



Environmental,
Social, &
Governance
2021

PARAMOUNT GROUP



Integrating ESG into our business is Paramount.

Paramount is an industry leader in ESG initiatives that have helped us to manage operating costs, attract and retain premium tenants, and ultimately enhance portfolio value. Our high-quality, efficient, and sustainable assets are a key differentiator that resonates with our tenants and our shareholders.

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About This Report

ESG Transparency

Transparency is at the cornerstone of Paramount’s commitment to ethical business operations. We have a long-standing history of disclosing non-financial key performance indicators around ESG matters, an approach that has grown exponentially since beginning with GRESB reporting in 2017.

The Company’s disclosures are aligned with the global frameworks listed below to ensure our reporting is both material and accurate. To take Paramount’s strategy a step further, we partner with a third party to externally assure our data.

GRESB

2017, 2018, 2019, 2020, 2021, 2022

GRESB (Global Real Estate Sustainability Benchmark) sets the most rigorous ESG reporting standards for real estate companies worldwide. The GRESB Assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of asset investments and are aligned with international reporting frameworks, goals, and emerging regulations.

SASB

2020, 2021, 2022

SASB (The Sustainability Accounting Standards Board) provides a complete set of globally applicable disclosures which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry. SASB Standards enable businesses to identify, manage, and communicate financially-material sustainability information to investors.

TCFD

2021, 2022

The Financial Stability Board established the TCFD (Task Force on Climate-related Financial Disclosures) to develop recommendations for effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions. The mission is to channel investment to sustainable and resilient solutions, opportunities, and business models.

CDP

2019, 2020, 2021, 2022

CDP is a comprehensive survey that seeks to improve corporate awareness through measurement and disclosure, ultimately advancing the effective management of climate change risk. CDP disclosure identifies new opportunities for climate mitigation through questionnaires that are fully aligned with the TCFD recommendations.

GRI

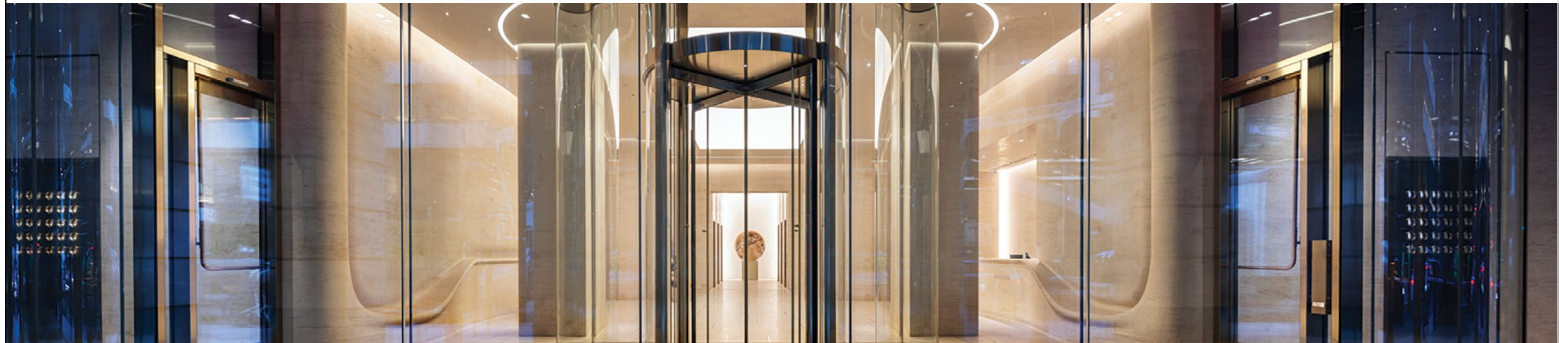
2021, 2022

The GRI (Global Reporting Initiative) Standards are designed as a modular set of disclosures, delivering an inclusive picture of an organization’s material topics, their related impacts, and how they are managed. This reporting framework allows businesses to understand and report on their impacts on the economy, environment, and people in a comparable and credible way, thereby increasing transparency.

UN SDGs

2022

The UN SDGs (United Nations Sustainable Development Goals) are comprised of 17 initiatives that recognize ending global poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve oceans and forests.



Company Profile

REPORTING BOUNDARY

12 Properties

11,266,196 sf


Markets



New York City

6,957,476 sf

- 1633 Broadway
- 1301 Avenue of the Americas
- 1325 Avenue of the Americas
- 31 West 52nd Street
- 900 Third Avenue
- 712 Fifth Avenue



San Francisco

4,308,720 sf

- One Market Plaza
- Market Center
- 300 Mission Street
- One Front Street
- 55 Second Street
- 111 Sutter Street

Employees

318
TOTAL
EMPLOYEES

95
CORPORATE

223
PROPERTY
MANAGEMENT

CEO Letter



Albert Behler
Chairman, CEO, & President

Paramount’s clear sense of purpose has fortified our business against the uncertainty characteristic of the past few years. Core to our values is a steadfast commitment to ESG and responsible operations. ESG is deeply integrated into our business strategy and is at the cornerstone of our relationships with employees, tenants, and shareholders.

ESG Strategy

ESG best practices inform the programs we implement to enhance the well-being of Paramount’s internal team. We strive to create a diverse and inclusive company culture, encourage professional development and growth, and protect the health and safety of all employees. There is a shared sense of purpose among our team, as our employees are the staunchest advocates for advancing ESG initiatives.

