

CORPORATE SOCIAL RESPONSIBILITY REPORT 2021

ABOUT THIS REPORT

We're committed to keeping our stakeholders informed through transparent reporting regarding corporate social responsibility. We've migrated a significant amount of information covering environmental, social, and governance topics formerly within our annual CSR report to our new website: www.parsons.com/CARE. Our CARE website includes select disclosures that align with the Global Reporting Initiative (GRI) framework as well as our commitments, goals, policies, and more. Additional information may be found in filings with the US Securities and Exchange Commission (SEC). The intent of this report is to supplement the information found on our website and highlight trends and changes from the prior year. Data in this report is for the period between January 1, 2020, and December 31, 2020, unless otherwise specified.

CHANGE IN BASELINE YEARS

We've updated the baseline year for our metrics to 2019, unless otherwise noted. We took this action to correspond with the relocation of our corporate headquarters to Centreville, VA, in early 2019; our initial public offering (IPO) in May 2019; and a new commuter survey reflecting 2019 data. Shifting our baseline year provides an evolution of our reporting to depict a more holistic view of our operations and consistency in progress. We've restated our 2019 data to reflect revised calculation(s) or defined criteria consistent with SEC filings, which we refer to as such, where applicable.

CORE VALUES



SAFETY



INTEGRITY



INNOVATION



QUALITY



DIVERSITY



SUSTAINABILITY

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CHAIRMAN'S LETTER

While the past year presented challenges we had not encountered in our lifetimes, it also underscored Parsons' resilience and agility and reaffirmed our commitment to corporate social responsibility. We're on a quest to deliver a better world—and our journey continues. What's next?

We're focused on taking action to ensure we continue to operate at the highest level, which inspired the launch of our new environment, social, and governance (ESG) strategy we're calling CARE (Cultivating a Responsible Enterprise). CARE is more than a strategy—it's a mindset rooted in our core values that ensures a strong foundation for the growth of our culture along with our business. Our CARE strategy is a natural extension of our continued dedication to our employees, customers, investors, and communities.

Over the past year, we've taken steps to enhance our commitment to social responsibility, which began at the board level. We expanded the charter of our former Nominating and Governance Committee to the Corporate Governance and Responsibility Committee with the additional responsibility of overseeing ESG topics. This move reflects our belief that ESG excellence is a critical component of continued growth, resiliency, and shareholder value. We've also once again linked our performance in meeting our core values goals to

executive compensation, which include, but are not limited to, reducing our greenhouse gas emissions (sustainability) and enhancing workforce diversity (diversity). As we continue our journey, we're working to mitigate the impacts of climate change, support supply chain diversity, drive positive impacts in the communities in which we live and work, and foster a positive culture.

We pride ourselves on our agility, and I'm honored to lead an organization of more than 15,500 outstanding people who dedicate themselves to moving quickly in a dynamic world. Even with the limitations of a global pandemic, our teams rose to the challenge and found new and innovative ways to give back to their communities, including blood donations, support for schools going online, cleanup efforts, homeless outreach, food drives and distribution, the 3D printing of personal protective equipment, and ongoing support for military veterans and their families, just to name a few.

I encourage you to read our CSR report and visit our [CARE](#) site to learn more about Parsons' commitments and how we remain a responsible corporate citizen, employer of choice, good neighbor, and positive contributor to the world's economy.

Charles L. Harrington

Chairman and Chief Executive Officer

2020 HIGHLIGHTED METRICS

12.9%

Reduction In Greenhouse Gas Emission, Scopes 1 & 2 (2019-2020)

12

Years Awarded World's Most Ethical Companies

31,500+

Volunteer Hours (2019-2020)

CSR ACHIEVEMENTS

Throughout the year, we celebrated numerous achievements, milestones, and awards that highlight our mission and recognize our amazing employees, who create long-lasting value for our customers and shareholders. Delivering solutions is not just what we do—it's part of our culture. Below are some of the achievements and recognitions we're particularly proud of.



Parsons hosted the 13th Annual TAPS (Tragedy Assistance Program for Survivors) Golf Outing, and over the past 13 years, the event has raised more than \$942,120. Despite the challenges of the COVID-19 pandemic, the event safely raised \$111,120 this year alone.



We received the Nunn-Perry Award, recognizing outstanding achievement in the Department of Defense (DoD) Mentor-Protégé Program, for our mentor-protégé agreement with a woman-owned, service-disabled-veteran-owned small business and Alabama State University.



Partnering with the 48 in 48 organization, an all-female team participated in a coding marathon to create a 10-page website for the Chicago Tap Theater, a non-profit dance theater that highlights the rich history and inclusivity of tap dance and offers classes to hearing-impaired children.



Ethisphere Institute World's Most Ethical Companies for the 12th consecutive year



Annual Top 50 Employers List in STEM Workforce Diversity Magazine (five years)



Employer Support of the Guard and Reserve (ESGR) recognition



Annual Top 50 Employer Minority Engineer Magazine (eight years)



Annual Top 50 Employers Woman Engineer Magazine (two years)



Recognized as a Military Friendly® Employer by Victory Media, publisher of G.I. Jobs and Military Spouse Magazine (five years)



Among Forbes' World's Best Employers in 2020

STAKEHOLDER ENGAGEMENT AND MATERIALITY

ELEVATING OUR CORPORATE SOCIAL RESPONSIBILITY

We've published reports for more than a decade capturing metrics on our environment, workforce and diversity, and governance practices—not because we had to, but because it was the right thing to do. ESG-related topics have always been a focal point for our business operations as key components to our core values as well as to our role as an employer of choice.

In 2020, we worked with an independent third party to perform a materiality assessment aimed at environmental and social topics. We learned that how we deliver on our corporate purpose and the transparency of these practices is materially important to our key stakeholders—management, employees, investors, customers, suppliers, government/regulators, and industry groups. This assessment ultimately helped us develop a formal ESG strategy, prioritize actions, and make strategic and deliberate steps to make a positive impact as we work together to deliver a better world.

