the ticker [PSN](#). Our FY24 Form [10-K](#) Exhibit 21 contains a list of all subsidiaries of Parsons. Parsons' global headquarters is 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 world of digital transformation. For more than 80 years, we've 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. We've established ourselves as a firm that solves emerging customer challenges by 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 imagine next for our customers.

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 the areas of emerging demand, like cyber protection for critical infrastructure. Organizationally, we operate in two reportable segments: Federal Solutions and Critical Infrastructure (additional details of which are available in our Form 10-K).

- 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 cyber, missile defense, intelligence, electronic warfare, space 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 of 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 owner's 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. We also leverage 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 decreasing 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 wide-ranging global customer base, including federal, state, municipal, and industry customers, as well as 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; the Royal Commission for Riyadh City; Dubai Roads and Transport Authority; Abu Dhabi Department of Municipalities and Transport; Qatar Public Works Authority; Saudi Arabia's Public Investment Fund; and international developers.

Our People

Introduction

At Parsons, our people are our greatest asset, and we are dedicated to creating a positive culture of employee engagement and a resilient work environment that allows everyone to feel a sense of belonging at all levels of our organization. We recognize each employee's contributions, develop their career, and shape the future of the corporation through collaboration and innovation. We strive to form strong bonds by prioritizing health, happiness, and well-being. Beyond our immediate workforce, we are committed to positively impacting our partners, clients, and the communities in which we live and work.

Nondiscrimination & Harassment

We have a zero-tolerance policy against harassment and discrimination. Our Harassment and Discrimination Policy – North America prohibits unlawful harassment of any kind, including race, color, creed, religion, national origin, ancestry, ethnicity, age, sex, sexual orientation, disability, medical condition as defined by law, marital status, citizenship status, military or veteran status, family status, natural hair texture and protective hair styles, genetic information, pardoned conviction, language spoken (including French in Canada), or any other basis protected by applicable law or regulations.

Other policies and standards that support our commitment to nondiscrimination include the following:

- Our Recruitment, Hiring, and Transfer Policies (US, Canada, EMEA) require that enterprisewide recruiting, selection, and hiring decisions be objective, unbiased, and in accordance with prescribed company guidelines, our core values, and regional regulations. Furthermore, Parsons does not engage in impermissible discrimination based on the prohibited grounds of discrimination defined in the Canadian Human Rights Act and commits to employment equity as defined by the Canada Federal Contractor Program requirements.
- Employment Equity Policy – Canada.
- Our Equal Opportunity & Affirmative Action Standard requires compliance with US federal laws prohibiting discrimination and requires federal contractors and subcontractors to ensure that all individuals have equal opportunity for employment in support of a safe and respectful workplace and work environment that is free of discrimination and harassment.

All allegations of harassment or discrimination are taken seriously, promptly reviewed and addressed (when warranted), with 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 (HR), the Ethics Hotline, and/or the Employee Dispute Resolution Program are outlined in the policy. In addition, employees are encouraged to report discrimination or harassment to a supervisor, HR, an Ethics Officer, or our Ethics Helpline. Details can be found in the [Whistleblower Program](#) section of this document.

Human Rights

Our [Human Rights Policy](#) has been in place since 2022. It 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 (JVs) and similar partnerships managed by Parsons. The policy interfaces with other Parsons 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 – North America; Recruitment, Hiring, and Transfer Policies (US, Canada, EMEA); Employment Equity Policy – Canada; as further described in the [Nondiscrimination & Harassment](#) section of this document.

- Privacy Policy and related policies and procedures commit to providing safeguards, access controls, and protections for the confidentiality and integrity of personal information, as further described in the [Data Privacy](#) section of this document.
- Anti-Corruption Policy, Conflict of Interest Policy, Agent Approvals Policy, and associated procedures 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 JV partners, must contain current anti-corruption contract clauses.
- Human Trafficking Policy and associated procedures and standards 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 laws and regulations 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. The due-diligence process includes questions regarding entities' anti-trafficking policies, procedures, and records.
- Disability and Accommodation Policy – North America ensures equal opportunity for all job applicants and employees by making reasonable accommodations for the known physical or mental disability or known medical condition of an applicant or employee.

We also became signatories to the United Nations Global Compact (UNGC) in May 2022 and submitted our first Communication on Progress in 2024. Parsons adheres to the Ten Principles of the UNGC, which concern human rights, labor, environment, and anti-corruption, consistent with applicable US law.

MATERIALITY

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

- Freedom of association and the right to collective bargaining
- Forced labor
- Nondiscrimination in employment and occupation
- Safe and healthy working environment
- Working conditions (wages, working hours)
- Freedom of expression
- Digital security/privacy
- Land rights and rights of Indigenous peoples
- Gender equality

Notes on non-material topics:

- Child labor: Our Human Rights Policy prohibits child labor. The nature of our operations and value chain does not make this human rights topic high risk for our company. Regardless, Parsons is committed to mitigating the risks of child labor within our supply chain and any business operation.
- Product and service end-user rights: Parsons has minimal product manufacturing; therefore, this topic is not material to our business model and value chain. We solicit feedback from customers regularly to help improve our services, as detailed in the [Customer Satisfaction](#) section of this document.
- Security arrangements: Parsons' workforce does not include security personnel performing functions that could lead to or facilitate human rights abuses.
- Right to a clean and healthy environment: pollution, air, water, and land – The geographic areas in which we operate are not those with significant barriers to accessing a clean and healthy environment. However, Parsons ensures that our employees have safe working and living conditions.
- Raw material sourcing: Parsons has minimal product manufacturing; therefore, this topic is not material to our business model and value chain.

HUMAN RIGHTS ASSESSMENTS

Parsons upholds and protects human rights in the treatment of our 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
- 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, maintains a robust program aimed at recognizing and addressing issues through ethics and the employee dispute resolution processes, provides annual training, 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 (described further in the [Ethics & Values](#) section of this document), 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.

Workforce Metrics

EMPLOYEES

Our total workforce headcount was 18,782 on December 31, 2024, which constitutes a 3.0% increase from 2023. Headcount data covered 95.6% of our total workforce at the end of 2024. Recent acquisitions excluded from 2024 workforce headcounts are QRC®, SGSS (part of the Braxton acquisition), Sealing Tech, BCC, and BlackSignal (49, 106, 140, 403, and 160 total employees, respectively), which have not been fully integrated into our data systems. Detailed breakdowns by age and employee type are provided below.

Most of our staff (93.7%) are full-time employees, with the largest contingency in the Americas, followed by the Middle East, and less than 1% of our employees are in the rest of the world. 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, with a similar decrease in the over-50 category.

Table 1. Workforce Breakdown By Age

Age Group	2021	2022	2023	2024*
<30 Years Old	10.9%	11.8%	12.2%	13.1%
30-50 Years Old	53.5%	54.1%	54.7%	55.0%
>50 Years Old	35.5%	34.0%	32.8%	31.7%

*2024 age breakdown accounts for 99.8% of disclosed workforce headcount. Employees whose birth dates were unavailable have been excluded.

Table 2. Workforce Breakdown By Employee Type

Employee Type Category*	2021	2022	2023	2024
Permanent	96.3%	96.6%	96.5%	96.3%
<i>Full-Time</i>	<i>93.2%</i>	<i>94.0%</i>	<i>94.1%</i>	<i>93.7%</i>
<i>Part-Time</i>	<i>3.0%</i>	<i>2.6%</i>	<i>2.4%</i>	<i>2.6%</i>
Temporary	0.6%	0.4%	0.4%	0.4%
Non-Guaranteed Hours	3.2%	3.0%	3.1%	3.3%

*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 2024, our workforce included 159 interns, who are included in the "Non-Guaranteed Hours" category in the table above. Parsons typically employs interns from June through August, and in 2024, we employed 259 interns, 33 of which were in Canada. 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 3. Non-Employee Worker Summary

Employee Type	2022	2023	2024
Contractors	<i>Not disclosed</i>		
Interns	103	125	159*

*159 interns were active at the end of 2024, and 259 were employed from June through August 2024.

FREEDOM OF ASSOCIATION

A limited portion of our overall workforce was covered by a collective bargaining agreement in 2024, and there was no increase from the 2023 reporting year. We support employees' freedom to associate and review our policies, practices, and procedures regularly to ensure they do not infringe on the freedom of association.

Table 4. Employees Covered By Collective Bargaining

Category	2021	2022	2023	2024
Covered Employees	313	249	292	293
% Covered Employees	2.0%	1.5%	1.6%	1.6%

Hiring

In 2024, we hired 3,844 new, regular-status (i.e., full-time and part-time) employees. In addition, we filled 499 positions with internal candidates. New hires broken down by region and age group are provided below.

Table 5. Hiring (Global)

Category	2021	2022	2023	2024
New Hires	2,753	3,975	4,068	3,844
Positions Filled By Internal Candidates	461	594	725	499
Total	3,214	4,569	4,793	4,343

Table 6. Hiring By Region (Global)

Region	2021	2022	2023	2024
Americas	56.3%	48.5%	47.4%	54.1%
Asia	0.0%	0.0%	0.0%	0.0%
Europe	0.3%	0.1%	0.3%	0.1%
Middle East	43.5%	51.4 %	52.3%	45.8%
Other	0.0%	0.0%	0.0%	0.0%

Table 7. Hiring By Age Group (Global)

Age Group	2021	2022	2023	2024
<30 Years Old	19.6%	21.2%	23.0%	25.2%
30–50 Years Old	58.8%	59.7%	58.6%	56.3%
>50 Years Old	21.7%	19.1%	18.4%	18.5%

Benefits

FULL-TIME EMPLOYEE BENEFITS

US and Canadian employees are offered medical, pharmacy, dental, and vision insurance; an employee assistance program (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 are offered medical, dental, vision, EAP, life insurance, and evacuation coverage.

EMPLOYEE SUPPORT PROGRAMS

Employee Assistance Program

Parsons offers an 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 Internal Revenue Service (IRS) regulations.

Parental Leave (US Only)

Parsons provides paid parental leave to employees who have a newborn or newly adopted child up to a maximum of 160 hours. Paid parental 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 nonconsecutively.

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 & Teladoc 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. Its 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.
- Teladoc Health provides chronic condition and weight management support to members managing pre-diabetes, diabetes, hypertension, weight, and/or mental health challenges. Members who meet the eligibility requirements will have access to connected health-monitoring devices and certified health coaches and support from physicians and mental health specialists. Those enrolled for diabetes management will receive a blood glucose meter, lancing device, test strips, and lancets.

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.

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.

The 9/80 flexible work schedule offers eligible US employees the option of every other Friday off. Employees can enjoy a three-day weekend every other week by working 80 hours over nine days.

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 2024, 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.

In 2024, the program included monetary rewards for employees and allowed us to make contributions to a charitable organization to celebrate each of our True to the Core awardees, 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 Parsons Gives Back categories and our core values.

At Parsons, we also encourage informal avenues to recognize the contributions of our employees, including social recognition, through short, personal messages and celebratory acknowledgement on internal communications channels, which provide meaningful feedback and acknowledgment for a job well done.

Training & Development

INTRODUCTION

In 2024, Carey Smith, with the support of the Executive Leadership Team (ELT), launched Parsons' Leadership Vision, describing the organizational culture foundational to Parsons' success. The Leadership Vision identifies the three key leadership principles and 10 supporting behaviors that drive the company's continued growth. Parsons' learning and development offerings are delivered in support of the Leadership Vision and aim to further solidify Parsons' unique culture and future success. The Leadership Vision can be found on the Talent and Organizational Development team's SharePoint site, which is accessible by all employees.

In 2024, the Talent and Organizational Development team launched the Parsons Learning Series. The monthly sessions, open to all employees, covered a range of management and employee-development topics, such as Goal Setting to Drive Performance, Communication Skills, and Leading a Virtual Team. The 16 topics were well received, and the series allowed employees interested in future management roles to explore topics in that area. The topics are relevant at all times. Recordings of all sessions are available for employees to access any time, making them an ongoing learning experience for all.

Professional development services, such as executive coaching, 360-degree feedback, and bespoke team development events, are also available through the Talent and Organizational Development SharePoint site, available on our internal employee site, PWeb, allowing company leaders to easily access valuable resources in support of their own or their team's continued development. Two nomination-based leadership programs were created and delivered 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 training, 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 2024, employees had continued 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 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 also complete training on government security, international trade compliance, government property management, and human trafficking.