Tenants are increasingly looking to partner with owners that share their values. With a portfolio that features 100% LEED Platinum or Gold, ENERGY STAR, and Fitwel certified assets, our commitment to sustainability is undeniable. We are strongly positioned to attract and retain tenants that value sustainability both to achieve organizational objectives and to inspire their employees.

At Paramount, we focus on ESG not only because of our societal responsibility, but also because of our fiduciary responsibility to our shareholders. ESG creates long-term value for our shareholders by building resiliency and illuminating risks and opportunities. Our platform of healthy, efficient, and high-quality assets enhances the appeal of our portfolio and stimulates leasing activity.

“Core to our values is a steadfast commitment to ESG and responsible operations. ESG is deeply integrated into our business strategy and is at the cornerstone of our relationships with employees, tenants, and shareholders.”

2021 Achievements

We made significant strides in 2021 as a leader in ESG, and we are proud to have received the following distinctions:

- We achieved, for the third consecutive year, GRESB’s highest accolades of a 5 Star rating in the 2021 Real Estate Assessment, and an “A” rating in the Public Disclosure Survey.
- We maintained our industry-leading recognition of operating a REIT portfolio comprised of 100% LEED Platinum or Gold certified buildings.
- We achieved 2021 ENERGY STAR labels across 100% of our REIT portfolio, spanning 11.3 million square feet.
- We achieved Fitwel certification across 10 properties aggregating approximately nine million square feet, and we were honored with the “Fitwel Champion” status for our efforts.

Forward-looking Vision

As stakeholder interest in ESG continues to grow, the importance of implementing a robust ESG strategy has never been clearer. As you read through the report, I encourage you to note the substantial improvements made across our ESG program, including reducing the environmental footprint of our portfolio, procuring renewable power, growing the diversity of our workforce, monitoring the ESG performance of our suppliers, and enhancing our company’s transparency through increased disclosures.

I am proud of Paramount’s recognition as an industry leader in ESG and our reputation as a company that operates with integrity. I speak on behalf of the entire team when I affirm that we are dedicated to advancing the ESG initiatives that positively contribute to a greater collective purpose for our stakeholders and communities.

Sincerely,
Albert Behler
Chairman, CEO, & President

ESG Highlights

100%

REIT PORTFOLIO LEED PLATINUM
OR GOLD CERTIFIED

100%

REIT PORTFOLIO ACHIEVED A
2021 ENERGY STAR LABEL

100%

REIT PORTFOLIO
FITWEL RATED

100%

REIT PORTFOLIO ELECTRICITY WILL
BE GENERATED BY RENEWABLE
RESOURCES THROUGHOUT 2022

5 Stars

HIGHEST GRESB ACCOLADE EARNED
FOR THE THIRD CONSECUTIVE YEAR

“A” Rating

HIGHEST SCORE ON GRESB
PUBLIC DISCLOSURE ASSESSMENT

ISS “Prime”
Rating

TOP 10% ESG PERFORMANCE

Top 10%

GLOBAL RANKING FOR
SUSTAINALYTICS ESG RISK RATING

Top 25%

PERFORMANCE WITHIN MSCI’S
“OPPORTUNITIES IN GREEN
BUILDINGS” ESG RATING

Board-level
Diversity

ADVANCED THROUGH OUR
EXPANDED DE&I INITIATIVES

ESG Pay Link

ESG GOALS INCORPORATED
IN VARIABLE PAY AWARDS FOR
EXECUTIVE TEAM

Supply Chain

CRITICAL SUPPLIERS EVALUATED ON
ESG PERFORMANCE ANNUALLY

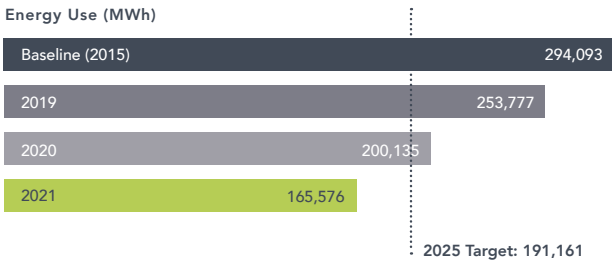
Targets & Performance

Paramount has set ambitious reduction targets for energy, emissions, water, and waste that we are on track to achieve by 2025. These targets encourage innovation, garner Executive Management and Board-level attention, and galvanize reduction efforts across the entire organization. We hold ourselves accountable to these goals and are unwavering in our commitment to minimize the portfolio’s environmental footprint.

The data below show Paramount’s 2021 performance compared to our corporate targets. Both 2020 and 2021 saw reduced occupancy because of the COVID-19 pandemic, which subsequently resulted in reduced resource consumption. More detailed information on our reduction strategies can be found throughout the report, and additional disclosures are included in the 2021 GRI Content Index.