In response to the feedback received from our materiality assessment, we developed goals and initiatives that align with our business strategy and stakeholder feedback. We will periodically review these initiatives to continue the dialogue with our stakeholders; evaluate and evolve our approach; and make meaningful, positive changes to optimize operations and enhance shareholder value.



Materiality Map

DEVELOPING AN ESG STRATEGY

CARE (Cultivating a Responsible Enterprise), launched in March 2021, is an enterprise strategy rooted in our corporate purpose and nourished by our core values aimed to enhance revenue, recruiting, retention, operational excellence, and shareholder value. Our CARE strategy is interwoven with our strong culture of core values and aligned with our corporate strategy. View our [ESG overview](#) for more details.

OUR CARE COMMITMENTS

We believe that corporate success and social well-being are interdependent and that the long-term interests of our organization can only be supported by responsible economic, socio-cultural, and environmental practices.

We commit to the following:

- Reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 20 percent by 2025
- Enhancing gender diversity in our North America workforce
- Enhancing racial/ethnic diversity in our US workforce

Our new [CARE website](#) highlights our accountability and transparency regarding these commitments as well as our policies, oversight relationships, and reporting details.

We've compiled select disclosures that align with the [Global Reporting Initiative](#) framework, and we will continue to drive positive impacts on the communities in which we live and work and foster a positive and inclusive culture.

INITIATIVE HIGHLIGHTS

Reinforcing Environmental Commitments

The materiality assessment identified climate change as a material issue to our stakeholders that requires evolution in our commitments and efforts. We acknowledge the risks that climate change poses to the natural environment, human health, and the economy and believe that we have a responsibility to help mitigate its effects. As such, in 2020, our Sustainability Working Group and ESG Steering Committee collaborated to initiate revisions to the language in our Sustainability Policy and Sustainability Handbook that reflects a commitment to reducing our corporate greenhouse gas (GHG) emissions in alignment with the Paris agreement.

Employer Of Choice: Recruiting And Retention

We aim to be the employer of choice for the top talent in every market we serve. Fostering a positive culture for employee engagement; focusing on inclusion and diversity; and promoting the health, wellness, training and development, and safety of our employees are vital to attracting and retaining successful teams. All employees have access to skills development and continuing education as well as training on inclusion and diversity, ethics, safety, and more. In 2020, we expanded our mentor program, technical organization, and Fellows programs. We did, however, experience a reduction in hours of training per employee from 3.3 in 2019 to 2.9 in 2020, attributed to COVID-19 impacts on in-person training.



Supply Chain Management

Supplier diversity is a topic our customers view as important, innovative, and supportive of best practices. We're proud of our award-winning supplier diversity program and are expanding these best practices throughout the enterprise for reporting and monitoring performance as well as leveraging opportunities to use diverse suppliers/subcontractors.

Our collaboration across the enterprise resulted in a new supplier diversity dashboard developed in 2020, featured on our [Innovation blog](#).

In addition, we've updated several of our policies and procedures as they relate to our supply chain and procurement to capture environmental, social, and governance practices and policies and their alignment and compliance with our Code of Conduct for Business Partners and guidance from our Sustainability Handbook.

Inclusion And Diversity / Social Impact

Promoting an inclusive and diverse workforce is also of paramount importance to our stakeholders. Our Inclusion and Diversity Council, established in 2017, comprises a cross section of the organization and is fundamental to our corporate culture. Our Board of Directors is 36 percent diverse¹ in gender and race/ethnicity. We also have several members of our board who are veterans. Additionally, we have a corporate commitment to increase our gender diversity² and race/ethnic diversity³. To ensure that we meet these goals, we've included diversity metrics into incentive plans for our leadership and management.

Through our employee-driven Parsons Gives Back program and our inclusion and diversity efforts, we strive to have a lasting positive effect on the communities in which we live and work and on society as a whole. We concentrate our social impact philanthropy/volunteerism on three distinct areas: military/veteran programs, education/STEM outreach, and vibrant communities.

¹ "Diverse" refers to an individual who does not identify as a white male.

² For our North American workforce.