Parsons employees completed approximately 38,000 hours of optional virtual coursework on technical, 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 5.3 hours of training and development per employee. These values represent training that is trackable in our Workday system and through our formal training partners, yet the entire picture of learning and development across the corporation is much broader.

Table 8. Employee Training

Description	2021	2022	2023	2024
Total Training/Development (Hours)	41,154	51,390	77,976	99,118
Average Training/Employee (Hrs./Employee)	2.7	3.0	4.3	5.3

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 2024, Parsons invested over \$1,016,213 in our employees' education; 194 employees received reimbursement under the program and completed 651 courses aligned with their roles and career development.

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 2024, covered such topics as Application of Methane Biofilters for Reducing Greenhouse Gas Emissions; PFAS in the Environment: Evaluating Influences of Fate & Transport and Remedial Processes; and Navigating the Surge: Real-Time Strategies for the Imminent Electrification Demand, to name a few. The webinars are accredited for continuing-education credits, providing professional engineers and professional geologists a means to fulfill continuing-education requirements associated with their professional registrations.

MANAGERIAL & LEADERSHIP DEVELOPMENT

Intentional Leadership Development Program

The Intentional Leadership Program (ILP) is a leadership development program aimed at senior leaders and executives at the director level and above. The program supports leaders as they develop their own leadership style, build and strengthen cross-organizational relationships, and solidify their advanced leadership skills. Participants are provided with a thinking-preference assessment to strengthen their self-awareness and communication abilities and leave the program with a personalized action plan to capitalize on their learnings. The program is delivered in person over two full days and serves to strengthen Parsons' culture. In 2024, 111 leaders came together from around the world to participate in the nomination-based program.

Engaged Leadership Program

The Engaged Leadership Program (ELP) is a nomination-based program for managers and program managers. The participants attend the virtual, cohort-based program for a total of 16 hours of classroom time over the four-month period. The program focuses on strengthening management and leadership skills, such as delegating, communicating, fostering team resilience, and leading change. Participants also come to understand their strengths through a strengths-based assessment. In 2024, 95 managers attended the ELP from across the company, forging many new cross-functional relationships.

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 (BU), the Technical Career Path provides a backbone for the growth of technical talent at Parsons.

Mentoring Program

Parsons' Mentoring Program continued to thrive in 2024, with a growing pool of nearly 600 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 312, with 344 active mentorship pairings (several employees had more than one mentor). The number of executives available as mentors grew from 173 in 2023 to 186 in 2024. The Talent and Organizational Development team continues to create and update supportive resources for mentors and proteges, including launching a quarterly newsletter for program participants.

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. 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 where the company is focused on growing 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 can be found on our [Internships web page](#).

PERFORMANCE MANAGEMENT

In 2024, 99% of our eligible workforce received an end-of-the-year performance and career development review. The company's participation rates in this process have continued to increase year over year.

Table 9. Employee Performance Reviews

Employee Category	Eligible Employees*	Quantity	% Completed Reviews
Total	14,965	14,894	99%

* Eligible employees were regular full- and part-time employees hired on or before August 26, 2024. 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

In 2024, we continued using the Glint survey platform to enhance action planning and awareness, regularly acting on employee feedback. We also outlined our comprehensive employee-listening strategy at Parsons, which includes surveys, focus groups, and one-on-one meetings, highlighting that survey collection is just one method of gathering valuable employee feedback.

For years, Parsons has measured employee satisfaction and engagement through an annual pulse survey, identifying areas for cultural evolution and strategic focus to improve employee engagement and experience. This data is crucial in guiding our journey to be a dynamic, entrepreneurial, and creative workplace. Glint offers exceptional and confidential survey experiences, benchmarked questions, a results analysis dashboard, and after-action planning tools for managers. It provides real-time results, resources, and videos to help managers improve engagement based on specific feedback. We encourage employee participation by involving senior leadership and talent leaders, ensuring employees know their voice matters and that Parsons acts on the results. By intentionally acting on feedback, we align action planning with company initiatives to enhance opportunities at all levels.

OUTCOMES

In 2024, we were pleased to have met or exceeded Glint's global benchmark in all areas. Our overall engagement score was 80, compared to the global benchmark of 74, 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 score, which is "How happy are you working at Parsons?" and the recommend score, 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.

The following are the key outcomes:

- Employees value the organization's culture as well as opportunities for flexible work.
- Employees are optimistic about Parsons' future yet believe enhanced communication, collaboration, and innovation are critical to achieve its vision.
- Employees are excited about the future of Parsons but see an opportunity to further build connection and feelings of belonging.
- Employees report an interest in continuous improvement and creativity yet acknowledge workload/available time and existing processes as barriers to innovation.
- Employees highlight desire for market adjustments, bonuses, and benefit improvements, but sentiment reflects some increase in positive comments in this area.

The survey results consistently guide action planning and enhance the employee experience throughout the year, helping our employees envision an even better Parsons.

Table 10. Employee Engagement

Employee Engagement Survey	2021	2022	2023	2024
Total Eligible Employees*	14,422	14,708	15,257	15,934
Employee Satisfaction (%)**	73%	74%	NA	NA
Employee Satisfaction (Points)***	NA	NA	77	79
Total Survey Participants (%)	41%	48%	54%	60%

* Eligible employees were regular full- and part-time employees hired on or before July 16, 2024. Union/craft workers, casual, contractor/subcontractor, contingent workers, and employees of non-integrated companies are excluded.

** Prior to 2023, 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, employer-match donations to charities of choice for Parsons Political Action Committee (PARPAC) participants, our back-to-school supply-drive campaign, an end-of-year holiday donation to a nonprofit, Volunteer of the Year philanthropic giving, and more. Parsons also offers a scholarship program that sponsors both graduate and undergraduate scholarships for dependent children of Parsons employees. The student must be pursuing coursework in the fields of science, technology, engineering, or math (STEM). In 2024, we awarded 11 new student scholarships, for a total of \$55,000.

We monitor and evaluate the impacts of our community projects by collecting stakeholder feedback and improving our year-over-year contributions. In 2024, our employees self-reported 26,266 hours of volunteer time.

Table 11. Employee Volunteerism

Employee Self-Reported Volunteerism	2021	2022	2023	2024
Hours	13,122	19,925	35,114	24,266

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 the communities in which we live and work; and living out our core values of integrity, quality, 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 focus areas:

- Military/veteran: Organizations and events that directly help active military members or veterans
- STEM/education: Organizations and events related to education, mentoring, and building talent pools
- Vibrant communities: Organizations and events that support sustainability; positive community impact; and access to community services, including health, food, and education

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

Table 12. Philanthropic Priorities

Philanthropic Priority	Related SDGs	Related Business Drivers	KPI
Military/Veteran	Good Health & Well-Being Quality Education Decent Work & Economic Growth Reduced Inequality	Recruitment/Retention	Job Creation: We are proud of the partnerships we have that support military transition programs 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 Decent Work & Economic Growth	Recruitment/Retention	Recruiting and Attracting a Vast 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 Architecture Construction Engineering (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 Urban Development & 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 and other communities.

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 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.

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

Our SH&E Policy is supported by industry best practices, which are highlighted in our Environmental, Safety, Health, and Risk Program (ESHARP). ESHARP 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 employees worldwide (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. A dedicated portal for ESHARP and all associated materials was launched in early 2024 to centralize and streamline the information for easier accessibility by all employees and to enhance user-friendliness. ESHARP is also provided to the companies with which we work as a reference 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

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.

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 CERTIFICATIONS

We are certified to third-party SH&E management system standards in locations where there is a business need. In 2024, our offices and projects in Saudi Arabia completed a series of audits from the British Standards Institute (BSI) and obtained certification for ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System, and we maintained our ISO 14001:2015 and ISO 45001:2018 in the United Arab Emirates, Qatar, and United Kingdom. As a result of the addition of the ISO certifications in Saudi Arabia, the coverage of these certifications increased to 35% in 2024 from 18% % of our employee population in 2023.

In Canada, we are now Certificate of Recognition (COR) certified in Nova Scotia and have renewed our 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 7% of our employee population.

HAZARD IDENTIFICATION, RISK ASSESSMENT & INCIDENT INVESTIGATION

Hazard & Risk Identification

Our approach to preventing or mitigating business-relationship impacts is part of a site's risk assessment process. 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.

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 semiannual) 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:

- 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 present on the project, the most senior worksite leader
- The SH&E project representative

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 educated on the AHAs applicable to their work. AHAs and other risk assessments must be reviewed at least 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 effort is 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 Using Stop-Work Authority

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 concern before restarting the work. This process is called STOP.

- **Stop the task you are doing or intervene with a coworker if appropriate.**
- **Take 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.
- **Offer 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.
- **Prepare 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.

Work-Related Incident Investigation

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, engineering controls, 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 PM (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 and leadership teams and submitted in IndustrySafe (incident reporting system) as a part of the 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 BRIDGING & GAP ANALYSIS

Before awarding work to a subcontractor, we first align with the client on the project's SH&E requirements and how these will apply to all contractors involved. Each prospective contractor must demonstrate the ability to meet both the technical scope of the project and our SH&E standards before being awarded a contract for fieldwork activities.

Contractors receive a clear outline of the project's SH&E performance expectations, which also extend to any lower tier subcontractors. Our PM follows the Procurement and Contractor Management Procedure to select, monitor, and evaluate contractors and consultants, ensuring that they are fully aligned with our SH&E principles and capable of delivering work that meets these standards.

Key SH&E expectations include the following:

- Timely reporting of workplace incidents
- Thorough investigation of incidents
- Implementation of corrective actions
- Distribution of employee-awareness documents

To reinforce consistency, we've implemented contractor flow-down language that embeds our SH&E management system principles across all tiers. Contractors are prequalified based on these criteria and are actively monitored throughout project execution via regular meetings, inspections, audits, and other engagement activities.

SH&E WORKER PARTICIPATION

Employee Engagement

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 SH&E plans and PSHEPs 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 discussions about the physical aspects of SH&E. Our communications and campaigns also incorporate topics such as mental wellness, mindfulness, fatigue management, and sustainability, as appropriate.

For example, in September 2024, we had an employee communications and engagement campaign called "Connected, Supported, Safe," which focused on educating all employees on what psychological safety is, how to foster it, and how to support each other. Mental wellness is a component of psychological safety, and employees were encouraged to create atmospheres of trust and create support networks across work environments. In addition, in December 2024, we held a mental health-focused campaign, which addressed topics such as end-of-year stress management, good mental health practices, and actions that support mental wellness. All materials for both campaigns were accessible to all employees on our enterprisewide internal communication platform.

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 SH&E management decisions 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 Parsons home office and project-site 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:
 - Work plans
 - Risk assessments and AHAs
 - Compliance programs and best practices
 - Project policies and procedures
 - Training programs
 - Orientation programs
 - SH&E performance measures and objectives
 - Awareness campaigns
- Input from line employees or the chartered employee SH&E committee will be solicited using means such as one-on-one engagement, suggestion boxes, or via SH&E committee meetings, under the following circumstances:
 - When new work processes, equipment, or tools are being designed, purchased, or modified
 - When occupational health issues and worksite monitoring issues are identified
 - During incident investigations
 - During site visits by members of the senior leadership team
 - When programs related to worker-initiated SH&E observations are considered or evaluated

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. ESHARP dictates that SH&E committees must be chartered when Parsons' offices and projects have five or more on-site Parsons employees or 25 or more contractor employees, and an aggregated period of performance in the field of six months or more. 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.

An 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. Each 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, PM, 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 prior to beginning work. Initial and ongoing training is determined by the employee's function and by using the resources summarized in the next paragraph. Lessons learned and findings are distributed locally through training sessions or enterprisewide digital communications as applicable.

SH&E-related training, certification, qualification, or competency needs are identified from a variety of sources to ensure these 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. For example, if the risk register identifies a fall-protection risk because the project requires working at height, then fall-protection training would be included for those employees. 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 WELL-BEING

We are committed to promoting the mental and physical well-being of our employees. Workers have 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, which are described in greater detail in the [Benefits](#) section of this document.