ENERGY

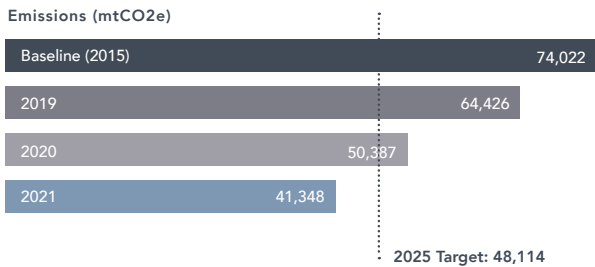


35%

REDUCTION IN ENERGY CONSUMPTION BY 2025 (2015 BASELINE)



EMISSIONS



35%

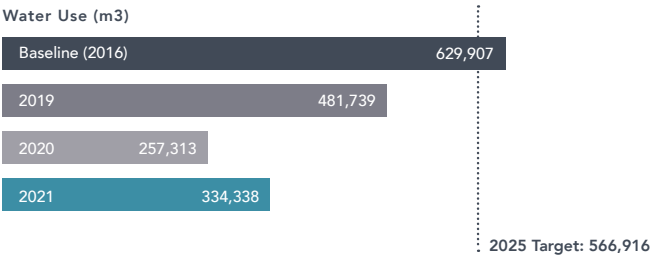
REDUCTION IN GREENHOUSE GAS EMISSIONS BY 2025 (2015 BASELINE)



View from One Market Plaza



WATER

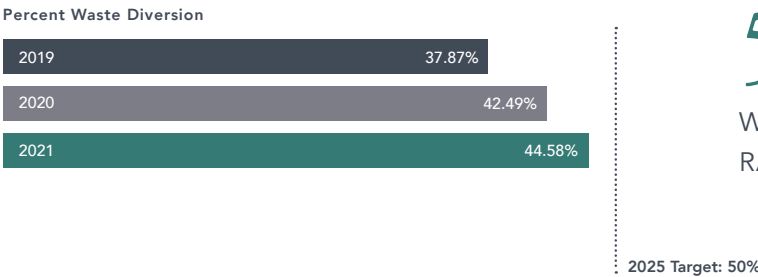


10%

REDUCTION IN WATER CONSUMPTION BY 2025 (2016 BASELINE)



WASTE



50%

WASTE DIVERSION RATE BY 2025



Environmental

Paramount's environmental strategy is rooted in a commitment to operate responsibly for our stakeholders, tenants, and the greater community. We continuously strive for improved performance by optimizing our portfolio and deploying cutting-edge technologies. From New York to San Francisco, we are dedicated to leading by example and minimizing our environmental footprint for a more sustainable future.

Sustainability from Coast to Coast

PROPERTY	ENERGY STAR	LEED	FITWEL
SAN FRANCISCO	100%	100%	100%
• One Market Plaza	●	PLATINUM	●
• Market Center	●	GOLD	●
• 300 Mission Street	●	PLATINUM	●
• One Front Street	●	PLATINUM	●
• 55 Second Street	●	PLATINUM	●
• 111 Sutter Street	●	PLATINUM	●

PROPERTY	ENERGY STAR	LEED	FITWEL
NEW YORK	100%	100%	100%
• 1633 Broadway	●	GOLD	●
• 1301 Avenue of the Americas	●	GOLD	●
• 1325 Avenue of the Americas	●	PLATINUM	●
• 31 West 52nd Street	●	GOLD	●
• 900 Third Avenue	●	PLATINUM	●
• 712 Fifth Avenue	●	GOLD	●

SAN FRANCISCO

4,308,720

TOTAL SQUARE FEET
IN SAN FRANCISCO

OUR SAN FRANCISCO AND
NEW YORK PORTFOLIOS ARE:

100%

LEED PLATINUM OR
GOLD CERTIFIED

100%

ENERGY STAR LABELED

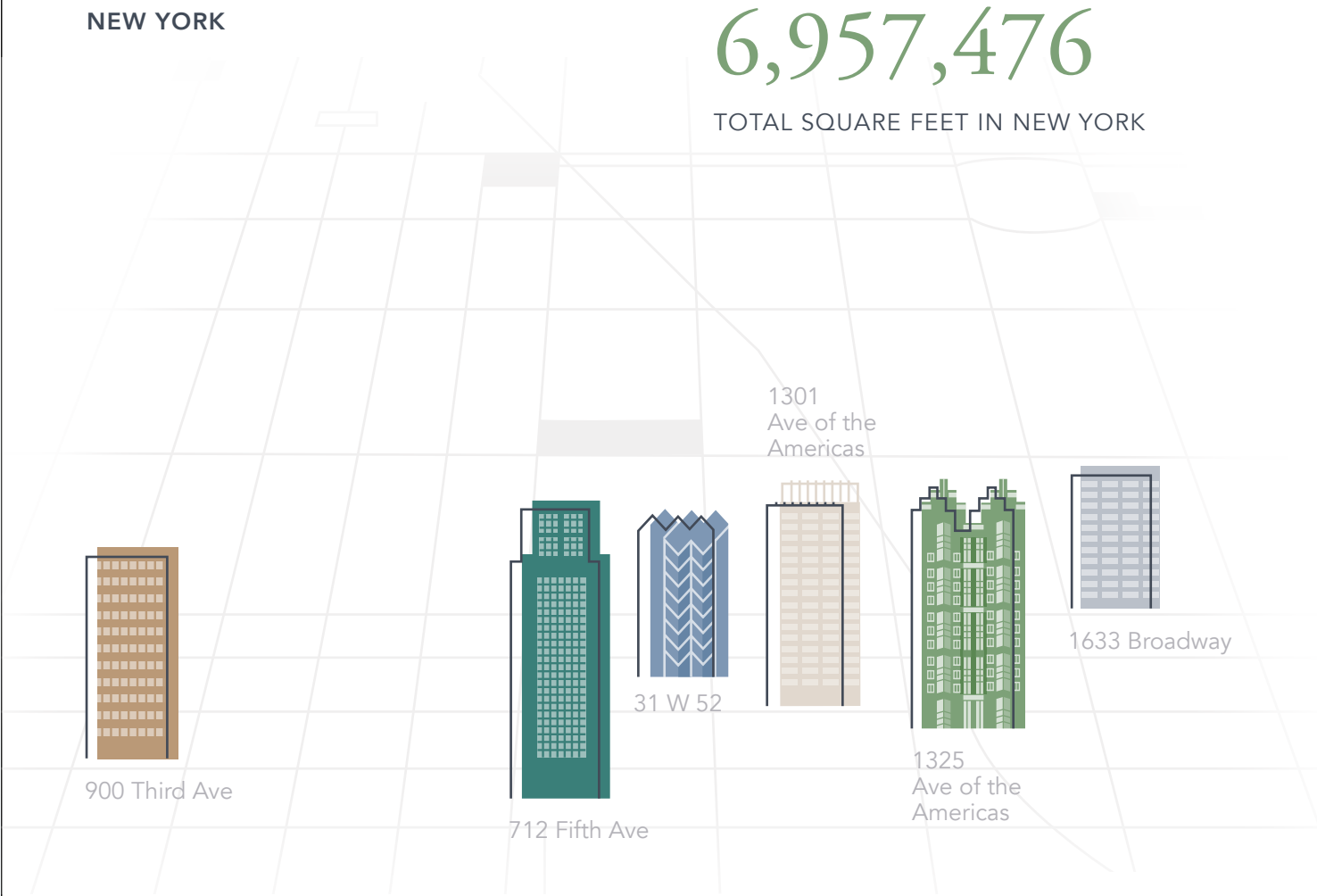
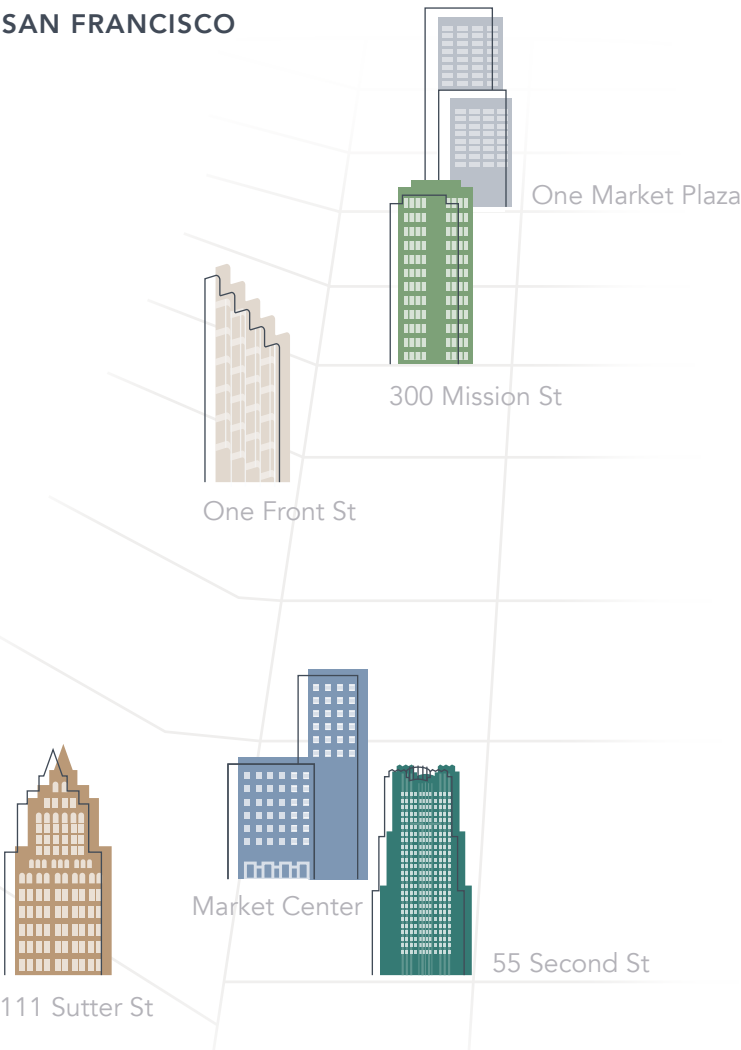
100%