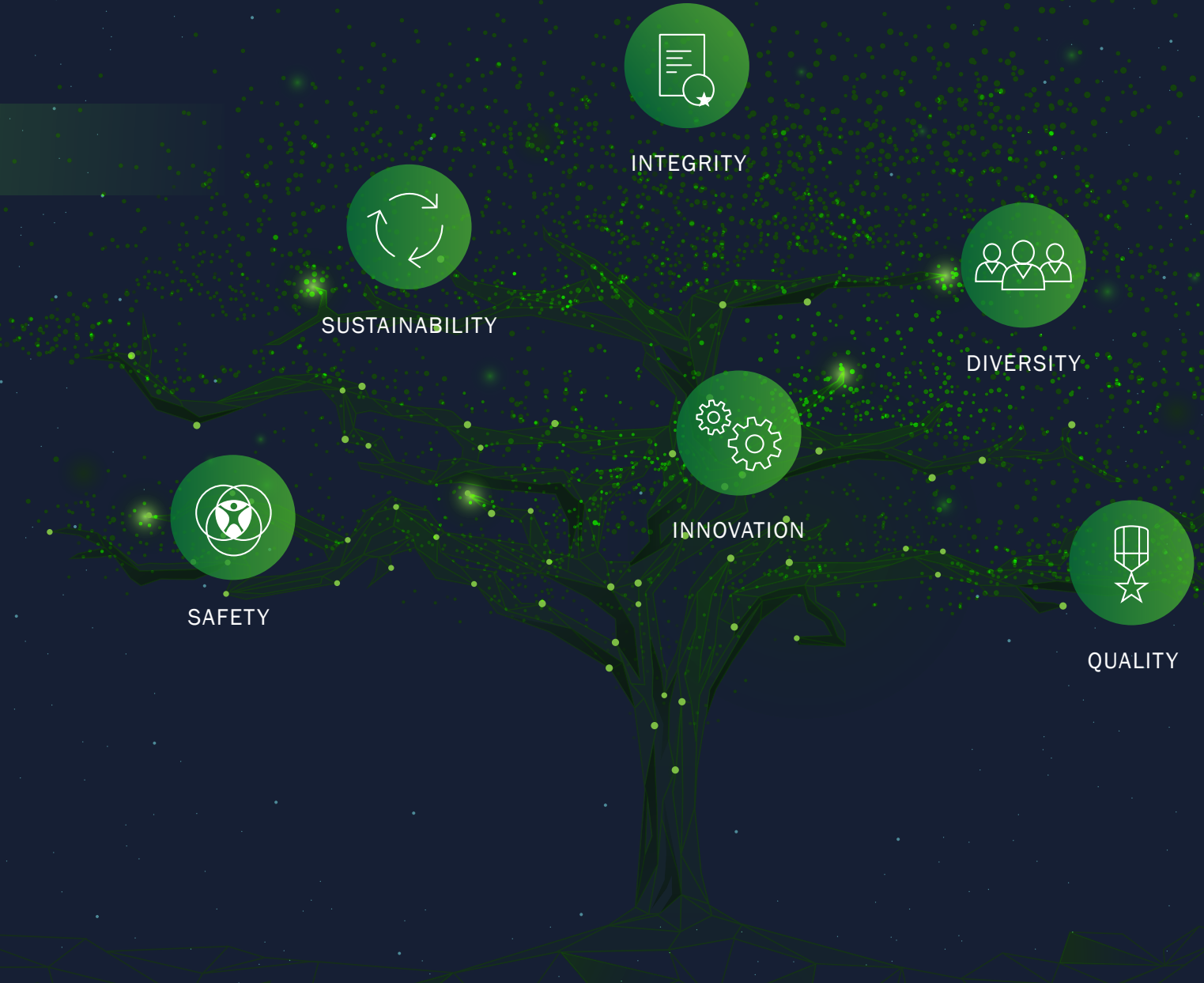
³ For our US workforce.

Sample Supplier Diversity Dashboard



GOVERNANCE

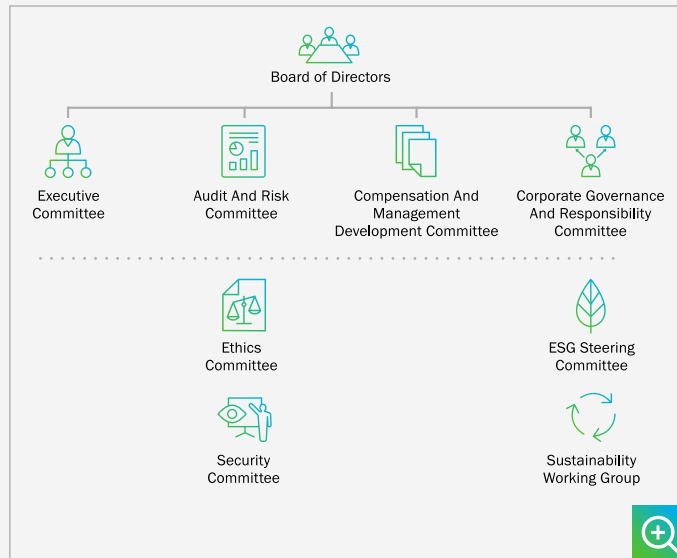
We're committed to the highest standards of integrity in everything we do. We expect our suppliers, partners, and vendors to conduct themselves with the same high standards. The following section highlights trends or changes since our corporate social responsibility report released in April 2020.



BOARD OF DIRECTORS

Our highest governance body is the Parsons Board of Directors, which consists of 11 members. The chair of the board is also the chief executive officer (CEO) of the company, there is one additional inside director, and the remainder of the board consists of a combination of independent members. The board includes four committees, each with its own charter document. The Audit and Risk and Corporate Governance and Responsibility committees are each supported by two staff committees.

Governance Structure



GOVERNANCE DOCUMENTS

We've outlined our governance policies, including the Parsons Code of Conduct, the Code of Conduct For Business Partners, governance guidelines, ethics best practices, compliance programs, and details regarding information security and risk on our [Governance](#) page. Additional governance documents can be found at investors.parsons.com.

CONFLICT OF INTEREST

All Parsons employees are required to certify that they've read and agree to abide by our Code of Conduct and to file conflict of interest disclosures as they onboard and biennially thereafter. The Parsons Board of Directors, the Executive Leadership Team, and their direct reports are additionally required to certify their acceptance of our Conflict of Interest Policy and to disclose any actual or potential conflicts of interest, outside positions, and related party transactions quarterly.

EXECUTIVE COMPENSATION

In alignment with our short-term incentive program (STIP) highlighted in our proxy statement, commencing in 2021, executive compensation will be based primarily upon financial goals (90 percent), and the remaining 10 percent will be derived from our core values. These include measures to reduce greenhouse gas emissions (sustainability); enhance gender and racial/ethnic diversity (diversity), customer satisfaction (quality), our safety program (safety), and ethics and compliance (integrity); and drive ideation (innovation).

ETHICS

Integrity is one of our core values, and we're committed to ethical practices in everything we do. Our award-winning program ensures that our people engage in and promote ethical behavior and compliance with laws and regulations where we operate. We abide by comprehensive anticorruption policies and procedures and only work with partners and suppliers that share our commitment to doing business with integrity. Further information on our ethics programs, such as our 24-hour Ethics Helpline, political action committee, trade compliance, anti-corruption, and privacy policy, can be found on our [Ethics](#) page.