Parsons also has a Stay-at-Work Program, which is set up to support employees in the event of a work-related injury or work-related illness. This 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 work interactively with the employee, HR, occupational providers, and the SH&E manager, among others, to support temporary transitional duty, aligning with the best practice of returning an injured worker back to their regular assignment within 60 days, if feasible. 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 HR 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 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 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.

Safety Metrics

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.

At the local level, contractor SH&E performance is tracked and monitored against prescribed KPIs. 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 2024, our global total recordable incident rate (TRIR) was 0.16 (recordable work-related injuries per 200,000 hours).

Table 13. Total Recordable Incident Rate

Total Recordable Incident Rate	2021	2022	2023	2024
Recordable Work-Related Injuries (#)	39	21	25	32
Number Of Hours Worked	33,832,078	34,067,146	37,739,467	39,037,091
TRIR (#/Million Hours Worked)	1.15	0.62	0.66	0.82
TRIR (#/200,000 Hours Worked)	0.23	0.12	0.13	0.16

Table 14. Lost-Time Injury Frequency Rate

Lost-Time Injury Frequency Rate (LTIFR)	2021	2022	2023	2024
Lost-Time Injuries (#)	16	7	6	11
Number Of Hours Worked	33,832,078	34,067,146	37,739,467	39,037,091
LTIFR (#/Million Hours Worked)	0.47	0.21	0.16	0.28
LTIFR (#/200,000 Hours Worked)	0.09	0.04	0.03	0.06

Table 15. Fatalities (# Of Fatalities)

Fatalities	2021	2022	2023	2024
Employees	0	0	0	0
Contractors	0	0	0	0

Table 16. Occupational Illness Frequency Rate

Occupational Illness Frequency Rate (OIFR)	2021	2022	2023	2024
Work-Related Ill Health Incidents (#)	9	0	0	0
Number Of Hours Worked	33,832,078	34,067,146	37,739,467	39,037,091
OIFR (#/Million Hours Worked)	0.27	0.00	0.00	0.00
OIFR (#/200,000 Hours Worked)	0.05	0.00	0.00	0.00

Our Impact

Introduction

Our environmental strategy spans our corporate activities and disclosures and informs our approach to client services. To progress our strategy and strengthen our commitment to sustainability, we have set ambitious 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 [Projects web page](#).

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 Parsons has 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
- JV offices or other facilities where Parsons does not have majority control or financial control (i.e., income from noncontrolling interests)

Other emissions sources excluded from the calculation are as follows:

- 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 to Parsons business operations.

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. Any updates made to the methodology during the reporting year are described in the [Methodology Updates](#) section, below.

Our calculations include an accounting of the seven GHGs covered by the Kyoto Protocol; i.e., carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃), the overall impact of which is expressed in terms of metric tonnes (MTs) of carbon dioxide equivalents (tCO₂e). Our Scope 1 and Scope 2 emissions factors come from several sources, including the Environmental Protection Agency (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), the 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 2024) 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).

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. These changes are described in detail in our FY2023 CARE Disclosures. No additional methodology changes were made during FY2024.

BASELINE & TARGETS

2019 Baseline

In 2023, Parsons recalculated our 2019 baseline emissions due to a determination that the acquisition of Xator Corporation would likely surpass our 5% threshold for recalculation of prior years’ emissions. In 2024, Parsons announced the acquisitions of BCC Engineering, LLC, and BlackSignal Technologies, LLC, with expected \$205 million revenue generation. Together, these acquisitions do not necessitate a recalculation of the 2019 baseline, based on an estimate of BCC and BlackSignal financials relative to Parsons. The 2019 baseline emissions, shown in the table below, remain as is for the purposes of our targets and internal tracking and are shown in all GHG tables in this document.

Table 17. 2019 Baseline GHG Emissions

Metric	2019 (Baseline)
Scope 1	8,872
Scope 2 (Location Based)	15,240
Scope 2 (Market Based)	14,763
Scope 3	410,004

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 Science Based Targets initiative (SBTi). In May 2024, we submitted the proposed targets, shown below, to SBTi for verification. As of December 31, 2024, all queries from SBTi’s target validation team had been resolved, and the final validation decision was received in early 2025.

- Near-term targets:
 - Reduce absolute Scope 1 and Scope 2 GHG emissions 50% by 2030 from a 2019 base year.
 - Increase active annual sourcing of renewable electricity from 0% in 2019 to 100% by 2028.
 - Reduce absolute Scope 3 GHG emissions 30% by 2030 from a 2019 base year.
- Long-term targets: Reduce absolute Scope 1 and Scope 2 GHG emissions 90% by 2045 from a 2019 base year; reduce absolute Scope 3 GHG emissions 90% within the same time frame.
- Overall net-zero target: Reach net-zero GHG emissions across the value chain by 2045.

A summary of progress toward achieving the stated targets is provided in the table below.

Table 18. Emissions Reductions From Baseline (tCO₂e Per Year)

Metric	2019 (Baseline)	2024	Change In Emissions
Scope 1 Emissions	8,872	9,806	10.5%
Scope 2 (Market Based) Emissions	14,763	2,734	-81.5%
Scope 3 Emissions	410,004	904,230	120.5%
Scope 1 & 2 (Market Based) Emissions	23,635	12,540	-46.9%
Electricity (Renewable) (%)	0%	80%	

2024 REPORTING YEAR

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 2024, utility and building owner actual natural gas usage data were collected for approximately 67% of total offices (by square footage). Natural gas usage for the remaining 33% has been estimated using Commercial Buildings Energy Consumption Survey (CBECS) data published by the US Energy Information Administration, office location, and office square footage.

In 2024, we increased the leased office area for which we were able to collect stationary fuel consumption data by 17%. We plan to continually add more offices in the future and increase the percentage of total offices for which data are collected through utility bill automation and office manager outreach. 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 19. Scope 1 Emissions (tCO₂e Per Year)

Metric	2019 (Baseline)	2021	2022	2023	2024
Scope 1	8,872	6,981	7,789	8,838	9,806

As shown in the table above, in 2024, we experienced a net 11% year-over-year increase in our Scope 1 emissions, as driven by:

- A year-over-year increase in our Scope 1 mobile combustion emissions is linked to a rise in mobile fuel consumption because of an increased need for employees to return to fieldwork and, in particular, strong growth in our EMEA region. This increase was slightly mitigated by reductions in the square footage of our leased office space and the expansion of our electric truck fleet in North Carolina.
- A year-over-year reduction in our Scope 1 stationary emissions, primarily through the continued right-sizing of our office space. Our leased square footage as of the end of 2024 had decreased by 4.9% since the end of 2023, and by 14.9% compared to 2019, despite the acquisition of BCC and BlackSignal and associated office spaces in 2024.

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 67% of total offices (by square footage). The electricity usage for the remaining offices was estimated using CBECS data published by the US Energy Information Administration, office location, and office square footage.

In 2024, we increased the leased office area for which we were able to collect purchased electricity data by 17%. We plan to continually add more offices in the future and increase the percentage of total offices for which data are collected through utility bill automation and office manager outreach.

Table 20. Scope 2 Emissions (tCO₂e Per Year)

Metric	2019 (Baseline)	2021	2022	2023	2024
Scope 2 (Location Based)	15,240	11,686	10,932	11,340	11,256
Scope 2 (Market Based)	14,763	11,492	10,706	3,479	2,734

As shown in the table above, in 2024 we experienced approximately a 0.7% year-over-year decrease in our Scope 2 location-based emissions, achieved through reductions in our electricity usage and leased real estate area. This keeps us on track to achieve our targets, with a 26.1% decrease over our 2019 baseline.

In addition, we recorded a decrease in market-based emissions, due in large part to our purchase of Renewable Energy Certificates (RECs) for the 2024 calendar year, shown in the table below. We purchased 26,073 MWh, which amounts to 80% of our annual enterprisewide purchased electricity consumption (refer to the [Energy](#) section of this document for more detail). The purchased RECs are reflected in the market-based emissions calculation, resulting in a year-over-year decrease of 21.4% and an 81.5% decrease compared to our 2019 baseline. This performance aligns with our target of 50% reduction in Scope 1 and 2 emissions and also advances our goal to achieve 100% renewable electricity by 2028.

Table 21. Purchased RECs (MWh)

Country	2023	2024
United States	21,906	24,520
Canada	1,975	1,533
Total	23,881	26,073

Emissions Intensity

The table below summarizes the emissions intensity of our Scope 1 and 2 emissions for the baseline year and our four most recent reporting years.

Table 22. Scope 1 & 2 Emissions Intensity

Metric	2019 (Baseline)	2021	2022	2023	2024
Scope 1 & 2 (Location Based) (tCO ₂ e)	24,111	18,666	18,721	20,178	21,062
Scope 1 & 2 (Market Based) (tCO ₂ e)	23,635	18,473	18,496	12,317	12,540
Revenue (\$M US)	3,955*	3,661	4,195	5,443	6,751
Revenue Intensity (Location Based) (tCO ₂ e per \$M)	N/A*	5.10	4.46	3.71	3.12
Revenue Intensity (Market Based) (tCO ₂ e per \$M)	N/A*	5.05	4.41	2.26	1.86

*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 are calculated using vendor spend data and US Environmentally-Extended Input-Output (EEIO) factors. In 2024, emissions in this category remain high, driven by one large subcontractor in an emissions-intensive industry, accounting for approximately 642,063 tCO₂e, or 76.3% of Category 1 emissions.
- 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. We observed a 4.7% year-over-year increase primarily driven by increased Scope 1 mobile fuel, partially offset by decreased Scope 2 purchased electricity.
- Category 6: Business Travel – The well-to-wheel (WTW) emissions released from business-travel activities, including taxis, rental/personal vehicle use, air travel, and hotel stays. Emissions from business travel between 2023 and 2024 are virtually flat, showing a 0.5% year-over-year increase.
- Category 7: Employee Commuting – The emissions released from employees commuting to offices or project sites. In 2025, we completed a survey of employee commuting in 2024, used for 2024 emissions estimates which showed a 13% year-over-year increase. Policies to encourage telecommuting have been partially offset by growth in employee count through organic growth and acquisitions.

Table 23. Scope 3 Emissions (tCO₂e Per Year)

Category	2019 (Baseline)	2021	2022	2023	2024
1. Purchased Goods & Services	327,396	254,415	236,090	673,910	841,441
3. Fuel- & Energy-Related Activities	5,545	4,374	4,427	4,656	4,875
6. Business Travel (WTW)	35,497	11,707	15,506	24,045	24,171
7. Employee Commuting (WTW)	41,566	25,772	28,902	29,852	33,743
Total Scope 3 Emissions	410,004	296,269	284,926	732,463	904,230

The year-over-year increase in our overall Scope 3 emissions shown in the table above is primarily due to a 25% increase in Category 1 emissions. The increase in Category 1 is associated with one emissions-intensive subcontract.

REDUCTION PLANNING

Climate Transition Plan

In 2024, we initiated an outline for a climate transition plan (CTP) using peer research and an understanding of our historic emissions between 2019 and 2024. A CTP serves as a roadmap to reaching emissions-reduction targets for Scope 1, Scope 2, and Scope 3 using emissions-lowering initiatives coordinated with various Parsons operational groups. We plan to develop our CTP further in 2025, advancing initiatives that are already in place and evaluating the feasibility of other actions to demonstrate year-over-year progress toward meeting our GHG emissions-reduction targets.

Initiatives that are already in progress or under consideration include the following:

- Scope 1 (Mobile): Improve the fuel efficiency of our fleet vehicles; continue our transition to electric-vehicle (EV) fleets in addition. As we look to add more EV fleets in the coming years, Parsons must continue to consider challenges regarding the management of vehicle fleets, including but not limited to charging infrastructure, vehicle cost, and vehicle performance.
- Scope 1 (Stationary): Continue to right-size our office space; consider selection of energy-conserving buildings in which to locate our offices.

- Scope 2 (Location Based): Continue to leverage opportunities to drive leased portfolio optimization by analyzing upcoming critical junctions in the leasing timeline, office utilization, occupancy, capacity, revenue generation, and other key metrics.
- Scope 2 (Market Based): Work with utilities/energy providers to better understand options for purchasing renewable energy from the provider. Continue purchasing RECs and/or Energy Attribute Certificates (EACs).
- Scope 3: Ongoing FWOs for employees, processes for managing business travel and the supply chain.