FITWEL RATED

NEW YORK

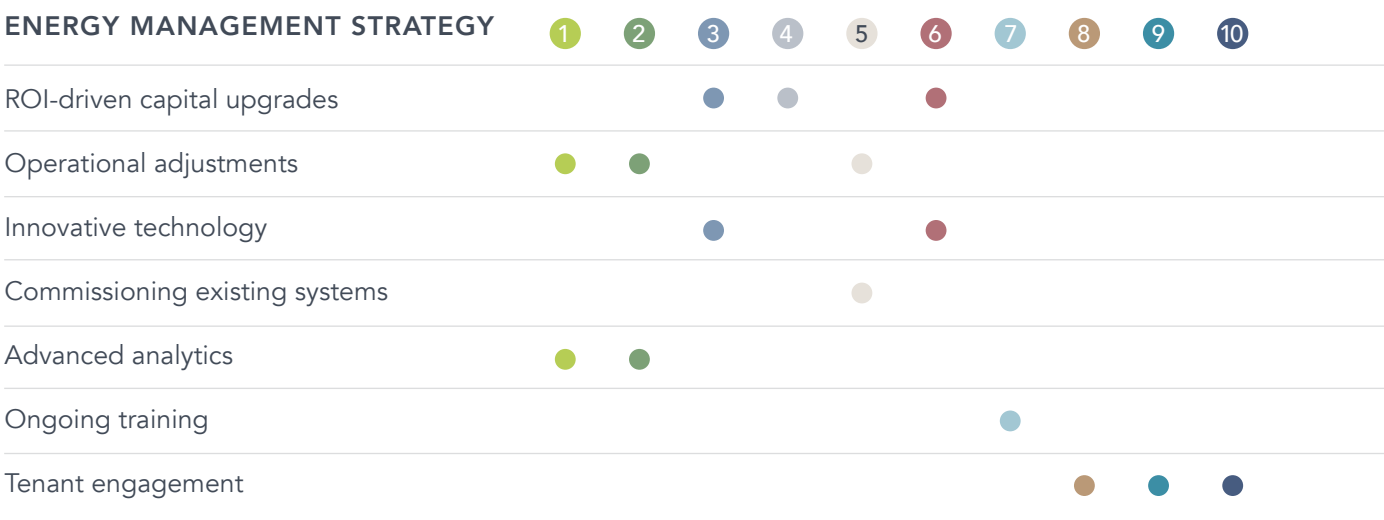
6,957,476

TOTAL SQUARE FEET IN NEW YORK



Energy Management

Managing the energy use of Paramount’s assets is integral to our ESG program as we prioritize initiatives that yield both environmental and economic benefits. Lower energy consumption translates to a smaller carbon footprint and reduced operating costs. Our team developed a comprehensive strategy to achieve a 35% portfolio-wide reduction in energy consumption by 2025.



- 1

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.
- 2

Ongoing Monitoring
Our team leverages the ENERGY STAR Portfolio Manager platform to benchmark energy, emissions, water, and waste data across 100% of the portfolio. Quarterly reports downloaded from Portfolio Manager both verify and track our progress toward corporate-wide reduction targets.
- 3

Energy Conservation Measures
Paramount partners with third-party subject matter experts to conduct energy audits and identify energy conservation measures (ECMs) to optimize building performance. ECMs include system replacements, HVAC upgrades, lighting retrofits, and BMS programming and controls.

- 4

Capital Planning
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 optimize efficiencies on an economically feasible basis.
- 5

Commissioning
Building commissioning ensures that all systems perform to specifications and provides a foundation for correctly benchmarking the baseline energy consumption of an asset. This process typically also leads to fewer mechanical issues and lower maintenance costs.
- 6

Technology
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.



Variable Frequency Drives, 31 West 52nd Street

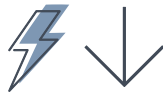
- 7

Training
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. We facilitate company-wide education on existing sustainability programs and emerging trends. These initiatives are reinforced by Executive Management, who receive briefings on these topics monthly.
- 8


Green Lease Provisions
Developing green lease provisions is an assurance that landlord-tenant objectives are aligned from the outset of the relationship. By utilizing the lease as a tool to improve energy efficiency, we create high-performing assets in partnership with our tenants.
- 9

Tenant Build-Out Guidelines
Our Construction Team developed build-out specifications to ensure new and existing tenants design and execute office spaces that advance Paramount’s sustainability objectives. These specifications are aligned with LEED, ENERGY STAR, and building codes, lowering operating expenses and improving overall building energy performance.
- 10

Tenant Collaboration
Engaging tenants in energy efficiency initiatives is key to unlocking the full energy savings potential of a building. We are in constant communication with our tenants by sharing best practices and facilitating the adoption of third-party designations, including the ENERGY STAR Tenant Space recognition. Our team also shares environmental performance data to support the independent targets our tenants set corporately.



35%
ENERGY REDUCTION
BY 2025 FROM A 2015 BASELINE



100%
PORTFOLIO ENERGY
CONSUMPTION BENCHMARKED

Pathway to Decarbonization

Climate change is one of the most pressing issues of our time, and Paramount recognizes our responsibility to address environmental challenges through bold action. Detailed below is the comprehensive pathway our team has developed to decarbonize our portfolio's footprint.

1. INTERIM TARGETS

A key first step in establishing the pathway to decarbonization was setting an interim emission reduction target to drive action within a timeframe that is aligned with corporate planning and investment cycles. Paramount is committed to reducing Scope 1 and Scope 2 greenhouse gas emissions 35% by 2025 from a 2015 baseline.

Scope 1 (direct emissions)

Onsite combustion of fossil fuels used for heating, hot water, and standby generators

Scope 2 (indirect emissions)

Offsite generation of steam and electricity supplied by local utilities

3. CARBON PRICING

To inform Paramount's financial planning and capital allocation processes, we piloted an internal carbon shadow price. The shadow price is a theoretical dollar cost per ton of carbon emissions included in the investment analysis of projects. Incorporating carbon pricing helps our team prioritize low-carbon investments and consider the impact of these investments beyond our bottom line to also include society and the planet.

2. ONSITE EFFICIENCY IMPROVEMENTS

As a building owner, Paramount achieves emission reductions by lowering the onsite energy consumption of our portfolio. Efficient building operations are a result of optimized systems and decision-making, data management and response, operator education, and investment in innovative technologies. Understanding that emission reductions go hand in hand with energy reductions, we also pledged to reduce energy consumption 35% by 2025 from a 2015 baseline.

4. OFFSITE RENEWABLE POWER

Paramount is purchasing renewable power to offset the Scope 2 emissions that cannot be mitigated by efficiency improvements alone. Throughout 2022, 100% of the electricity used by our REIT portfolio in both New York City and San Francisco will be powered by renewable resources.