INFORMATION SECURITY

We provide broad-spectrum information security services and technologies to our clients, and we leverage those same services and technologies inside our own company. The board receives quarterly updates through the Audit and Risk Committee. Our world-class Security Operations Center provides continuous monitoring of information systems to detect and respond to cyber events. In addition, we also provide ongoing global cybersecurity awareness throughout the year, annual training to all employees, and supplemental online training courses. To date, more than 82 percent of employees have completed information security training. This training outlines key responsibilities and focuses on ways employees can help ensure the security of our systems, information, facilities,

and personnel. We also provide annual role-based security training to various targeted groups, such as users with privileged accounts and security professionals who are engaged in attack prevention, exposure avoidance, breach detection, incident response, compliance, risk management, governance, information assurance, and physical security. In addition, we maintain a continuous ISO 27001 (Information Security Management Systems) certification.

SAFETY, HEALTH, AND ENVIRONMENT

With our world-class approach to safety, health, and environment (SH&E), it's imperative that all employees and stakeholders actively engage in and be responsible for SH&E issues. Our SH&E Policy is supported by industry best practices, highlighted in our Environmental, Safety, Health, and Risk Program (ESHARP), which was updated to improve user experience and accessibility, in addition to a new Knowledge Share portal. We saw an increase in our global total recordable incident rates (TRIR) from .23 in 2019 to .30 in 2020, attributed to recordable COVID-19 cases per OSHA guidelines. We continue to engage our employees in robust training and awareness activities, including life-changing events (LCE), remote safety moments, distracted driving, COVID-19 protocol/safety, home and remote work safety, and mental health. [Read here](#) for more information.

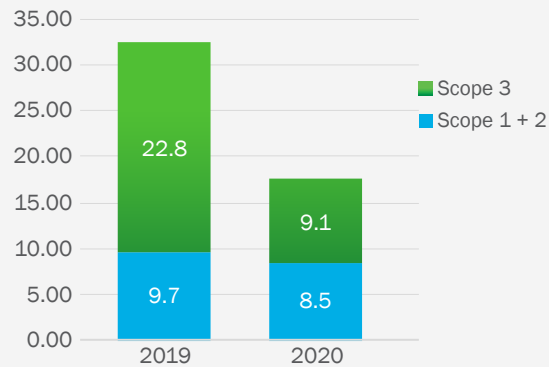
ENVIRONMENT

The following pages highlight how we incorporate environmental sustainability into our project services and business operations using innovative processes, initiatives, and technology.

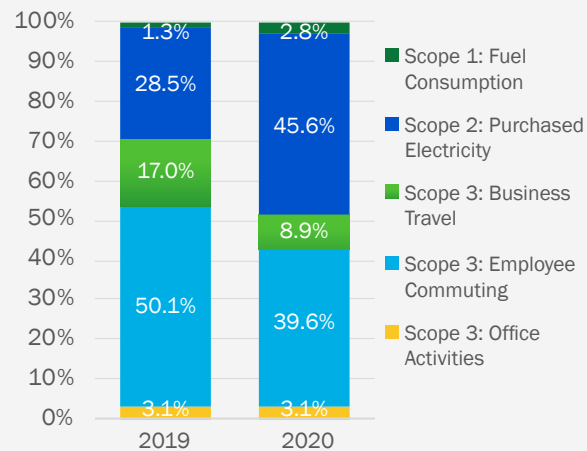


ENVIRONMENT

GHG Emissions Intensity (MT CO₂e/\$M Revenue)



Absolute GHG Emissions Breakdown (MT CO₂e)



SUSTAINABILITY POLICY

At Parsons we define sustainability as the creation or enhancement of environmental, economic, and social balance, as realized through client deliverables, business activities, employee actions, and community engagement. This definition reflects our responsibility to seek the triple bottom line of sustainability in our corporate activities, the services we deliver to clients, and our culture of giving back to the communities in which we live and work.

To further support a healthy environment and do our part to combat climate change, in 2020 we got more serious about formally acknowledging the risks that climate change poses to the natural environment and our role in helping to mitigate its effects. This is reflected in the commitment by Parsons leadership to enhance the breadth of our GHG emissions data collection, establish a science-based GHG emissions reduction target in 2021, and address climate change impacts in our sustainability policy. Additional information on our climate change mitigation activities and GHG emissions reductions target can be found [here](#).

GREENHOUSE GASES

Each year, we calculate an aggregate GHG emission value in metric tons of carbon dioxide equivalent (MT CO₂e) for the company. This value is based on raw data obtained for four

source-activity categories: on-site fuel consumption (Scope 1), purchased electricity (Scope 2), employee business travel (Scope 3), and employee commuting (Scope 3). We use the ISO 14064 GHG inventory process to inform the calculation, an approach validated by the World Resources Institute.

Using raw data for fuel use and purchased electricity at 20 representative office locations, we calculate GHG emissions associated with those facilities. To account for enterprise-wide facility emissions, we're normalizing the emissions value per employee and multiplying by the total number of employees worldwide. That information is combined with employee commuting and business travel data, applying a 3 percent factor to account for non-energy-related office activities (e.g., procurement and waste), based on the results of an actual calculation performed in 2009, which we've carried forward proportionally.

In 2020 we observed a marked reduction (60.5 percent) in the Scope 3 emissions associated with business travel and employee commuting compared to the 2019 baseline year due to the proportion of employees working at home during the COVID-19 pandemic and the moratorium on non-essential business travel put into place by our executive leadership. Scope 1 and 2 emissions also decreased by 12.9 percent in 2020 compared to 2019, which we attribute to reduced energy consumption at our home office facilities.