Carbon Price

We set an internal price of carbon (\$51/MT) in 2022, which represents the social cost of carbon established by the US Government. We are committed to continuing to evaluate how to best utilize carbon pricing to further our climate goals and drive employee best practices.

Energy

ENERGY CONSUMPTION

The table below 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. The next table below summarizes our purchased electricity, all of which is delivered from the grid. Since we have limited control over our electricity consumption in our leased spaces, beginning in 2023, we have purchased RECs to lower our Scope 2 market-based emissions. Refer to the [Scope 2 \(Indirect\)](#) section of this document for more information. The third table below shows our annual purchased electricity intensity, normalized by \$million US revenue. Parsons continues to grow as a company, but our electricity intensity is showing a decreasing trend over the past four years and a year-over-year decrease of 20%.

Table 24. Scope 1 & 2 Energy Consumption (MWh)

Metric	2019 (Baseline)	2021	2022	2023	2024
Consumption Of Fuel (Nonrenewable) (Natural Gas, Gasoline & Diesel)	39,458	31,227	34,507	38,727	42,569
Consumption Of Fuel (Renewable) (Ethanol & Biodiesel)	0	0	0	24	14
Consumption Of Purchased Or Acquired Electricity (Nonrenewable)	40,286	33,801	33,260	8,825	6,505
Consumption Of Purchased Or Acquired Electricity (Renewable)	0	0	0	23,881	26,073
Total Energy Consumption	79,745	65,028	67,767	71,457	75,161
% Renewable	0%	0%	0%	33.5%	34.7%

Table 25. Electricity

Metric	2019 (Baseline)	2021	2022	2023	2024
Electricity (Nonrenewable) (MWh)	40,286	33,801	33,260	8,825	6,505
Electricity (Nonrenewable) (%)	100%	100%	100%	27%	20%
Electricity (Renewable) (MWh)	0	0	0	23,881	26,073
Electricity (Renewable) (%)	0%	0%	0%	73%	80%
Electricity From Grid (%)	100%	100%	100%	100%	100%

Table 26. Purchased Electricity Intensity

Metric	2019 (Baseline)	2021	2022	2023	2024
Total Electricity (MWh)	40,286	33,801	33,260	32,706	32,578
Revenue (\$M US)	3,955	3,661	4,195	5,443	6,751
Revenue Intensity (MWh per \$M)	N/A*	9.23	7.93	6.01	4.83

*2019 revenue does not include Xator Corporation and does not match emissions 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 of the raw data is inconsistent across facilities.

In 2024, we were able to obtain data covering approximately 38% of our leased footprint. Total water use for the entire footprint was calculated by extrapolating based on our total area of leased real estate. Increased usage in 2024 appears to be due to a few offices whose summer irrigation needs were higher than in 2023, which, when extrapolated across our leased footprint, resulted in an overall year-over-year increase. This may represent an artificially elevated total water use for 2024.

Table 27. Total Office Water Usage (Cubic Meters)

Water Source	2022 (Estimated)	2023 (Estimated)	2024 (Estimated)
Municipal Water Supplies	104,950	100,623	144,203

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, which means that actual waste disposal data are unavailable to us. 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 (assuming that half of the EPA estimate of [4.9 pounds per person per day](#) is generated while an employee is at the office). In 2024, the decrease in estimated waste generated is attributed to our reduced real estate footprint and more employees transitioning to a work-from-home model.

While all our offices have programs to split recyclable items from landfill waste, we lack the ability to measure the landfill diversion rates for the commingled recycling collection in our office spaces. Our recycled paper values are provided by Iron Mountain, which recycles our securely shredded paper. In 2024, our operations in the US and Canada diverted 60.7 MT, 53.63 MT, and 7.04 MT, respectively, of securely shredded paper, equivalent to preserving 1,605 trees. By subtracting the known quantity of recycled paper from the overall estimate of waste generated, we assume that the remainder of the estimated waste is sent to the landfill.

Table 28. Total Office Waste (Metric Tonnes)

Waste	2021*	2022*	2023	2024
Recycled Paper (North America Only)	167	118	85	61
Unknown Disposal/Landfill (Estimated)	361	599	987	932
Total Waste Generated (Estimated)	528	717	1,071	993

* Calculations include both home and project offices.

Table 29. Hazardous Waste Management (Metric Tonnes)

	2021	2022	2023	2024
Hazardous Waste	N/A	N/A	N/A	N/A

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 2024, our North American operations recycled or repurposed notebooks, PCs, monitors, servers, and other electronics equal to 37 MT of e-waste diverted from landfills, which equates to 584.5 MMBtu units of energy being saved. Additionally, in our Qatar, Kuwait, and United Arab Emirates offices, we recycled or repurposed over 2,900 hardware units this past year.

Climate Strategy

Per our Sustainability Policy, we acknowledge the risks that climate change pose to the natural environment, human health, and the economy and believe that we have a responsibility to help mitigate their effects. In support of this commitment, in 2022, we performed an initial process to identify risks and opportunities related to climate change in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD). We refreshed the analysis in 2023, revisiting previously identified risks and opportunities to discuss which items were no longer material to Parsons and which new items have come about in the past year. Moving forward, our intention is to update these disclosures in FY2025 to reflect insights on how Parsons' risks and opportunities regarding climate have shifted in the past two years.

GOVERNANCE

General information regarding the Parsons Board of Directors (board) can be found in the [Board Of Directors](#) section of this document. Board oversight and management's responsibility for climate-related issues, policies, risk, and opportunities are discussed in detail in the [Corporate Sustainability & Climate Governance](#) section of this document.

RISK MANAGEMENT

Risk & Opportunity Identification Process

Our 2023 assessment process included surveys and discussions with the ELT; the establishment of climate governance; a process for identifying risks and opportunities in our specific markets and geographies in the realm of transitional and physical risk for the short-, medium-, and long-term time frames; and integration into our Enterprise Risk Management (ERM) process. Work sessions were held to share and discuss findings and discuss mitigation actions. A detailed description can be found in our FY2023 CARE Disclosures.

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. Additional information can be found in the [Enterprise Risk Management](#) section of this document.

CLIMATE-RELATED RISKS & OPPORTUNITIES

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

A detailed description of our most recent assessment of climate-related risks and opportunities, based on a series of workshops held in the fall of 2023, can be found in our [FY2023 CARE Disclosures](#). Workshops engaged senior BU leadership, representing a cross section of the geographies and markets in which we operate and relevant corporate functions (e.g., Safety, Health, & Environment; Procurement; and Corporate Real Estate and Facilities). Risks and opportunities are grouped in our FY2023 CARE Disclosures by the categories below.

- 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

Where appropriate, a description of possible mitigation response for certain risks is provided. For the purposes of climate-related risks and opportunities, we defined time horizons as shown in the following table.

Table 30. Climate-Related Risks & Opportunities Timelines

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

SCENARIO ANALYSIS

Our 2023 assessment 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. A detailed description of the scenarios themselves and their impacts on the identified climate-related risks and opportunities can be found in our [FY2023 CARE Disclosures](#).

METRICS & TARGETS

The tables below show reported absolute emissions for the 2019 and 2024 reporting years. Additional details on the calculation methodology, boundary, and targets can be found in the [GHG Emissions](#) section of this document.

Table 31. Absolute Emissions By Scope (Market Based) (tCO₂e Per Year)

Metric	2019 (Baseline)	2024
Scope 1	8,872	9,806
Scope 2 (Market Based)	14,763	2,734
Scope 3	410,004	904,230
Total	433,639	916,770
Scope 1 & 2 (Market Based)	23,635	12,540
Scope 1 & 2 (Market Based) % Change From 2019 Baseline		-46.9%
Scope 3 % Change from 2019 Baseline		120.5%

As part of our core value metrics, the Operations team also tracks our overall corporate real estate footprint, as represented by our leased area (in square feet). The table below shows a reduction of 15.4% in our average annual leased home and project office area from the baseline year of 2019 through 2024. Reductions in our leased area have been partially offset by increases due to acquired companies.

Table 32. Annual Leased Space

Metric	2019 (Baseline)	2024
Annual Average Square Footage	2,673,256	2,261,514
Leased Area % Change From 2019 Baseline	N/A	-15.4%

Nature Strategy

We are committed to the protection and minimization of impacts to the natural environment in our corporate activities and our approach to solutions for our customers. In support of this commitment, in 2023, we performed our first nature-related analysis, aligned with the Taskforce on Nature-Related Disclosures (TNFD). This included identifying the interfaces we share with nature, evaluating our impacts and dependencies, assessing the related perceived risks and opportunities, and discussing a preliminary strategy regarding our interactions with nature. Moving forward, our intention is to further investigate in FY2025 how we directly connect with nature through our operations to inform the strategies for mitigating risks and capitalizing on identified opportunities.

NATURE-RELATED IMPACTS & DEPENDENCIES

A detailed description of our 2023 assessment of nature-related impacts and dependencies can be found in our FY2023 CARE Disclosures. This process used guidance from the TNFD and World Wildlife Fund (WWF) Biodiversity Risk Factor (BRF) Heat Mapping tool on the WWF Risk Filter site to filter for BRF indicators (interfaces) and ecosystem services dependencies that scored a three or above for the “Offices and Professional Services” sector. Since Parsons is a service provider, our interactions with nature are limited relative to companies in other, more nature-dependent businesses.

NATURE-RELATED RISKS & OPPORTUNITIES

A detailed description of our 2023 assessment of nature-related risks and opportunities, based on a series of workshops held in the fall of 2023 to learn what our employees identified as focal points in their respective sectors, can be found in our FY2023 CARE Disclosures. Each risk or opportunity to Parsons’ business strategy or financial planning is paired with an impact or dependency category and a driver to convey the interface Parsons has with nature. For nature-related risks and opportunities, the time horizons are the same as for climate.

Table 33. Nature-Related Risks & Opportunities Timelines

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

Sustainability

POLICY & PROCEDURES

Our corporate Sustainability 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 and acknowledges the risks that climate change poses to the natural environment, human health, and the economy. We believe that we have a responsibility to help mitigate the effects of climate change and pledge 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, and social 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 to facilitate the implementation of sustainability in services for our customers and in corporate operations.

In 2024, we initiated the development of a separate Environmental Policy as a commitment to continuous improvement of our environmental performance, which spans our corporate activities and disclosures, and to inform our approach to solutions and services for our customers. This policy, in conjunction with our Sustainability and SH&E policies, will integrate environmentally pressing topics, such as climate change and biodiversity preservation, into our overall operational approach and is targeted for publication in 2025.

APPROACH

Parsons uses a proven process to evaluate the most feasible and applicable sustainability strategies via 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 of complex infrastructure projects. 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 sustainability and resilience planning, analysis, design guidance, and documentation as a service integrated with our interdisciplinary design, program management, owner's representative, and other service types offered by the broader enterprise. We deliver services that emphasize environmentally sound, sustainable, and resilient solutions for infrastructure, defense, security, and construction clients. Our environmental sustainability- and climate resilience-focused service offerings include but are not limited to the following:

- Climate vulnerability and risk 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)/GHG 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®, LEED®, Estidama)
- Water storage, treatment, conveyance, and reuse

Our Governance

Introduction

Parsons has an 81-year history of cultivating a responsible enterprise, having been recognized for excellence in corporate citizenship and ethical performance. Parsons' [governance documents](#), including our Code of Conduct, Corporate Governance Guidelines, and board committee charters, are shared on our [Investor Relations website](#). Information on our ELT and board can be found on [our website](#). Additional governance details, including a skills matrix, board tenure, and committee membership details, can be found in our [2025 Proxy Statement](#).

Board Of Directors

Parsons' highest governance body is the Parsons Board of Directors, which is led by our chair, president, and chief executive officer (CEO), Carey A. Smith. As of December 31, 2024, the board consisted of 11 directors, divided into three classes, with staggered three-year terms, as shown in the 2025 Proxy Statement (pp. 7–13). 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.

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.