5. NET ZERO

To continue the evolution of our strategy, Paramount will consider setting future science-based targets that are consistent with Paris-aligned mitigation pathways. Our team is committed to continued persistence and focus on decarbonization strategies to ultimately achieve net zero carbon building operations.



1633 Broadway

35%

REDUCTION IN GREENHOUSE GAS EMISSIONS BY 2025 FROM A 2015 BASELINE

100%

REIT PORTFOLIO ELECTRICITY WILL BE GENERATED BY RENEWABLE RESOURCES THROUGHOUT 2022

Climate Resilience

We recognize climate change as a long-term risk to our business that demands effective management. Developing proactive strategies to mitigate the potential impacts of climate change on Paramount's assets has become increasingly important to our stakeholders and is essential to the future sustainability of our operations. 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.

Climate Change Scenario Analysis

To assess the acute and chronic physical risks to Paramount's portfolio resulting from climate change, we initiated a climate change scenario analysis. This analysis was informed by the Representative Concentration Pathway (RCP) greenhouse gas concentration trajectory adopted by the Intergovernmental Panel on Climate Change (IPCC). Our team applied three scenarios to assess the future risk to our portfolio – the IPCC RCP 2.6, the IPCC RCP 4.5, and the IPCC RCP 8.5. These pathways describe different climate futures, all of which vary depending on the volume of greenhouse gases emitted in the years to come.

The IPCC RCP 2.6 is aligned with a 2°C global emission scenario, and the 4.5 and 8.5 trajectories represent an intermediate and a worst-case scenario. This analysis equips our team with the information needed to proactively assess climate risk, identify resilience measures, and guide decision-making processes. We are committed to refreshing this analysis annually to protect both the value and the condition of our assets from potential hazards including sea level rise, extreme weather, flooding, and changes in precipitation and temperature.

RESILIENCY BLUEPRINT

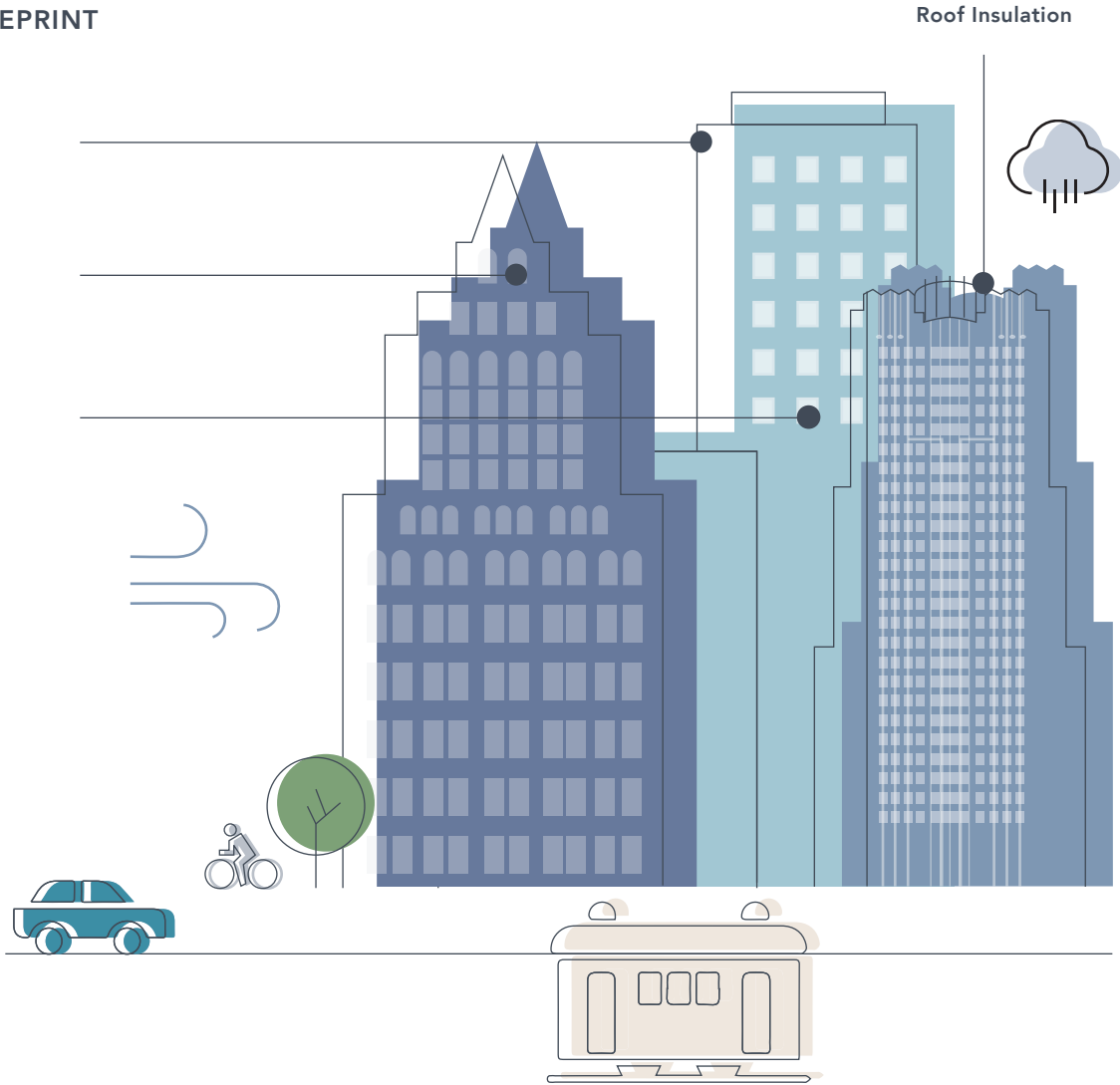
Mechanical Spaces on Higher Floors to Avoid Flooding