PROJECT DELIVERY AND INNOVATION

As guided by our Sustainability Handbook, our team of sustainability and resilience subject matter experts and advisors apply best practices that honor our core values on projects and programs worldwide. Our services include planning and moderating eco-charrettes and workshops, developing prescriptive and performance sustainability project requirements, performing risk and vulnerability assessments and associated resilience plans and guiding projects through the process of third-party certifications (such as US Green Building Council LEED certification and Institute for Sustainable Infrastructure Envision verification), and ISO 14040- and 14044-compliant life-cycle assessments (LCAs) to evaluate GHG emissions and other environmental impacts.

Our team also leads the way in sustainable remediation solutions, such as in situ soil and groundwater bioremediation, phytoremediation, and solar PV-powered groundwater extraction systems. We also have experts who specialize in helping clients manage, mitigate, and remediate [per- and polyfluoroalkyl substances \(PFAS\)](#)

through a multi-faceted approach of practical innovation, insight, advocacy, and technology across a broad range of industries.

SUSTAINABLE PROCUREMENT

Our tracking of sustainable purchases was broadened in 2020 to evaluate the environmentally preferable attributes of our office purchases. Procurement records from our office supply vendor for US operations show that 13.4 percent (by weight) of the total paper procured for use in delivery of services was made from recycled content. Furthermore, 17.2 percent (by cost) of all office supply purchases had one or more sustainability attribute, such as recycled content, bio-based material, low chemical content, or a sustainable forestry certification.

FLEET MANAGEMENT

Our goal is to have a safe, reliable, sustainable fleet of vehicles to successfully and efficiently execute work for our clients and stakeholders. To achieve these goals, we've developed initiatives to optimize vehicle fuel

economy. We've purchased and will be implementing telematics on most of our 700-plus-vehicle North American fleet to track our mileage and identify opportunities for future emission reductions. These devices will be installed into our fleet as vehicles are returned, redistributed, or replaced. We also work with our customers to achieve their environmental goals by using hybrid or alternative-fuel vehicles.

WASTE DIVERSION

In 2020, our North American operations diverted 310,980 pounds of securely shredded paper (155.5 US tons), equivalent to preserving 2,609 trees or saving 777.45 cubic yards of landfill space.

State-of-the-art electronics are essential in creating technology-driven solutions for our clients. When our equipment reaches the end of its life cycle, it's reused, donated, or recycled in a safe, secure, and socially responsible manner. In 2020, our North American operations recycled a total of 2,903 computers, monitors, and printers, which equates to 17.4 US tons of e-waste diverted from landfills.

WORKFORCE

Everything we do begins with our employees. As a corporation, we've grown from eight employees in a small office in Los Angeles to more than 15,500 people working in more than 100 offices and 30 countries worldwide. Our accomplishments are a direct result of the talented professionals who work at Parsons. The following pages supplement the information on our website and in our GRI disclosures; highlight trends; and provide a brief overview of our workforce, culture, learning, and resiliency in the face of COVID-19.



WORKFORCE

We're maximizing individual and organizational potential by delivering an employee experience that values, encourages, and supports growth and opportunity. Our success is measured not only by positive social impact and business performance but by the enthusiasm of our employees and our commitment to their growth. Our strategic approach is prioritized through the following:

- Enhancing workforce planning and talent acquisition capabilities

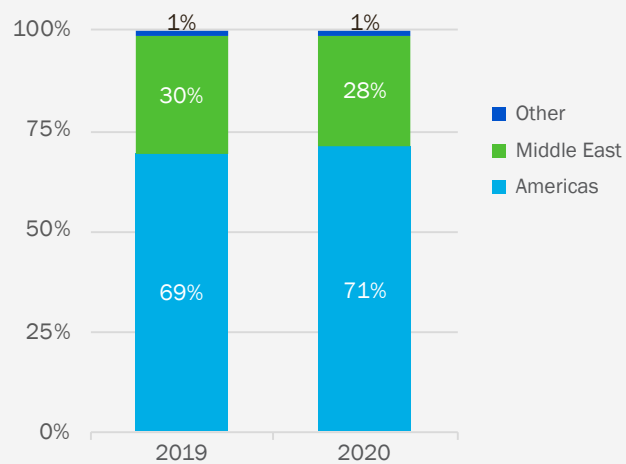
- Fostering an environment that delivers enriching employee experiences
- Expanding workforce analytics that drive talent investment and focus

From 2019 to 2020, our overall workforce in the Americas (US and Canada) increased from 69 percent to 71 percent as it decreased from 30 percent to 28 percent in the Middle East. Most of our staff (92 percent) are full-time employees.

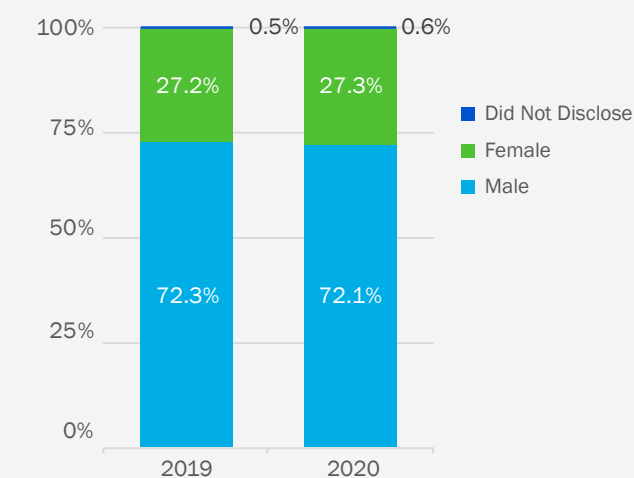
Trends in our gender and ethnic diversity are relatively flat year over year. For additional information on our workforce, please refer to our [GRI document](#).

With a revised baseline year of 2019, we're restating our 2019 gender and race/ethnicity metrics to provide consistency with human capital management metrics in our SEC filings as well as to align with tracked metrics and geographies, which are tied to our incentive program.