COMMITTEES

Board bylaws require the establishment of a Corporate Governance and Responsibility (CG&R) Committee and any additional committees the board deems necessary or advisable. Currently, the board has three committees comprising independent directors only, as shown in the 2025 Proxy statement (p. 19): the CG&R Committee, chaired by Suzanne M. Vautrinot; the Audit and Risk (A&R) Committee, chaired by M. Christian Mitchell; and the Compensation and Management Development (C&MD) Committee, chaired by Harry T. McMahon. Each committee charter, which can be found on the governance documents section of our investor relations website, establishes the duties of the committee, the minimum number of members for the committee, and the requirements for conducting meetings of the committee. Among other responsibilities, the CG&R Committee is responsible for reviewing and making recommendations for amending the Corporate Governance Guidelines to the board, as deemed necessary and appropriate.

BOARD COMPOSITION & INDEPENDENCE

Our [Corporate Governance Guidelines](#) provide that we have a lead independent director who 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. In addition, except as otherwise permitted by the applicable NYSE rules, the board includes a majority of directors who qualify as independent directors, and all members of the committees of the board are independent. The independent directors meet in executive session, without non-independent directors or management present, on a regularly scheduled basis. The company holds an executive session including only independent directors at every quarterly meeting.

As of December 31, 2024, nine of our 11 board members were considered independent under our Corporate Governance Guidelines and NYSE listing standards, including a lead independent director, Stephen F. Lear. Our chair, president, and CEO, Carey A. Smith, and former chief financial officer (CFO) of Parsons, George L. Ball, were non-

independent directors. The average tenure for our directors was 7.9 years, with one of the nine (11%) independent directors with a tenure shorter than 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 other attributes of candidates, such as experience, skills, and personal characteristics, monitoring the mix of qualifications and background to ensure that the board, as a whole, has the necessary tools to perform its oversight function effectively, considering Parsons' business and structure.

CONFLICT OF INTEREST

When recommending director candidates for election to the board, the board will also 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). In addition, 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.

Corporate Sustainability & Climate Governance

BOARD OVERSIGHT

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

- **CG&R Committee:** Responsible for overseeing our overall corporate sustainability and climate strategy and risks (including climate-related issues) and major plans of action (i.e., setting objectives and/or targets, implementation and performance monitoring, and review of disclosures). The vice president, ESG, Sustainability & Resilience, provides quarterly briefings to the CG&R Committee on a range of topics, including semiannual climate-focused meetings to address GHG emissions and climate-related strategy.
- **A&R Committee:** Oversees our ERM program, which includes corporate sustainability 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 (CSRO).
- **C&MD Committee:** The C&MD Committee reviews and recommends policies related to the compensation and benefits of our officers and employees.

EXECUTIVE LEADERSHIP

Overall responsibility and delegation of authority for matters related to corporate sustainability and climate are shown on our [CARE web page](#). Notably, our CEO, as the leader of the ELT, holds overall executive-level responsibility for these matters 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, Sustainability & Resilience, reporting to the ELT through the chief business operations officer (CBOO).

In addition, Parsons' CARE Steering Committee, which is led by the vice president, ESG, Sustainability & Resilience, and sponsored by the CBOO, comprises representatives from Sustainability, Legal, Talent Management, Employee Engagement, and Communications who advise on the preparation of establishing metrics and annual performance targets for material topics.

DELEGATION OF AUTHORITY

The CARE Steering Committee delegates responsibility to the Sustainability Working Group (SWG) for sustainability efforts and practices related to customer solutions. The SWG includes sustainability and resilience subject matter experts and representatives from revenue units and other appropriate functional groups.

The ELT holds monthly management reviews (MMRs), led by the CEO, with updates from all BUs and corporate functions. Corporate sustainability updates and core value metrics reports are given monthly as part of the Operations update to keep the ELT informed on climate-related issues. Parsons sets annual metrics targets for its core values, including sustainability, with monthly updates on progress. Parsons has additional employee committees covering related topics, including the Ethics Committee and the Security Committee, for physical and cybersecurity risks, and the Corporate Response Management Team (CRMT).

Risk Management

ENTERPRISE RISK MANAGEMENT

Our corporate ERM program is led by Parsons' CSRO, who reports to the chief technology officer (CTO), under our CEO, and works with the chief legal officer (CLO) for the purpose of providing reports to the board's A&R Committee. Additional information regarding board committees and associate charters is available in the [Board Of Directors](#) section of this document.

In accordance with our Enterprise Risk Management Policy, Parsons maintains an ERM program that establishes a structured and consistent approach to identifying, assessing, managing, and monitoring enterprise risks (those that, if realized, could prevent Parsons from achieving its strategic goals or meeting its business objectives). Parsons ensures that risks are effectively managed to support the achievement of the organization's strategic objectives and to safeguard our assets, reputation, and stakeholders. The program also enables Parsons to capitalize on opportunities to create, enhance, and protect shareholder value and to ensure that business activities are aligned with the corporation's core values and strategy. An active, cross-functional ERM Working Group defines, maintains, and continuously improves the ERM program, promoting the adoption of effective ERM practices, standards, and discipline across the organization.

To identify, assess, prioritize, and manage enterprise risks, Parsons follows the process in our Enterprise Risk Management Procedure and adheres to the ERM framework defined in our Enterprise Risk Management Standard. Executive risk owners (EROs), appointed by the CEO and ELT, determine the likelihood and potential impact of risks and develop mitigation strategies, creating a strategic blueprint for protecting assets, ensuring smooth operations, and supporting better decision-making. Collaborating with industry partners, including Gartner and other subject matter experts, Parsons also identifies and assesses emerging risks that could materially impact Parsons. These risks may not be fully realized today, but they reflect trends that could shape our risk landscape over time.

Our board and its committees take an active role in overseeing the management of our risks and ensuring management has effective systems in place. The board regularly reviews information regarding operational, financial, legal, talent, and strategic risks. Senior risk management personnel attend quarterly board meetings and provide presentations on operations that include significant risks. In addition, to assist the board in fulfilling its due-diligence responsibilities, the committees below have been established to support and provide risk oversight.

- 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 CEO 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 sustainability 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 2025 Form 10-K (pp. 22–50). In the 2025 Form 10-K, there were no significantly different risks identified compared to the previous reporting year.

ARTIFICIAL INTELLIGENCE (AI) RISK

In 2023, Parsons established an Artificial Intelligence Governance Committee (AIGC), a cross-functional group of executives and knowledge leaders from across the corporation, to ensure that Parsons uses and develops AI ethically; responsibly; in compliance with applicable laws and regulations; and in ways that present limited, acceptable levels of risk to the company, people, systems, clients, other organizations, society, and the environment. In 2024, the committee published a Responsible and Secure Use of Artificial Intelligence Policy and began the development of a new Artificial Intelligence Risk Assessment Procedure. The AIGC is part of an overarching AI Center of Excellence that promotes the adoption and use of AI and provides resources, tools, and training.

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 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

Additionally, the individual project, program, or portfolio may be periodically reviewed formally with management during the project execution, in accordance with our Project Reviews Policy. This policy is governed within our project management discipline and supported by Program Excellence and Risk within our Quality and Program Excellence (QPE) team. The selection, frequency, and escalation of the formal project reviews are determined based on the project's performance and risk-factor indicators. Projects are reviewed by various levels of management to ensure their performance against financial targets and conformance to contractual requirements and to discuss client engagement and customer feedback and satisfaction. Project performance and risk indicators that are considered manageable within sector management (or lower levels) would be determined and selected at the discretion of sector management or BU leadership for formal project reviews at the BU level or lower levels of management.

Projects that present high performance risk can be designated as “yellow” programs, at the discretion of the BU president and CBOO, or “red” programs, at the discretion of the CEO. This is designed to direct additional support for projects that represent a risk to the strategic and financial objectives of the BU or the corporation, respectively, and to develop and deploy mitigation measures to reduce the severity of identified risks.

In 2025, we plan to continue to assess opportunities for continuous improvement of our risk management framework, leveraging industry best practices, including but not limited to more proactive risk and opportunity management planning to bolster our risk identification, assessment, response, and monitoring techniques, to further cultivate our enterprise risk culture.

Remuneration

EXECUTIVE REMUNERATION

Policies and processes for determining remuneration for named executives are detailed in our [2025 Proxy Statement](#) (Compensation Discussion & Analysis section, beginning on p. 27). As disclosed in our [2024 Proxy Statement](#) (p. 54) and 2025 Proxy Statement (p. 55), 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 34. CEO & Employee Annual Compensation

Compensation (USD)	2023	2024	% Change
CEO Annual Total Compensation	\$18,596,895	11,013,860	-40.8%
Median Employee Annual Total Compensation	\$105,042	113,677	8.2%
Ratio Of CEO To Median Employee Annual Total Compensation	177 TO 1	97 TO 1	

INCENTIVES FOR NONFINANCIAL METRICS

We provide an appropriate balance of short- and long-term compensation, with payouts based on the company's achievement of certain objective financial and non-financial metrics. We have structured our short-term incentive (STI) opportunities to focus on the achievement of specific annual financial objectives that will further our longer-term growth objectives. We use our long-term incentive compensation to provide incentives for our executive team to focus on the growth of our overall enterprise value and, correspondingly, to create value for our employee stockholders.

Commencing in FY2021, our CEO and our other 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. For fiscal years 2022 to 2024, annual bonuses included performance against a nonfinancial strategic qualitative goal (10% of overall target bonus opportunity) set at the beginning of the fiscal year. Similar to financial goals, each nonfinancial qualitative goal 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 the Parsons' Values [web page](#).

- **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 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.

- **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. 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.

ETHICS COMMITTEE

Parsons has established an Ethics Committee to promote an organizational culture committed to ethical conduct. It is a cross-functional committee, including the CLO and the chief human resources officer, among others. The committee reports to the CEO and the A&R 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; and develops and provides training to employees and business partners. The committee also 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 Parsons' Anti-Retaliation Policy.

CODE OF CONDUCT

Our [Code of Conduct](#) is publicly available in English and also provided to employees in Arabic and French. The Code of Conduct may be translated into other languages as needed. All suppliers are expected to comply with the [Parsons Standards of Ethical Conduct for Business Partners](#). Our 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 (2024) and Code of Conduct recertification and acknowledgment in odd years (2025). The completion rate for our 2024 training was 99%.

Code Of Conduct Compliance

Parsons' Ethics and Compliance team responds to hundreds of questions each year and investigates all allegations raised through the Ethics Hotline or submitted directly through other forms of communication to the company. 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 HR when necessary. Case outcomes are reviewed by the Ethics Committee to determine final dispositions following review of the recommendations from the investigators. 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 two business days of receiving a concern. Ethics cases and inquiries should be closed within 45 days.

An independent third party, PwC, is provided with copies of the Parsons Ethics Report on a quarterly basis, including summaries of all reported matters, case metrics (numbers of new cases, types of cases, and BU and geography of each case), and disposition of cases (including any whistleblower-type claims). If circumstances warrant, Parsons may elect to hire a third-party law firm to lead an independent investigation of certain issues. Such reports shall be provided directly to the A&R Committee of the board of directors, and the results are reported to PwC.

INTEGRITY, COMPLIANCE & ANTI-CORRUPTION

Integrity is a Parsons core value, and we're committed to ethical practices in everything we do. Parsons' Ethics and Compliance 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 new, 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 JVs 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, JV 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 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; or
 - 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 by employees that violates this policy and related procedure 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 vice president, deputy general counsel, ethics and compliance; the Parsons Ethics Committee; or through the Ethics Helpline. A voluntary report demonstrates the integrity and good character that Parsons values in its employees.

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.

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 system, PWeb. 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 company 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 vice president, deputy general counsel, ethics and compliance.
- Parsons posts ethics notices on designated office bulletin boards notifying employees of the Ethics Helpline contact numbers and website as well as 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 the Ethics Helpline are investigated by Parsons' ethics officers and adjudicated by the Parsons Ethics Committee. Non-Ethics Helpline employee ethics inquiries and allegations are escalated to Parsons' ethics officers and/or the Ethics Committee and entered into our ethics case management system to ensure that accurate and contemporaneous records of the matter are maintained and to enhance reporting and follow-up. In both cases (Ethics Helpline or non-Ethics Helpline 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 two business days 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](#).