Backup Generators

Upgraded Building Systems to Reduce Energy Demand

Retrocommissioning and Energy Audits

Building Emergency Response Plans



RISKS	STRATEGIES
<div>Climate</div> <div></div>	<div>Climate change scenario analysis updated annually</div> <div>Tenant emergency response communication and training</div> <div>Third-party physical climate risk assessments performed on all assets biannually</div> <div>Development of high-performance, resilient buildings</div> <div>Plans and Procedures: Business Continuity, Emergency Response, Life Safety, Emergency Evacuation</div> <div>5- and 10-year capital plans developed to implement efficiency and emissions reduction technologies</div> <div>Demand Response participation to mitigate risk associated with grid failures</div>
<div>Weather</div> <div></div>	<div>Backup generation, emergency lighting, and fire pumps installed on site</div> <div>Adverse weather protocols communicated to building operators</div> <div>Insurance coverage to protect against damage from natural hazards</div>
<div>Water</div> <div></div>	<div>Flood zone identification</div> <div>Critical building equipment and switchgears elevated to higher floors</div> <div>Location of critical building equipment and proximity to flood zones incorporated in underwrites</div>
<div>Fire</div> <div></div>	<div>Bay Area Air Quality Management-aligned operations during wildfire and high air pollution events</div> <div>Carbon pre-filters installed across select San Francisco assets to protect against wildfire smoke</div>

Sustainable Development

1633 BROADWAY - PARAMOUNT'S HEADQUARTERS

Paramount's newly constructed headquarters at 1633 Broadway is the physical expression of our brand and mission. Every design element was carefully selected to reinforce our company culture and demonstrate the embodiment of our corporate philosophy. With sustainability at the core of our values, achieving a LEED Platinum certification and aligning performance with the most stringent sustainability standards is a priority for our team.



Procurement

Materials locally and responsibly sourced



Recycling

72% of construction and demolition waste recycled



Water Savings

Low-flow fixtures purchased that perform 42% better than NYC Building Code



LEED

LEED v4 Platinum ID+C (targeted)



Efficiency

Projected energy consumption 10% lower than ASHRAE 90.1-2010 Energy Code Minimum Requirements

Conceptual Renderings, 1633 Broadway

60 WALL STREET

Paramount's vision for high-performance new construction is exemplified through the development of 60 Wall Street, where environmental stewardship and social responsibility are at the forefront of all design, construction, and operational decisions. At 60 Wall, our objective is to infuse the downtown market with quality, thoughtfully designed space that also supports sustainability and wellness objectives. Tenants at 60 Wall will experience best-in-class amenities, healthy and efficient building operations, and proximity to public transit.



Conceptual Rendering, 60 Wall Street



Green Wall

Largest installation in North America that will utilize 60 species of local plants to support biodiversity



MWBEs

Minority and Women-owned Business Enterprises included in 100% of the bidding and selection process for contractors and subcontractors



Community Improvement

Construction of a POPS (Privately Owned Public Space) will offer open public space and greenery for tenants, visitors, and neighbors



Green Building Designation

Targeting highest levels of LEED and Fitwel certifications



Urban Infill

Retrofitting an existing building to reduce resource consumption needed for new construction and avoid green field development



Enhanced Systems

Optimized efficiency and indoor air quality will be achieved through cutting-edge building systems and operational expertise

Water & Waste

Minimizing the environmental footprint of our assets is driven by responsible resource management. Paramount is committed to achieving a 10% reduction in water usage and a 50% recycling rate by 2025. Our team has demonstrated vigilant management of water and waste consumption to achieve these targets by implementing the below strategies.

WATER EFFICIENCY

Low-Flow Fixtures



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



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 data are disclosed annually. Paramount's water performance is also shared with tenants through our reporting efforts.



2025 TARGETS

10%

REDUCTION IN WATER CONSUMPTION FROM A 2016 BASELINE

50%

RECYCLING RATE

Water Submeters



Water submeters are installed throughout the buildings to monitor consumption, identify opportunities for increased efficiency, and target leaks from specific systems.



View from One Market Plaza

Irrigation



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.

46%

PARAMOUNT REDUCED WATER CONSUMPTION 46% IN 2021 FROM A 2016 BASELINE

WASTE MANAGEMENT

Single-Stream Recycling



Single-stream recycling has been implemented across the entire portfolio to simplify operations and improve recycling rates. Metal, glass, plastic, paper, and cardboard are diverted from landfills and instead sent to recycling facilities for reuse and proper disposal.

Waste Audits



We audit our waste stream annually to verify that Paramount's recycling procedures are upheld. These audits reveal areas for improvement and sources of contamination. Our Property Management Team also uses these data to direct our tenant education and outreach efforts.

Electronic Waste



Electronic waste (e-waste) collection drives are offered to all tenants at no cost throughout the year. We encourage our tenants to responsibly dispose of this waste that could release toxins and heavy metals into the environment if it is improperly sent to a landfill.

