



PARAMOUNT GROUP

2023 SASB Index

Sustainability Accounting Standards Board (SASB)

The Sustainability Accounting Standards Board (SASB) Standards, created in 2011, provide industry-specific criteria to assist companies in disclosing sustainability information to investors. SASB Standards identify the subset of Environmental, Social, and Governance (ESG) issues most relevant to each industry. By following the guidelines set forth by SASB, Paramount demonstrates a commitment to providing accurate, timely, and standardized data. Based on SASB's Sustainable Industry Classification System (SICS), Paramount follows the "Infrastructure–Real Estate" standards to disclose sustainability information. Properties included in this report are those in which the company has 25% or larger ownership and maintains direct operational control, including those in New York City and San Francisco listed below. Data from subsidiaries, leased facilities, outsourced operations, and other entities have not been included in this report. The 2023 SASB Report has been prepared in congruency with the Annual Sustainability Report to reflect the 2023 reporting year. Third-party assurance was provided by Sustainable Investment Group (SIG), a sustainability consulting firm unaffiliated with Paramount.

Reporting Boundary

1. 1633 Broadway
2. 1301 Avenue of the Americas
3. 1325 Avenue of the Americas
4. 31 West 52nd Street
5. 900 Third Avenue
6. 712 Fifth Avenue
7. One Market Plaza
8. Market Center
9. 300 Mission Street
10. One Front Street
11. 55 Second Street
12. 111 Sutter Street

Energy Management

Code	Accounting Metric	Unit of Measure	Total	SF	NY
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	100%	100%	100%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage	Gigajoules (GJ)	753,492.083	211,757.832	541,734.251
	Percentage of total energy that is grid electricity, by property subsector	Percentage (%)	57.961%	64.903%	55.247%
	Percentage of the total energy that is renewable, by property subsector	Percentage (%)	57.961%	64.903%	55.247%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	-5.654%	-0.593%	-7.494%
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property subsector	Percentage (%) by floor area	100%	100%	100%
	Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	100%	100%	100%
IF-RE-130a.5	<p><u>Description of how building energy management considerations are integrated into property investment analysis and operational strategy.</u></p> <p>At Paramount, successful building operations are measured by how efficiently we run each asset. Effective energy management is an organizational priority that translates to a smaller carbon footprint and reduced operating expenses. We developed a comprehensive strategy designed to achieve a 35% reduction in energy consumption by 2025, detailed here:</p> <ul style="list-style-type: none"> • Building Management System Programming & Controls <ul style="list-style-type: none"> ○ A building management system (BMS) is a computer-based monitoring network that facilitates the management of critical building equipment. By leveraging a building's BMS, the flow of performance data to Paramount's Engineering Team is centralized, thereby enhancing operational control and efficiency. • Capital Planning <ul style="list-style-type: none"> ○ Climate-related risks have encouraged our team to prioritize building upgrades and operational efficiency. We develop thorough 5- and 10-year capital plans that are tied to local laws, end-of-useful life, tenant rollover, and lease renewals. 				



Our team has a due diligence plan in place which ensures we earmark capital projects to align with economically favorable timing.