MITIGATION & REMEDIATION ACTIONS

During the 2024 reporting period, Parsons responded to 606 reports and inquiries through our Ethics and Compliance Program and closed 600 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.

Supply-Chain Operations

All suppliers are 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. This is a condition of doing business with Parsons, and as such, 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.

Parsons is also 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](#)
- [System for Award Management \(SAM.gov\)](#)

Parsons invested in SAP Ariba in 2024 to modernize our digital procurement processes within supply-chain operations by providing a unified, cloud-based platform that facilitates efficient and collaborative management of sourcing, contracts, supplier onboarding, buying, invoicing, and third-party and operational risk management capabilities. SAP Ariba is currently rolled out to Corporate and Critical Infrastructure, while Federal Solutions utilizes Costpoint for its specific needs.

RESPONSIBLE 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.

Parsons' investment in Exiger offers a comprehensive suite of tools and capabilities to effectively analyze and continuously monitor the supply chain. Utilizing Exiger establishes transparent and resilient supply chains by bringing data and analysis to bear, minimizing risk, and providing operational value. The Exiger platform provides advanced risk scoring and supplier visual dashboards, empowering our supply-chain team to make informed decisions and take proactive measures to safeguard our supply chain. Exiger risk dashboards will measure all risk dimensions recognized by the US Government, including foreign ownership control or influence; financial risk; operational risk; cyber risk; reputational criminal and regulatory risk; and environmental, social, and governance risks. Within the sub-tier suppliers, Exiger will also surface firms with specific risks, which include state-owned entities and firms with human rights abuses and/or modern slavery or forced labor risks. Finally, by identifying the parts for critical systems, Exiger will also assess part availability and flag long-lead-time parts that may impact the timely delivery of key systems.

SMALL BUSINESS UTILIZATION

Small business utilization is a topic our customers view as important, innovative, and supportive of best practices. Our Small Business 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.

Parsons participates in formal and informal mentor-protege initiatives supporting the growth of and engagement with small businesses. We actively support the Small Business Administration (SBA) and Department of Defense (DoD) mentor-protege programs as well as state and local programs. In addition, we participate in a variety of organizations, such as the National 8(a) Association, the HUBZone Contractor's National Council, and the National Veteran Small Business Coalition, to promote the development and use of a diverse supplier base.

We consistently promote and sustain small business participation, as evidenced by the fact that, in 2024, we spent approximately \$2.1 billion with small businesses, which was 59.1% of our total procurement dollars across the enterprise. These suppliers are tracked in the categories listed below.

Table 35. Supplier Spend

Percentage Of Total Procurement Spend	Total Diverse	Small Business	Disadvantaged /Minority 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%
2024	60.1%	59.1%	3.7%	4.0%	3.5%	2.1%

Quality

APPROACH

Parsons is committed to performance excellence through quality, one of our five core values. Quality drives all aspects of project execution and impacts the products and services we deliver, team performance, customer and stakeholder satisfaction, and project success.

Quality is traditionally defined as meeting requirements, doing things right the first time, and seeking continuous improvement. At Parsons, we cultivate a culture of performance excellence, and our commitment to performance excellence means we strive to exceed minimum expectations. When we excel, we don't just meet requirements—we go above and beyond, investing ourselves in our work to maximize value for our customers and for Parsons. A true quality mindset focuses on meeting customer requirements through the alignment of processes, tools, and people.

As such, Parsons' quality core value encompasses not only quality assurance (QA) and quality control (QC) processes but also includes quality management. It expands the focus of quality from the control and auditing of technical deliverables to all operations and activities, effectively integrating quality as a practice into everything we do, every day. It also means leveraging all the tools available to achieve exceptional performance across all aspects of the business. Most important, everybody has a role in quality management, and each person's efforts contribute to the organization's ability to deliver excellence.

POLICES & PROCEDURES

Key policies and procedures that drive our quality practice include the following:

- Quality Management System Policy
- Quality Manual
- Plan Act Check Excel (PACE) Quality Framework
- Customer Satisfaction and Feedback Policy

Using these governance documents as a guide, we organize our QPE team's activities 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. The team coordinates across all projects, programs, and portfolios, providing support and analysis to its BU management. Specific areas of focus include the following:

- Organizational engagement: Regular discussions with sector and BU 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.
- Policies and procedures: Annual review of corporate policies and procedures, at a minimum, ensuring applicability and information accuracy. Additional updates are made at any time to reflect out-of-cycle changes to requirements or practice to ensure policies are current and fit for purpose.
- Project reviews: Support to all levels of project reviews, focused on top-shelf performance. Focus areas include change management, deliverables, team performance, access to needed resources, and product effectiveness.
- Project recovery: In 2024, QPE initiated the Project Recovery Program, wherein the QPE team engages with troubled projects to help get them back on the right track for successful completion. Activities include but are not limited to independent assessments, gap analysis, process optimization, and training. This program will continue in 2025.
- Training: Parsons' proprietary Quality 101 training is required for all new hires within their first 90 days. The completion rate for the training in 2024 was 99%.

PROJECT MANAGEMENT

At Parsons, the PM is responsible for all aspects of project delivery, with support from a host of business operations staff, including those from Contracts, Finance, and HR; 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.

PM Development & Support

We established the Parsons Project Management Model of Excellence to define key attributes of successful PMs and to set a clear expectation for the traits that all PMs must embody as they execute their work. Demonstrating the characteristics outlined in the model has proven to align with Parsons' core values and competencies, to protect Parsons' reputation, and to ensure long-term success.

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

- Program Management Center of Excellence (PMCoE): This is the digital hub for all project and program management needs at Parsons. It provides information and resources for our PMs across the enterprise.
 - Knowledge and Learning: Competency development assessment, certification information, training tracks, industry resources
 - Project Execution: Templates, document standards, best practices, guidance for new and transitioning PMs, AI application, project repositories
 - Business Operations: Quick links to business operations sites; key contacts across operations
 - Project Manager Development (PMD): Hosts the training curriculum as a how-to resource that is always available to PMs
- PMD Model: The Parsons PMD Model was created in 2024 to set a 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 model is designed with on-ramps at multiple levels to accommodate the development of in-house PM talent, the onboarding of newly hired professional PMs, and the integration of PMs from acquired companies. The capstone tier focuses on Parsons' systems and processes, teaching PMs how to navigate being a project manager at Parsons.
- Community of Practice: Parsons has created a community of practice focused on knowledge-sharing and growing the next team of PMs. This consists of the following:
 - The Program Management Working Group (PMWG) of leadership from each BU that meets regularly to discuss execution obstacles
 - An internal forum where information is shared, questions asked, lessons learned shared, and best practices explained
 - A mentorship program, connecting PMs at all levels to support growth and career advancement
 - PMCoE office hours, providing live opportunity to gain insight on capability development, discuss obstacles, and ask questions
 - A recurring working group, initiated in late 2024, with each sector across Parsons, yielding opportunity to review PM successes and constraints in a more intimate and targeted environment
- 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. All training is recorded and posted to the training repository for future reference and learning. Each year, this training is reviewed for accuracy, triggering updates as required. In 2024, our focus was ensuring that the PMCoE contained all the necessary training to support the PMD.

Customer Satisfaction

Customer feedback is critical to measuring the performance of project teams. QPE promotes and supports compliance with Parsons' customer-feedback requirement.

At Parsons, customer engagement and satisfaction embody our commitment to quality. All projects are required to elicit formal customer feedback at least once a year. As a best practice, we reinforce through the PMD model training and

Parsons' policies that our PMs should engage with their customer frequently and continuously. This is particularly critical before and after major milestones and deliveries to ensure that we are not only meeting the contract requirements but also their expectations for the highest levels of service. All 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.

Achievements

Completed 2024 initiatives include the following:

- 14% increase in Parsons-qualified PMs due to an aggressive training plan
- PM Competency Development tool created and launched
- PM guidance for new and transitioning PMs created, detailing how all PMs transition into their role
- Lessons-learned analysis, developing baseline for future capability development
- Maintained accuracy across all PMCoE resources and documentation

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 our PACE framework, which establishes a structured continuous-improvement cycle that ensures a holistic assessment. There are several different kinds of audits: project quality audits, project compliance self-audits, internal audits, process audits, and third-party surveillance and certification 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 project team's operations or that of a subcontractor, subconsultant, or supplier. The timing/frequency is determined by the PM or BU.
- Internal audit: The Parsons Internal Audit Department provides objective, independent, risk-based assurance and advice to 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.
- Third-party surveillance and certification audits: To maintain our various certifications (ISO 9001, ISO 20000, AS9100, CMMI), we are required to undergo regular recertification and surveillance audits. As part of this process, QPE works with the independent third-party auditors to select appropriate auditees.

In 2024, the sales-to-execution and the customer-feedback processes underwent review by the Quality Audit team. 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 also potentially subject to audit, and selection of projects for audit 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 outcomes.

Materiality

In 2023, Parsons undertook an updated materiality assessment, expanded to consider double materiality (i.e., impacts to both enterprise value and externally on society and the environment), the results of which are presented in the following sections. The next iteration of our Double Materiality Assessment (DMA) was initiated at the end of 2024 and will be completed in 2025, with the intention of periodic updates every two years thereafter.

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: 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 as directed by the client.
- 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 the climate 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 thriving society. Engagement with the goal of building social relationships in pursuit of common community interests.
- 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.
- Inclusion (SOC): A workplace that supports a sense of belonging by all employees because of a welcoming consideration of all employee attributes, such as disability status, socioeconomic status, veteran status, and age.
- 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 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 1. Parsons’ 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.

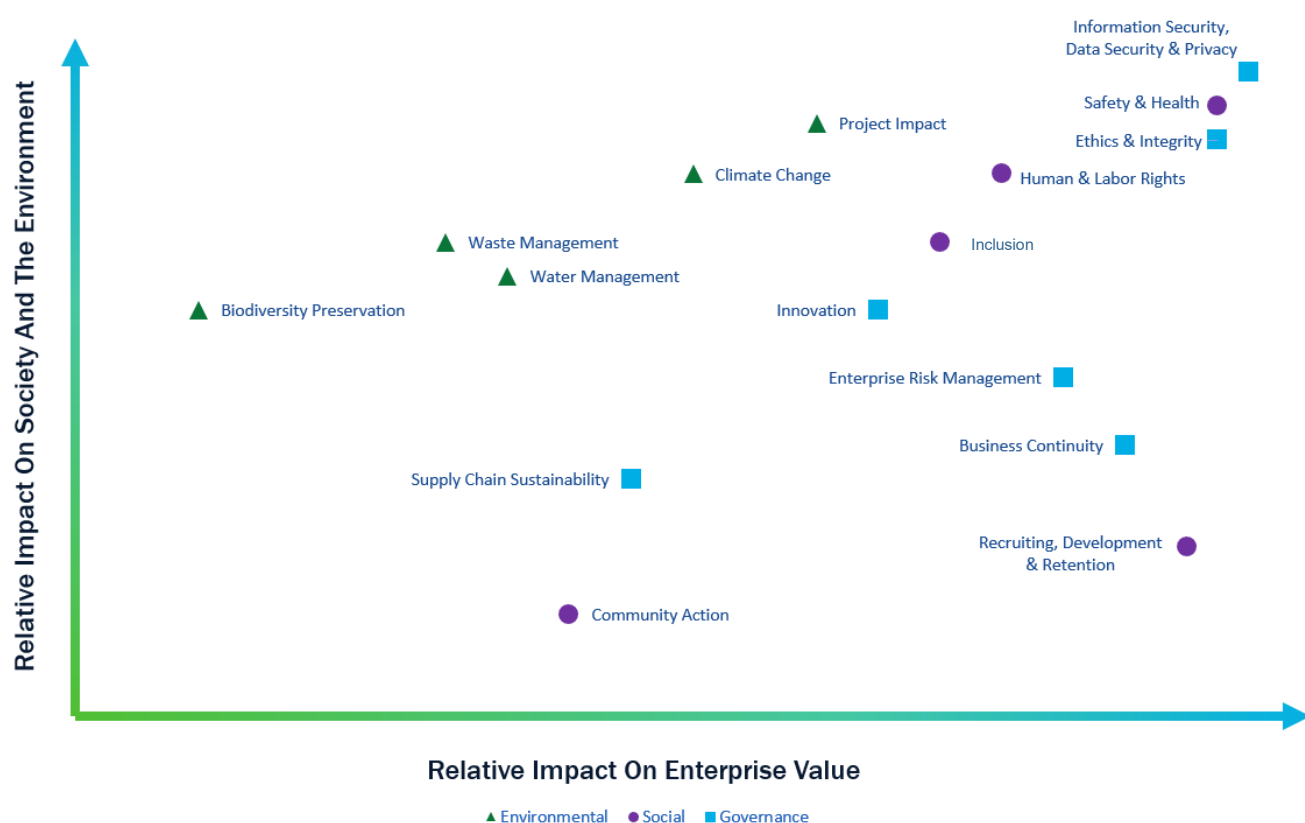


Figure 1. Materiality Matrix

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

Taxes play a necessary and important role in our society, and every corporation supports the generation of revenue for international, federal, and state governments. As such, Parsons Corporation and its subsidiaries (Parsons) approach, manage, and assess the risk of taxation in a way that is grounded in our corporate objective to act as a socially responsible company. Parsons aims to support stable, transparent, and predictable tax systems that incentivize long-term investment and economic growth that aligns with Parsons' business priorities. We use all available information and rely on subject matter experts to interpret 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.