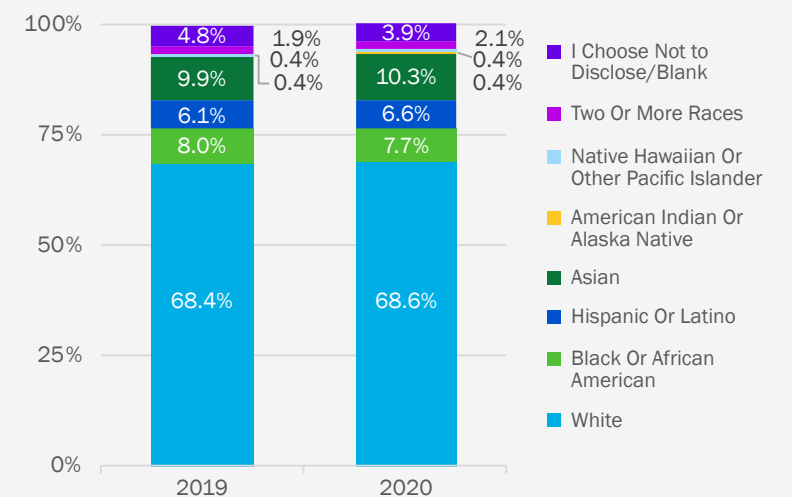
Global Workforce Distribution



Workforce By Gender (North America)



Workforce By Race/Ethnicity (United States)



I&D MISSION

We pursue diversity, equity, equality, and inclusion in our workforce, our markets, our suppliers, and our services because we recognize optimum solutions require perspectives from many different backgrounds. We are committed to honoring each employee's unique voice, empowering them to be their authentic selves at work. Our employees are our greatest resource, and in an open-minded and inclusive environment, they will shape the future of the corporation through collaboration and innovation as we strive to deliver a better world.

INCLUSION AND DIVERSITY

Embracing inclusion and diversity (I&D) in all aspects of our business is fundamental to our corporate culture and vital to our continued growth and success. Established in 2017, our I&D Council (renamed from I&D Task Force in 2020) is composed of a diverse cross section of the organization, representing different markets, regions, disciplines, and levels. Our I&D initiatives embody the unique qualities of our

employees and encourage a workforce comprising people with different backgrounds, beliefs, and experiences. We're proud of our evolving culture to promote inclusion, diversity, and equity. Actions speak louder than words, and we're pleased to highlight the following key actions:

- **Listen-Learn-Act** – We're strengthening our commitment to inclusion, diversity, equity, and equality as part of a continuous cycle.
- **Let's Get Awkward** – We conducted a communication program to encourage frank dialogue about race, social justice, disabilities, gender, and LGBTQ+ issues.



- **Core Value Diversity** – All employees were encouraged to participate in an online training course on unconscious bias and 180 leaders participated in virtual I&D workshops. In addition, we've added a LGBTQ+ category as part of our supplier diversity program.

- **Human Rights Campaign** – We were recognized by the Human Rights Campaign Foundation's 2021 Corporate Equality Index (CEI) for active support and inclusion of the lesbian, gay, bisexual, transgender, questioning (LGBTQ+) community.
- **Recruiting** – We developed a strategy to engage and partner with historically black colleges and universities and minority institutions.
- **Mentoring/Training** – We developed and launched an I&D toolkit and increased our voluntary mentor program from 98 to 287 pairings (a 193 percent increase) in 2020.



COMMITMENT

We pursue diversity in our workforce, our markets, our suppliers, and our services because we recognize that optimum solutions require different backgrounds, new perspectives, and open minds. As an employer of choice, we're invested in attracting and developing top talent who can go anywhere in the world, meet every challenge—and persevere until the job is done.

To that end, we believe that to make continued progress we must measure the effectiveness of all the initiatives built into the employee life cycle and their success in expanding our diverse workforce.

RECRUITING AND RETENTION

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 defense, intelligence, 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 for employees to make a difference.

With more than 15,500 employees, we experienced a 1.1 percent decrease in voluntary turnover in 2020 while converting nearly 90 percent of our workforce to a virtual environment due to COVID-19. We've laid the foundation of becoming an employer of choice by taking the following actions:

- Setting up programs to empower managers to recognize employees
- Implementing one-on-one employee conversations focused on employee performance, alignment, and career development
- Adopting a technical career track program
- Leveraging our technical talent through our Fellows Program

We largely attribute this improvement to targeted retention strategies, including a comprehensive employee development and technical career track framework and the prioritization of an ideal culture to support our transformational strategy.



McMurdo Station, Antarctica (Pre-COVID-19)

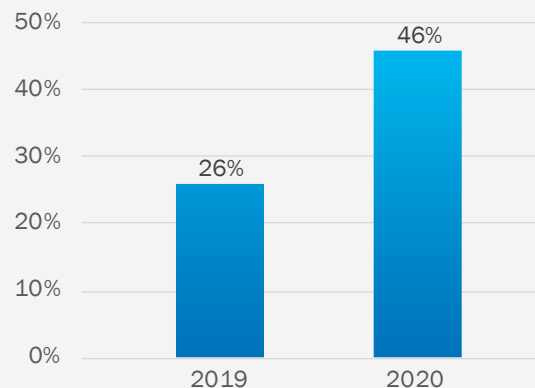
CULTURE

A high level of engagement among employees is reflected in our 2020 culture and engagement scores, with increased participation and significant improvement in survey areas such as alignment with strategic direction, employee connection to Parsons' success, promoting a culture of speed and agility, being rewarded for coming up with new ideas, and collaboration across organizational boundaries to achieve company goals.

The evolution of our culture is a vital component of our overall business strategy. Since the survey's inception, we've asked a set of five core culture questions, and we've seen a positive trend in each one.