- Commissioning
 - Building commissioning ensures that all systems perform to specifications and provides a baseline to accurately benchmark the energy consumption of an asset. This process typically leads to fewer mechanical issues and lower maintenance costs.
- Decarbonization Studies
 - We partner with third-party engineering firms to quantify the impact of various decarbonization strategies on overall energy usage, carbon emissions, and utility costs. These studies model carbon footprint profiles and identify energy conservation measures at the asset level. Ultimately, these studies inform future capital expenditures that position our assets for a high-performance, low-carbon future.
- Demand Response
 - Paramount is enrolled in Demand Response programs, which are events called by local utility providers where owners are asked to reduce building electrical loads during times when the grid is at peak demand. This participation, aided by access to consumption data from our energy management platforms, enables Paramount to help mitigate risks associated with grid failures.
- Heating, Ventilation, and Air Conditioning Upgrades
 - Heating, ventilation, and air conditioning (HVAC) systems are energy intensive, so retrofitting or replacing these systems presents substantial opportunities for increased efficiency. Improvements to heating and cooling systems include the installation of variable frequency drives, heat exchangers, and air handling units, as well as upgrades to boilers and chillers. We have also implemented HVAC programming and sequencing that adjusts tempered air based on real-time occupancy data.
- Lighting Improvements
 - Replacing existing lighting with more efficient LED fixtures reduces the energy consumption of a building. The savings are even more impactful when these upgrades are coupled with occupancy sensors and daylighting controls.
- Ongoing Monitoring
 - Our team leverages the ENERGY STAR Portfolio Manager platform to benchmark energy, emissions, water, and waste data across 100% of the REIT Portfolio. Reports downloaded from Portfolio Manager both verify and track our progress toward reduction targets.
- Real-time Energy Management Platform
 - 100% of the REIT Portfolio utilizes iES Mach, a real-time energy management platform. This software solution empowers our Engineering and Property Management Teams to respond quickly and effectively to building conditions by monitoring energy use in 5-minute intervals.



	<ul style="list-style-type: none">• Submetering<ul style="list-style-type: none">○ To achieve improved data quality and enhanced transparency, our team conducted an extensive submetering audit across hundreds of meters. The audit identified meter locations and specifications, the corresponding tenant or base building load, and action items needed to address reading errors.• Technology<ul style="list-style-type: none">○ Piloting new technologies assists with the transition to a lower-carbon economy. The availability of utility incentive programs shortens the payback period to incentivize the installation of updated building systems over the continued operation of outdated equipment.• Training<ul style="list-style-type: none">○ Increasing employee awareness of sustainability matters through ongoing training and education is key to responsible operations and growth. On the operational side, Engineering and Property Management Teams are continuously trained on energy management, building systems, and new technologies. Companywide education on existing sustainability programs and emerging trends is also facilitated, and Executive Management, who receive monthly briefings on these topics, reinforce this education.
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Water Management

Code	Accounting Metric	Unit of Measure	Total	SF	NY
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	100.000%	100.000%	100.000%
	Percentage of floor area in regions with High or Extremely High Baseline Water Stress, each by property Subsector	Percentage (%) by floor area	0.000%	0.000%	0.000%
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property subsector	Thousand cubic meters (m ³)	469.343	105.428	363.916
	Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%)	0.000%	0.000%	0.000%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	2.672%	34.284%	-3.884%
IF-RE-140a.4	<p><u>Description of water management risks and discussion of strategies and practices to mitigate those risks.</u></p> <p>Potential water management risks include local water stress and disruptions to both water quantity and quality. In 2018, Paramount committed to a 10% reduction in water usage by 2025 to mitigate water management risks and reduce water consumption. Using the water efficiency strategies detailed below, Paramount has reduced water consumption by 25% in 2023 from a 2016 baseline.</p> <ul style="list-style-type: none"> • Low-Flow Fixtures <ul style="list-style-type: none"> ○ Paramount’s build-out specifications require the installation of low-flow fixtures. Existing toilets, urinals, faucets, and showers across the portfolio are also upgraded with low-flow fixtures to further reduce water consumption. • Data Tracking & Transparency <ul style="list-style-type: none"> ○ Water usage is tracked using the ENERGY STAR Portfolio Manager benchmarking platform for 100% of the portfolio. In accordance with New York City and San Francisco benchmarking ordinances, water consumption is disclosed annually. Paramount’s water performance is also shared with tenants through our reporting efforts. • Water Submeters <ul style="list-style-type: none"> ○ Water submeters are installed throughout the buildings to monitor consumption, identify opportunities for increased efficiency, and target leaks from specific systems. • Irrigation 				