Our tax structures follow various recommendations, including those of the OECD, to avoid unfair tax advantages, such as using hybrid business structures to artificially minimize tax liabilities. As a multinational enterprise, Parsons operates in many different tax jurisdictions. We consider the purpose of the tax regulations in each jurisdiction and maintain strict adherence with applicable tax laws. Parsons is committed to complying with all relevant tax rules and regulations in a responsible manner and with due regard to all governmental requirements and stakeholder expectations. We intend to pay the legally required amount of tax at the right time and to comply fully with our tax obligations in all territories in which we operate.

Parsons' [Code of Conduct](#) serves as the ethical framework for our approach to taxes and is effectively embedded within the tax strategy and across the tax organization. The Code of Conduct details our expectation for Parsons employees and third parties with whom we do business, to act with integrity. This ethical framework is fully embraced and supported by our board, the ELT, and the entire tax organization. Our employees are encouraged to report questions, issues, or concerns about our business or business dealings, including tax matters, using the ethics reporting mechanisms described in the [Ethics & Values](#) section of this document. The result is a tax structure that is fully transparent and complies with internationally accepted taxation principles.

GOVERNANCE & REPORTING

The responsibility for oversight of tax matters and related decision-making lies with the CFO, with oversight by our board of directors. 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 team") and certain personnel in the wider finance community, such as regional finance staff in Canada or the Middle East, as appropriate. The company does not directly remunerate or incentivize its tax team based on their ability to minimize the company's tax liabilities.

The A&R Committee of the board of directors reviews and discusses Parsons' tax matters with the CEO and the CFO at least once every six months. The committee may review reports on tax matters from Parsons' CFO; the senior vice president, corporate tax; or from Parsons' independent auditor. These reports, among other matters, include updates on significant domestic and international tax-related developments as well as other applicable tax-related legislative matters. In addition, we ensure that our tax information is properly disclosed in our 10-K and 10-Q reports.

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. Parsons 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 occasionally benefits from tax incentives by applying for and utilizing incentives in accordance with the relevant tax regulations in each jurisdiction.

TRANSFER PRICING

Parsons frequently deals with intergroup transfers that involve cross-border payments. 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 party transactions. This policy of using “arm’s-length pricing,” which complies with the OECD Transfer Pricing Guidelines, ensures that we do not artificially shift profits to low-tax jurisdictions to gain unfair tax advantages. We do not use entities in tax-haven jurisdictions to avoid taxes.

Parsons also commits to paying appropriate tax in each operating jurisdiction based on the value created by business activities. To support this effort, we evaluate annually whether the income and expense allocation appropriately corresponds with contributions made by the company’s BUs, based on an analysis of each unit’s functions, risks, and assets. To ensure that prices charged between related parties are in accordance with the arm’s-length principle, Parsons prepares transfer pricing documentation in accordance with the relevant transfer pricing regulations in each jurisdiction where it has significant intercompany transfers. This documentation is provided to our attest auditor and supplied to tax auditors upon request.

RISK MANAGEMENT

We recognize there is always some level of tax risk inherent in operating our businesses due to the general complexity of tax-related regulations, frequency of law change, scope for differing interpretations of tax law, and breadth of taxes related to the company’s activities. While we do not have predefined limits in place for the acceptable amount of tax risk, we focus 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. 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 control, driven by the principles of tax SOX compliance, and the company’s key tax risks are reviewed by the A&R Committee of the board of directors on an annual basis. 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

Dedicated employees within the tax team are consulted on significant potential transactions, including acquisitions and dispositions, providing information on the available routes and recommendations for minimizing potential tax risk and cost. Furthermore, if deemed necessary, the tax team will consult external tax advisors, recognizing that an expert perspective adds 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.

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.

STAKEHOLDER ENGAGEMENT

To assure our stakeholders that our tax obligations are properly, effectively, and correctly handled, our tax team maintains cross-functional relationships with internal Parsons partners, such as Legal, HR, and BU leadership. 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.

Parsons also maintains an open and collaborative professional relationship with tax authorities by 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 public, about our approach to tax and taxes paid via our 10-K and 10-Q reporting.

Information Security Management

APPROACH

Parsons provides broad security governance and a suite of standard security controls to protect the people, processes, technology, and information of Parsons, our clients, partners, and other entities with which we do business. Our governance and controls protect vital information assets, manage security risks, ensure regulatory compliance, continuously monitor the effectiveness of security controls, and improve the organization's overall security posture. Parsons' baseline set of security controls derives from authoritative frameworks and standards, including ISO 27001 and National Institute of Standards and Technology (NIST) Special Publication 800-171. Parsons' Security Operations Center actively and continuously protects and defends our networks, systems, and data against malicious cybersecurity attacks.

GOVERNANCE & REPORTING

Our board considers cybersecurity risk critical to the enterprise and delegates the cybersecurity risk oversight function to the A&R Committee, which oversees Parsons' design, implementation, and enforcement of our cybersecurity risk management program and delegates authority to the ELT via our CTO.

The CSRO reports to the CTO and collaborates closely with the CLO to ensure any incident-related disclosure or regulatory reporting obligations are met. The CSRO is responsible for leading Parsons' enterprisewide cybersecurity strategy and risk management efforts, including oversight of both internal cybersecurity teams and external service providers.

Supporting the CSRO is our chief information security officer (CISO), who drives the day-to-day execution of Parsons' cybersecurity program. The CISO is responsible for operationalizing cybersecurity policy, threat detection, vulnerability management, and incident response, ensuring tactical alignment with enterprise risk objectives set by the CSRO and CTO. The CISO receives input from internal analysts, external threat intelligence, and alerts generated by security platforms to inform continuous improvement across the security program.

The CSRO, with input from the CISO, delivers quarterly cybersecurity risk briefings to the A&R Committee, detailing key threats, risk posture, and mitigation progress. Additionally, the A&R Committee receives periodic presentations on emerging cyber issues as part of ongoing board-level education. To strengthen insider threat governance, an executive from the CSRO organization has been appointed as the insider threat program senior official (ITPSO). Monthly cyber briefings are also conducted to keep senior executives informed of current threat conditions and the performance of our Information Security operations. The CISO hosts a monthly cybersecurity briefing to inform senior leadership of ongoing cybersecurity operations, observed threats to the enterprise, and key mitigation efforts.

POLICIES & PROCEDURES

Parsons' security governance begins with our corporate Enterprise Security Policy, which mandates that Parsons protect the integrity, confidentiality, and availability of information and comply with all applicable legal and regulatory security requirements. Parsons maintains an extensive suite of security governance documents that address access control, incident and breach response, information classification and secure handling, user identification and authentication, vulnerability management, system and information integrity, risk management, and more. These governance documents

comply with all the requirements of NIST 800-171 and ISO 27011 and address additional governance requirements that are identified through Parsons' Security Risk Management Program.

The Enterprise Security Standard identifies the policies, procedures, and standards that are necessary to adhere to Parsons' Enterprise Security Policy. Each governance document supports key security controls that are delivered through Parsons' overarching enterprise security program.

INFORMATION SECURITY MANAGEMENT SYSTEM (ISMS) CERTIFICATION

The Parsons Federal Protected Computing Environment (PCE) and Parsons' FedNet® Secure environment, an extensive network that supports critical projects for the US Government, has been certified to ISO/IEC 27001:2022, covering 5 office locations and 2.8% of our workforce. That environment is supported by a unique Information Security Management System Standard, which applies to our Federal Solutions segment, the scope of which is documented in the Statement of Applicability and reviewed annually.

In addition, as part of the Defense Contract Management Agency (DCMA) Joint Surveillance Voluntary Assessment (JSVA) Program, Parsons procured an authorized C3PAO, that along with the DIBCAC, conducted a High Confidence Cybersecurity Maturity Model Certification (CMMC) Level 2 Assessment for the Parsons' FedNet® Secure environment in July 2023. All 110 control requirements and 320 control objectives with NIST 800-171 were deemed 100% satisfied as per the DIBCAC's SPRS entry and official report. The PCE is also compliant with DFARS 252.204-7012/7019/7020 and NIST 800-171. CMMC Level 2 certification prep activities are currently underway to get PCE certified in 2026. Parsons Enterprise is simultaneously building a separate CMMC Level 2 Azure boundary for net-new contract work, which will be certified by October 2025.

INFORMATION SECURITY PRACTICES

To protect people and facilities, Parsons

- 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 systems, assets, and property associated with Parsons Corporation entering and exiting any Parsons facility or secured area;
- develops and implements security procedures that ensure personnel meet Parsons' security requirements before hire and during employment; and
- per our Data Center Policies, establishes standards for data center equipment, facilities, and security and implements management and security requirements for data centers and the use of cloud services.

To protect IT systems, Parsons

- develops and implements configuration management procedures to ensure that all changes are approved, documented, and correctly implemented across all IT systems and networks;
- maintains a current inventory of network infrastructure and system equipment (physical and virtual) that includes current deployment status and disposal records;
- 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;
- performs initial and periodic IT system and network risk assessments as part of the ERM process, communicates and tracks identified risks to system and information owners for awareness, rates risk based on probability of occurrence and impact, and enables risk treatment;
- performs periodic vulnerability and configuration scanning, along with results analysis, to ensure the performance of security mechanisms continuously improves throughout the operational lifetime of systems;
- incorporates security requirements into the system development life cycle and IT systems and software acquisition processes, including the decommissioning and disposal of IT systems;
- provides boundary protection for connections between zones and external networks and systems;
- provides malicious code and mobile code protection through anti-malware software; and
- manages supply-chain risks.

To protect the integrity, confidentiality, and availability of information, Parsons

- mandates classifying all information Parsons owns, possesses, or controls;
- manages user access to systems and information based on the user's clearance and approved need-to-know in accordance with legal, regulatory, contractual, and Parsons' policy requirements, including security sensitivity classifications;
- ensures that user-access permissions are revised and periodically reviewed as appropriate in accordance with the principle of least privilege, including processes for employment change events, such as termination and changes to position or responsibilities;
- requires all users to read and acknowledge their responsibilities under the Information Technology Acceptable Use Policy (AUP);
- requires all users of privileged accounts (those with elevated capabilities) to read and acknowledge their responsibilities under the Privileged User AUP;
- provides identification and authorization controls to ensure only authorized personnel and systems can access information per legal, regulatory, and contractual requirements;
- protects both digital and paper media in accordance with laws, regulations, and contractual requirements and controls and protects use of paper to prevent exfiltration of data;
- retains and disposes of information in accordance with laws, regulations, policies, contractual obligations, and business needs based on information types;
- uses cloud hosting services, including software as a service (SaaS), that are approved for the types of information and applications that Parsons will host by that cloud hosting service provider;
- uses cryptography and key management to protect the confidentiality and integrity of information in accordance with legal, regulatory, and contractual requirements based on information type; and
- assesses the risks associated with the use of AI systems to ensure they are ethical, responsible, and in compliance with applicable laws and regulations.