We've also discovered that when employees have regular one-on-one developmental discussions with their managers, they have a more positive outlook, which suggests a more positive employee experience. Our periodic culture and engagement surveys have allowed us to focus on the following areas of culture: innovation, agility, collaboration, and embodying our core values.

Culture Survey Participation Rate



Employee Recognition



DRIVE PROGRAM
Performance • Recognition

Our employees drive our success, and exemplary contributors should be recognized. For this reason, in 2019 we implemented our Distinguished Recognition and Incentive (DRIVE)

Program. With seven different award levels, our DRIVE Program empowers managers to recognize those individuals and teams who make exceptional contributions or have provided exceptional support to our

customers, the company, or their teams. It also allows employees to express appreciation for, and reward, the outstanding work of their peers. Since its inception, the DRIVE Program has doubled in the size of its offerings, now featuring eight unique award levels. In less than two years, the program has seen the submission of nearly 3,100 awards and prompted the contribution of thousands of dollars to charitable organizations linked to our core values.

Investing In Employee Growth

Our human capital management system provides an integrated platform for all employees and managers to document performance reviews, goal setting, development goals, and manager check-ins. In 2020, managers held quarterly one-on-one career conversations with employees, and 43 percent of employees completed an individual development plan in the human capital management system to establish goals, evaluate performance, and document career aspirations. This program will continue to grow as our human capital management system is deployed.

Technical Career Track

When we acquire companies, we look for the best solutions and practices no matter the size and have adopted a best-of-breed framework that allows the unique creative solutions of our acquired companies to prevail and flourish as new models that can be adopted and sustained across Parsons. The evolving technical career path framework and approach is a solution adopted from OGSystems®. The model is a common career framework outlining the path from individual contributor to higher levels of technical leadership. It includes a series of discrete levels within a set of leadership bands, a competency framework tied to each level and band, and a consistent way of comparing technical roles across the corporation. We piloted the new framework in 2020 and through those iterations are launching the program enterprise-wide in 2021.

Fellows

As we push the limits of technology's power to deliver a better world, our Fellows are leading the way. Our Fellows Program comprises 45 individuals who form a collaborative network of passionate subject matter

experts who work as a think tank to solve some of the world's most vexing problems through strategic research and development and through the development of long-term technical policies and best practices. These unique professionals exemplify the highest level of technical expertise, service to their communities, mentorship, and drive to make the impossible possible. Our Fellows publish innovation articles and conduct webinars on current topics in their domain of expertise. You can read and watch their insightful contributions on our [Innovation blog](#).

EMPLOYEE WELL-BEING AND BENEFITS

As work culture evolves, we transform with it. Our goal is not only to meet the current needs of our employees but also to anticipate and provide for their future needs. We invest in our employees' health and wellness because we know that our people are our greatest asset. That's why we offer benefits to enhance our employees' quality of life, with packages that include major medical, dental, vision, and life insurance. In addition to our health

offerings, we provide employee assistance and wellness programs at no cost to our employees. We're also a strong proponent of a healthy work-life balance, providing employees with flexible paid holidays, paid time off, and all-inclusive paid parental leave.

Enhancing Employee Benefits

We design our plans to be adaptable and support our employees through every stage of life. As we enhanced our health benefits, we also took a multi-pronged approach to provide our employees with crucial resources as we navigated the COVID-19 pandemic together. In 2020 we provided financial support to employees to augment childcare expenses due to school closures or hybrid school schedules.

We also established flexible work options and a new PTO donation policy to support employees who don't have the available PTO to take time off to care for a family member affected by the COVID-19 pandemic.

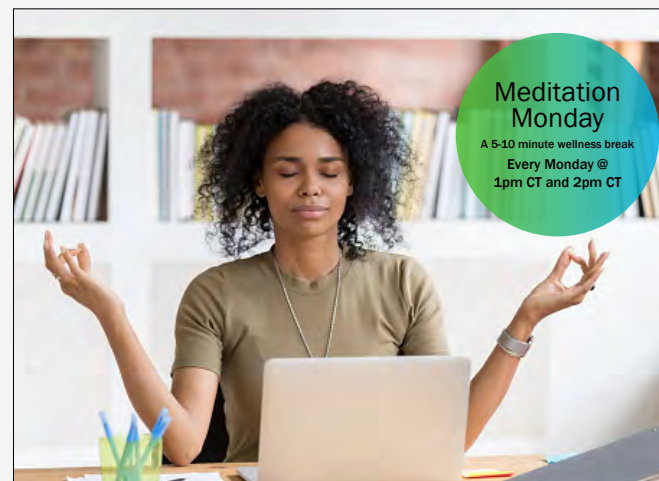
Beginning in 2021, we've enhanced our health plans to better support our employees, including adding coverage for gender dysphoria benefits to align with the standards set by the World Professional Association for Transgender Health (WPATH); increasing infertility coverage; and extending coverage for hearing aids, hearing exams, shoe orthotics, and wigs.

Wellness For Life

Our US-based Wellness for Life program empowers our employees through tools to manage their health. Our program offers health improvement resources, such as health screenings, education, personalized health coaching, and cash incentives for participation.

We introduced weekly wellness events to assist our employees and their families with the challenges of working from home. Ongoing examples include Meditation Monday, where employees can take a guided meditation break to focus on their well-being, and Coffee Talk, a dedicated time for employees to connect with their colleagues and share their experiences navigating the pandemic, resources, and tips. Additional events included webinars about how to transition to the work-from-

home environment, keep kids occupied at home, cook healthy meals at home, and stay connected with family and friends. Our safety team enhanced these wellness activities with activities, awareness and education, and tools to support safe working environments to help our employees with everything from changing working conditions and protocols to managing their mental health.