	<ul style="list-style-type: none">○ Most of our properties have minimal landscaping. For those properties that are landscaped, we rely on smart meters to regulate the amount of water used for irrigation. To further reduce irrigation needs, these landscaped areas use native plants that require less water since they are adapted to the local climate.● Belimo Energy Valves<ul style="list-style-type: none">○ These valves are installed on air handling units and automatically adjust water flow rates to optimize temperature spreads and meet the design capacity of cooling coils. By increasing the temperature spread of the chilled water coils, these valves allow for a more efficient heat exchange across the coil, thereby reducing both water consumption and energy needed for pumping.● Cooling Towers<ul style="list-style-type: none">○ At 575 Market Street and One Front Street, we are retrofitting existing cooling towers. These projects will reduce unnecessary water loss from a cooling system by minimizing drift. We will also upgrade the fill media to higher efficiency materials that increase heat transfer and require less energy consumed by fans.
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Management of Tenant Sustainability Impacts

Code	Accounting Metric	Unit of Measure	Total	SF	NY
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements by property subsector	Percentage (%)	97.396%	100.000%	96.907%
	Associated leased floor area, by property subsector	Square meters (m ²)	9,951.867 (1.092%)	1,615.677 (0.494%)	8,336.190 (1.426%)
IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for grid electricity consumption, by property subsector.	Percentage (%) by floor area	72.001%	33.304%	93.645%
	Percentage of tenants that are separately metered or sub-metered for water withdrawals, by property subsector	Percentage (%) by floor area	8.954%	4.470%	11.462%
IF-RE-410a.3	<p><u>Discussion of approach to measuring, incentivizing, and improving sustainability impact of tenants.</u> Understanding that most building emissions are tenant-derived, Paramount is committed to working with our tenants to monitor and reduce their energy use, carbon emissions, and overall environmental impact. Paramount collaborates with tenants to improve sustainability through the initiatives listed below:</p> <ul style="list-style-type: none"> • Billing Transparency <ul style="list-style-type: none"> ○ The tenant billing system plays a pivotal role in shaping tenants' energy consumption habits and understanding. Our team revamped tenant bills to show monthly energy consumption compared to the previous year and tenant rankings compared to their peers within the building. We also included the integration of the U.S. Environmental Protection Agency's (EPA) equivalencies calculator to demonstrate how tenants can visualize their monthly carbon dioxide emissions in tangible terms and energy-saving tips to drive behavior changes. • Data Sharing <ul style="list-style-type: none"> ○ Our team shares environmental performance data to support the reporting initiatives of our tenants. We also work with tenants to determine their proportionate impact on overall building performance. • ENERGY STAR Tenant Space Recognition <ul style="list-style-type: none"> ○ ENERGY STAR Tenant Space is the EPA's award for tenant-specific sustainability efforts within leased office space. We partner with our tenants to pursue this recognition, which encourages sustainability improvements in their own operations. • Green Leases Provisions 				



	<ul style="list-style-type: none">○ Developing green lease provisions is an assurance that landlord-tenant objectives are aligned from the outset of the partnership. By utilizing the lease as a tool to improve energy efficiency, we aim to minimize the building's environmental impact in partnership with our tenants.● Tenant Build-out Guidelines<ul style="list-style-type: none">○ Our Construction Team developed build-out specifications to encourage tenants to design and execute office spaces that advance Paramount's sustainability objectives. These specifications are aligned with LEED, ENERGY STAR, and building codes, and can lower operating expenses and improve overall building energy performance.● Tenant Surveys<ul style="list-style-type: none">○ Tenant comfort and satisfaction are continuously monitored through the distribution of LEED pulse surveys, coupled with more comprehensive Kingsley surveys periodically. Our team remains responsive to tenant needs by maintaining open communication
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Climate Change Adaption