INCIDENT RESPONSE

To ensure readiness to respond to security incidents, Parsons

- maintains an overarching Incident Response Policy and a Security Incident Reporting and Response Procedure that are supported by additional playbooks, such as the Security Response Plan maintained and followed by the Security Operations Center, an Insider Threat Response Program, and an enterprise Crisis Management Program;
- investigates, remediates, and reports confirmed security incidents to identified stakeholders;
- monitors and records user and system events and event sources on the network to enable analysis;
- develops, maintains, and tests business continuity plans to ensure operational resilience;
- uses security alerts, advisories, directives, and threat information received from internal and external sources to guide event and condition analysis and improve procedures;
- provides technologies to scan and identify information system vulnerabilities for system owner awareness and to ensure that vulnerabilities are addressed within corporate service level agreements (SLAs) by the accountable system owners; and
- deploys information and application backup and recovery to ensure the availability of information and the continuity of operations of IT systems.

STAKEHOLDER ENGAGEMENT

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 web page, Workplace posts, phishing campaigns, and other training and educational 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 AUP when completing the required annual security learning module.

CYBERSECURITY MONITORING

Our Cybersecurity Monitoring Procedure defines the operations, monitoring, detection, and analysis procedures for the Security Operations Center to protect the enterprise and ensure that AUPs are being followed. The focus of monitoring is on systems and user activity, security events, and privileged information systems.

Data Privacy

APPROACH

Parsons' ELT and our board are committed to ensuring data privacy and protection through a robust, effective, and ethical Privacy Assurance and Protection of Personal Information Program (Privacy Program). Our Privacy Program consists of oversight through a Privacy Assurance Working Group, comprehensive governance, implementation of industry best practices, and collaboration with our Security and Risk Organization. Through this collaboration, Parsons safeguards, controls access to and protects the confidentiality and integrity of personal information in its possession. Our privacy assurance and compliance initiatives apply to Parsons Corporation and all Parsons wholly owned businesses and subsidiaries worldwide.

GOVERNANCE

Our chief compliance and ethics officer (CCEO) is responsible for our Privacy Program and provides quarterly reports to the A&R Committee and the CG&R Committee. The vice president, deputy general counsel, ethics and compliance, leads the Privacy Assurance Working Group, which was established in 2018 and serves a cross-functional purpose to review privacy risks, changes in laws and regulations, required process changes, and other relevant information. This group, which meets monthly, analyzes Parsons' privacy risks consistent with all applicable law and implements measures, contract terms, policies, procedures, practices, and guidance for compliance. In addition, Parsons' Compliance team ensures the adequacy, accountability, and continued improvement of our Privacy Program. It conducts vendor due diligence, regular audits, and training programs both annually and on an as-needed basis.

POLICIES & PROCEDURES

Parsons' privacy professionals maintain internal policies, procedures, standards, guidelines, and contract requirements consistent with applicable laws and regulations to ensure that confidential, personal, and health data are processed compliantly. Per the following privacy principles outlined in our Privacy Policy, Parsons

- collects and processes personal information fairly and lawfully;
- obtains personal information only to carry out lawful business activities;
- limits access to and use of personal information;
- transfers personal information only for limited, legitimate purposes and to organizations that have agreed to enforce these privacy principles;
- uses appropriate security safeguards to ensure privacy;
- provides notice, transparency, choice, accuracy, deletion, and access as required by applicable law;
- does not market, sell, or trade personal information;
- recognizes the importance of privacy and complies with established information protection standards;
- respects every person's right to consent, where required;
- treats and protects personal information as private and controlled, even when such information has otherwise been made available publicly; 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.

This policy is supported by several procedures and standards, including our Privacy Procedure, Privacy Notice Standard, Privacy Assurance Risk Assessment Standard, and Information Classification and Secure Handling Standard. Additionally, Parsons' [Privacy Policy](#) publicly defines when and why we collect personal information and how we secure, use, and protect it. Customer and employee personally identifiable information (PII) data are handled according to laws/policies. Projects may have additional privacy requirements to which Parsons adheres based on the needs of the project.

INDUSTRY STANDARDS FOR INFORMATION GOVERNANCE

In addition to complying with all relevant privacy laws and regulations, Parsons adheres to standards and industry best practice controls for information governance such as NIST or ISO where applicable. Examples of these practices include the following:

- 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.

SECURITY & RISK COLLABORATION

A key component in implementing privacy law and policy and information governance standards is the collaboration of Parsons' data privacy professionals with the Security and Risk organization to provide data-protection and security controls, including the implementation of state-of-the-art administrative, technical, and physical safeguards and access controls commensurate with the risk posed by the subject data, to protect the accessibility, confidentiality, and integrity of Parsons' controlled, sensitive, personal, and other data, and to avoid unauthorized access, use, disclosure, alteration, or destruction.

Parsons' Compliance team manages accountability, audits, training, and due diligence to consistently measure and enhance the Privacy Program. Parsons imposes security appropriate to the risk represented by the processing and nature of the personal information, applying due diligence regarding the state-of-the-art and associated costs. Parsons requires the same level of control from vendors, suppliers, partners, and contractors. Examples of Parsons' security controls include the following:

- Parsons provides physical access restrictions, such as badges, and requires the same from its vendors and third parties processing personal information.

- Parsons implements necessary information-access mechanisms, including access identities (IDs) and passwords, and requires that third parties use the same mechanisms.
- Parsons requires that its data processors have network management and maintenance applications and tools, appropriate fraud prevention and detection, and data confidentiality/protection/encryption technologies.
- Parsons limits access to personal information to those individuals and groups that require such access, and access is removed when no longer needed.
- Parsons backs up electronic data, including personal information, in secure locations and encrypts backup versions and destroys them when no longer needed.
- Parsons ensures appropriate written agreements outlining permissible uses and required safeguards in all instances where personal information is shared with business partners, vendors, or other third parties, including requiring indemnity, audit rights, and the option to stop all processing for noncompliance.
- 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 does not authorize third parties to market, sell, or trade any personal information Parsons shares with them. Note: Parsons employees may receive materials and information from benefit providers to offer additional services and help manage healthcare services.
- Parsons considers every reasonable request from an individual to access their own personal information and, when possible and feasible, provides a copy of the personal information that Parsons maintains about that individual.
- In the event of a breach (the unauthorized disclosure, alteration, or destruction of personal information, whether intentional or unintentional), Parsons follows the Breach Notification Procedure and performs the breach notification in accordance with applicable laws and regulations. As appropriate and required, Parsons notifies governing bodies, legal and law enforcement authorities, financial regulators, credit bureaus, and impacted persons.
- Parsons ensures that individuals have control over their personal information held by Parsons, including the right to have incorrect data rectified, the right to request that their personal information be deleted or otherwise disposed of, the right to restrict Parsons' use of their personal information, the right to data portability, and further rights relating to automated decision-making and profiling to the extent consistent with legitimate business purposes and law.
- 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, that they follow procedures and mechanisms for handling and noncompliance, and that they are supervised.
- Parsons conducts periodic privacy assessments to identify risks, rate compliance, and determine overall effectiveness in assuring privacy and protecting personal information and items identified for enhancement. Upon completion, a follow-up assessment will determine if each item has been adequately addressed and can be closed or requires additional action. As required, Parsons provides copies of assessment reports to data-protection authorities.

Breaches

Parsons maintains a comprehensive breach response procedure to ensure compliance with notification and reporting obligations in all jurisdictions where we conduct business. When our Security Operations Center determines that a qualifying incident has occurred, affected individuals or organizations are notified in accordance with the timeline requirements set by applicable laws, regulations, and corporate policy.

Our Breach Notification Policy defines the steps, responsible roles, and escalation paths involved in confirming the incident, assessing its scope, and determining the required notifications. Notification timelines and delivery methods vary depending on the sensitivity and classification of the data affected as well as the jurisdictional legal requirements.

Table 36. Informational Security Breaches

Information Security Breaches	2021	2022	2023	2024
Customer Privacy	0	0	0	0
Customer Data	0	1	0	1*
Net Expenses (\$ US)	0	0	0	0

* There was one cyber incident in September of 2024 in which a third party exploited 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 2024, Parsons' sub-industry classification under the MSCI and S&P Global changed. Parsons' Global Industry Classification Standard (GICS) was Research and Consulting Services. Other classification systems, including the Sustainability Accounting Standards Board (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 period, we are using the 2023 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 the Tax section 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 the Data Privacy section.			
(1) Number of data breaches, (2) percentage that (a) involve customers' confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected	Quantitative	Number, Percentage (%)	SV-PS-230a.3
Detailed discussion in the Breaches section.			
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
Not disclosed for FY2024.			
(1) Voluntary and (2) involuntary turnover rate for employees	Quantitative	Rate	SV-PS-330a.2
Not disclosed for FY2024.			
Employee engagement as a percentage	Quantitative	Percentage (%)	SV-PS-330a.3
Detailed discussion in the Employee Engagement section.			
Topic: Professional Integrity			
Description of approach to ensuring professional integrity	Discussion and Analysis	n/a	SV-PS-510a.1
Detailed discussion in the Ethics & Values and Quality sections.			

Accounting Metric	Category	Unit Of Measure	Code
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. 52–53).

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 [Our People](#).

Employee hours worked, percentage billable	Quantitative	Hours, Percentage (%)	SV-PS-000.B
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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 the [GHG Emissions](#) & [Energy](#) sections.

(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
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Detailed discussion in the [Water](#) section.

Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and Analysis	n/a	TC-SI-130a.3
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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 the [Data Privacy](#) section.

Accounting Metric	Category	Unit Of Measure	Code
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 losses as a result of legal proceedings associated with user privacy	Quantitative	Reporting currency	TC-SI-220a.3
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Material legal proceedings are disclosed in our [Form 10-K](#) (pp. 52–53).

(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
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Not applicable to Parsons.

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
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Not applicable to Parsons.

Topic: Data Security

Percentage of employees that require a work visa	Quantitative	Number, Percentage (%)	TC-SI-230a.1
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Detailed discussion in the [Breaches](#) section.

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
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Detailed discussion 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
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(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
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Detailed discussion in the [Employee Engagement](#) section.

Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	Quantitative	Percentage (%)	TC-SI-330a.3
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Not disclosed for FY2024.

Topic: Intellectual Property Protection & Competitive Behavior

Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	TC-SI-520a.1
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Accounting Metric	Category	Unit Of Measure	Code
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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
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Not applicable to Parsons.

Description of business continuity risks related to disruptions of operations	Discussion and Analysis	n/a	TC-SI-550a.2
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Detailed discussion in the [Information Security Management](#) section.

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

Not applicable to Parsons.

(1) Data processing capacity, (2) percentage outsourced	Quantitative	See note	TC-SI-000.B
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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
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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 CG&R Committee has oversight of all corporate sustainability matters, including climate-related issues. The vice president, ESG & Sustainability, provides quarterly briefs to the committee. Detailed discussion in [Corporate Sustainability & Climate Governance](#).

Describe management's role in assessing and managing climate-related risks and opportunities.

Parsons' CEO has the highest responsibility for climate change. Our CARE Steering Committee, comprising leadership across corporate functions and BU leaders, is led by the vice president, ESG & Sustainability, who has primary responsibility for climate-related risks and opportunities. Detailed discussion in [Corporate Sustainability & Climate Governance](#).

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Detailed discussion in the [Climate Strategy](#) section.

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Detailed discussion in the [Climate Strategy](#) section.

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 the [Climate Strategy](#) section.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.

Climate-related risks and opportunities are included in our ERM program, led by our EVP, corporate risk. Led by our vice president, ESG, we perform workshops with our BUs and corporate functions to evaluate market- and geographic-based climate-related risks and opportunities. Detailed discussion in the Climate Strategy section under [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 A&R Committee has risk oversight, with quarterly updates from our senior vice president, CSRO. Detailed discussion in the Climate Strategy section under [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 the [Risk Management](#) section.

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 the Climate Strategy section under [Metrics & Targets](#).

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

GHG emissions below are for 2024:

- Scope 1 –9,806 tCO₂e
- Scope 2 (Market Based) – 2,734 tCO₂e
- Scope 3 –904,230 tCO₂e

Detailed discussion in the Climate Strategy section under [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 the GHG Emissions section under [Targets](#).

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