Employee Assistance Program

We established an employee assistance program called Live and Work Well in 2006, which offers employees and their families personal counseling, family and caregiving guidance, safety and crisis planning resources, self-improvement tools, life-learning opportunities, and chronic-conditions support. We're committed to providing our employees with tools, information, and services that help manage everyday challenges and that support wellness for life. In 2020, we enhanced our program from two to eight free counseling sessions per individual living in the employee's household.

Flexible Work Options

We reimagined the workplace and introduced Flexible Work Options (FWOs). FWOs are an evolution of our telecommuting (work at home) and alternative work schedule policies that empowers employees and managers to design a preferred work arrangement that best suits the individual needs of the employee. FWOs are intended to enhance our employee's work-life balance, foster a resilient workforce, and reduce the environmental impact caused by commuting.

PARSONS GIVES BACK

Parsons Gives Back is an employee-driven program that serves the communities in which we live, work, and play. Despite the lockdown environment brought on by the COVID-19 pandemic, our employees thought of innovative ways to give back while staying six feet apart. Charitable contributions, in-kind donations, and volunteerism directly correlate with improving quality of life while making the world a better place. Our Parsons Gives Back program is primarily focused on three key areas:

Military/Veteran Programs

We promote causes that assist and invest in the welfare and careers of our active-duty military, veterans, and their families.

Education/STEM Outreach

We provide our youth and underrepresented communities with access to quality science, technology, engineering, and mathematics (STEM) programs to ensure that tomorrow's visionaries are represented by a wide range of backgrounds.

Vibrant Communities

We volunteer in and contribute philanthropically to communities to make them better and more inclusive for all and to improve access to much-needed resources in underserved areas.

We want to make a positive impact on the world. That's why each year, as part of Parsons' holiday wishes, our employees select charities to support. In 2020, the charities included the following:

- Heart to Heart (COVID-19 response)
- Make-A-Wish Foundation
- Habitat for Humanity

To learn more, visit [Parsons Gives Back](#).



COVID-19 RESPONSE

The global coronavirus (COVID-19) pandemic changed the way everyone did business. We quickly converted our workforce to work from home, and through the use of technology and our commitment to our core values, we were able to safely adapt to the new normal. Despite these headwinds, our employees rose to the challenge to demonstrate our resiliency, innovation, and agility. The following highlight some of our business- and employee-led initiatives:

Going Remote Overnight

With the onset of COVID-19, it was clear that we had to pivot away from an office-centric work environment to a fully empowered remote workforce. We already had a robust work-from-home culture that we could leverage and scale up with a few modifications to create a work-from-anywhere model. With the support of our Executive Leadership Team, we enlisted our Information Technology, Information Security, Operations, and Internal Communications groups, among others, to ensure a smooth, comprehensive transition to drive this digital, operational, and cultural transformation. By leveraging help from around the organization, we were able to get more than 90 percent of our workforce to transition to remote work.



Employee Communication

Communicating with our employees is a vital part of our quest to drive an informed and empowered culture. So when the pandemic hit, we were well prepared to leverage communication channels to ensure a safe and secure workforce. Our crisis response team met daily and played an active role in successfully and seamlessly pivoting to remote working while protecting our stakeholders' information security. Our internal communication team used email to keep employees informed of vital pandemic-related updates and critical information security issues and employed real-time analytics to measure the effectiveness of our reach and provide insight on areas of the company that required different modes of communication. We leveraged our

internal collaboration and social platform to keep our workforce informed with COVID-19-related updates and policy changes, and we livestreamed interactive sessions with our CEO and the rest of the Executive Leadership Team.

To keep the camaraderie that we typically experienced in the office location, we used our internal platform to create employee groups to serve as a virtual watercooler for employees with similar interests. Some examples of such groups include a group for dog lovers, where employees can post pictures of their dogs so everyone can put a face to the barking they hear on conference calls, and a cooking group, where people can post recipes and pictures of their culinary masterpieces, existing alongside our well-established employee groups, such as our Inclusion and Diversity and Military and Veterans (MILVET) groups.

COVID-19 Work/Life Balance

To alleviate some of the financial stress our employees are facing during these unprecedented times, we introduced a series of initiatives to assist our employees. We established a \$1 million childcare stipend for our US-based employees. This stipend provides financial relief for parents who've encountered unplanned childcare expenses due to school closures, hybrid schedules, or

tutoring costs. We also implemented a paid time off (PTO) donation program enabling employees with extra PTO to donate a portion to support colleagues in need of time off for family care.

COVID-19 Community Involvement

The COVID-19 pandemic changed the way we conduct business and give back to our communities. As communities locked down and traditional volunteering opportunities were postponed, it was clear we needed to pivot our philanthropy efforts and find creative and innovative ways to give back to our community. At the peak of personal protective equipment shortages, we turned on our 3D printers and manufactured face masks for both our employees and health care providers. Another way that our team gave back to the community was through their technical skills. A few examples include IT employees troubleshooting remote learning issues for their children's schools and participating in 48in48's Virtual Coding Marathon to develop a website for the nonprofit [Chicago Tap Theater](#). Further information on the Virtual Coding Marathon can be found on our [Parsons Gives Back](#) page.



Parsons 48in48 Virtual Coding Marathon Participants

Development Of Technology-Enabled Solutions

As the world prepared to reopen during the COVID-19 pandemic, it was apparent that society needed to adapt to safeguard the health, safety, and security of global citizens. With a focus on public safety in high-traffic areas like airports, shopping malls, corporate buildings, and sport stadiums, we created an innovative offering of products named DetectWise™. Encompassing health screening kiosks, mobile apps, and modular testing sites, DetectWise™ provided a platform to facilitate and expedite the screening process and help support mission-critical businesses safely to mitigate risks of the pandemic. DetectWise™ kiosks are in use at our headquarters and several of our major offices throughout the United States.





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