Code	Accounting Metric	Unit of Measure	Total	SF	NY
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Square meters (m ²)	0.000	0.000	0.000
IF-RE-450a.2	<p><u>Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risk.</u></p> <p>Developing proactive strategies to mitigate the potential impacts of climate change on Paramount’s assets has become increasingly important to our stakeholders. Climate change is integrated into Paramount’s overall risk management framework, which is administered by senior management under the supervision of the Audit Committee of our Board of Directors.</p> <ul style="list-style-type: none"> • Asset-Level Analysis <ul style="list-style-type: none"> ○ Our team utilized First Street Foundation’s Risk Factor tool to expand our climate change scenario analysis in 2023. Each asset was evaluated on exposure to flooding, fire, wind, and heat on a scale from one to ten, one representing low risk and ten representing significant risk. The Risk Factor models use a middle-of-the-road scenario (SSP2-4.5) from the World Climate Research Programme’s 6th Coupled Model Intercomparison Project (CMIP6). This analysis was important for Paramount’s Executive Management Committee to grasp the portfolio’s key climate-related risks. We are committed to refreshing this analysis annually to protect both the value and the condition of our assets. • ESG Due Diligence <ul style="list-style-type: none"> ○ Paramount utilizes a thorough ESG checklist to assess environmental risks for potential new investments. The ESG checklist contains several questions across seven thematic areas and solicits qualitative and quantitative data about the underlying borrower and asset. Paramount’s goal is to accurately identify, in significant detail, opportunities for capital structuring, operational improvements, and asset repositioning, thereby reducing investment risk both before and after the acquisition of assets. • Third-party Risk Assessments <ul style="list-style-type: none"> ○ Paramount partners with FM Global, a third-party property insurance company, to evaluate all assets on a semiannual basis. This service provides us with a quantified assessment of risks and recommendations to enhance the resiliency of our assets. Our Property Managers and Engineers use these quantified assessments to inform and prioritize capital investments and building upgrades. ○ To specifically address climate risk, physical risk reports produced by FM Global are shared with our team and are updated quarterly. FM Global’s methodology evaluates the exposure of real estate assets to property loss and business interruption due to climate-related events including wildfire, freeze, wind, collapse, flood, hail, and lightning. These reports also distinguish between inherent risk and actionable risk, and provide recommendations for initiatives that minimize actionable risk. 				

- GRESB Transition Risk Report
 - Paramount utilizes the GRESB Transition Risk Report to provide insights into the assets that are most exposed to climate-related transition risk. This report is founded on the Carbon Risk Real Estate Monitor (CRREM) pathways, which are science-based regional trajectories following the Paris Climate goals. Both the portfolio and individual assets are benchmarked against these CRREM decarbonization pathways.
- Climate Change Scenario Analysis
 - As part of Paramount’s 2023 climate change scenario analysis, we reviewed the potential impacts of sea level rise associated with the RCP2.6 and RCP8.5 warming scenarios on our New York and San Francisco portfolios. The findings of this analysis show that our properties are likely to remain above sea level through 2100. In the absence of mitigating actions, our San Francisco properties have greater exposure to risks related to sea level rise in an RCP8.5 warming scenario. This exercise equips our team with the information needed to proactively assess climate risk, identify resilience measures, and guide decision-making processes.
- Physical Risk Mitigation Strategies
 - Climate
 - Climate change scenario analysis updated annually
 - Third-party risk assessments performed on all assets semiannually
 - Tenant emergency response communication and training
 - Development of high-performance, resilient buildings
 - Plans and Procedures: Business Continuity, Emergency Response, Life Safety, Emergency Evacuation
 - 5- and 10-year capital plans developed to implement efficiency and emissions reduction technologies
 - Demand Response participation to mitigate risk associated with grid failures
 - Weather
 - Third-party physical risk assessments refreshed quarterly
 - Backup generation, emergency lighting, and fire pumps installed onsite
 - Adverse weather protocols communicated to building operators
 - Insurance coverage to protect against damage from natural hazards
 - Water
 - Flood zone identification
 - Critical building equipment and switchgear elevated to higher floors
 - Proximity to flood zones incorporated in underwrites
 - Smart-meter irrigation systems
 - Landscaping strategy includes native plants requiring less water for irrigation
 - Fire



	<ul style="list-style-type: none">▪ Bay Area Air Quality Management-aligned operations during wildfire and high air pollution events▪ Carbon pre-filters installed across select San Francisco assets to protect against wildfire smoke
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