Composting



100% of the San Francisco portfolio has implemented an extensive composting program to recycle the organic waste that would otherwise be sent to a landfill site. The compost created through our organics recycling program conserves landfill space needed for non-recyclable materials, provides nutrients for soil, and reduces greenhouse gas emissions.



Janitorial Training



Paramount's janitorial staff uses double-barrel collection bins to ensure that recyclable material is kept separate from and is not contaminated by the waste stream. Additionally, receptacle liners are color-coordinated to help our staff distinguish recycling from waste and to maintain this separation for hauler collection.

Construction Waste Management



Our team opts for recycled materials and reuses durable items whenever possible during construction. When we renovate tenant spaces, we make a concerted effort to recycle ceiling and carpet tiles and to donate furniture.

Data Management



Waste data are benchmarked in ENERGY STAR's Portfolio Manager WasteTracker tool for 100% of the portfolio. These data are also shared with tenants and disclosed each year through our reporting efforts.

320.7

METRIC TONS OF HAZARDOUS WASTE RECYCLED IN 2021



Social

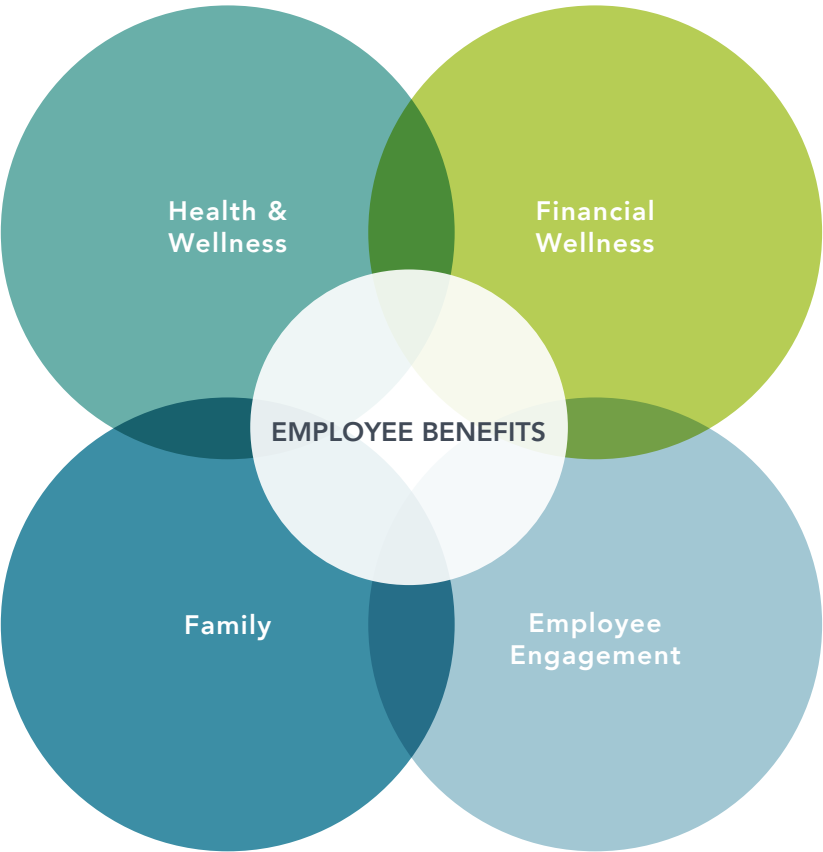
We prioritize the health and safety of our employees, tenants, and communities. Through socially responsible decision-making and action, the team at Paramount aspires to positively contribute to a greater collective purpose.

Our People

Our reputation for operating as a socially responsible organization begins with the ways we respect and support our internal team members. At Paramount, we are committed to promoting the well-being of our employees by maintaining an inclusive company culture, encouraging growth, supporting health through benefits, and creating a shared sense of purpose. We are proud of the team we have assembled and recognize their critical importance to the company's success.

Benefits

Our benefits protect the health, wellness, financial security, and work-life balance of our employees and their families. Our Human Resources Team at Paramount continuously solicits feedback from employees to monitor workplace satisfaction and retain our valued talent. The team also relies on benchmarking reports to ensure we maintain market-leading benefits and meet the evolving needs of our people.



97%
OF EMPLOYEES INDICATED
THEY ARE SATISFIED WITH
PARAMOUNT'S BENEFITS
IN A 2021 EMPLOYEE
ENGAGEMENT SURVEY

318
TOTAL EMPLOYEES

95
CORPORATE

223
PROPERTY MANAGEMENT

Health & Wellness



- Medical, Dental, and Vision Coverage
- Health Savings Account
- Healthcare Flexible Spending Account ("FSA")
- Limited Healthcare FSA
- Paid Short- and Long-term Disability Leave
- Onsite and At-home COVID Testing
- Work From Home Flexibility
- Subsidized Gym Memberships
- Complimentary Health Food Options
- Complimentary Employee Assistance Program providing confidential counseling for various issues that impact mental health, such as stress and depression, relationship struggles, drug and substance abuse, and financial hardship
- Complimentary Benefit Advocacy Center to assist employees with general medical benefits available, explanation of benefits, claims issues, and prescription and pharmacy issues

Financial Wellness



- 401(k) Retirement Plan with Employer Matching Program
- Individualized Financial Planning Sessions
- Commuter Benefits Program
- Employee Stock Grant Program
- Training and Tuition Reimbursement

Family



- Paid Parental Leave
- Dependent Care FSA
- Life and Accidental Death & Dismemberment Insurance
- Fertility and Lactation Support

Employee Engagement



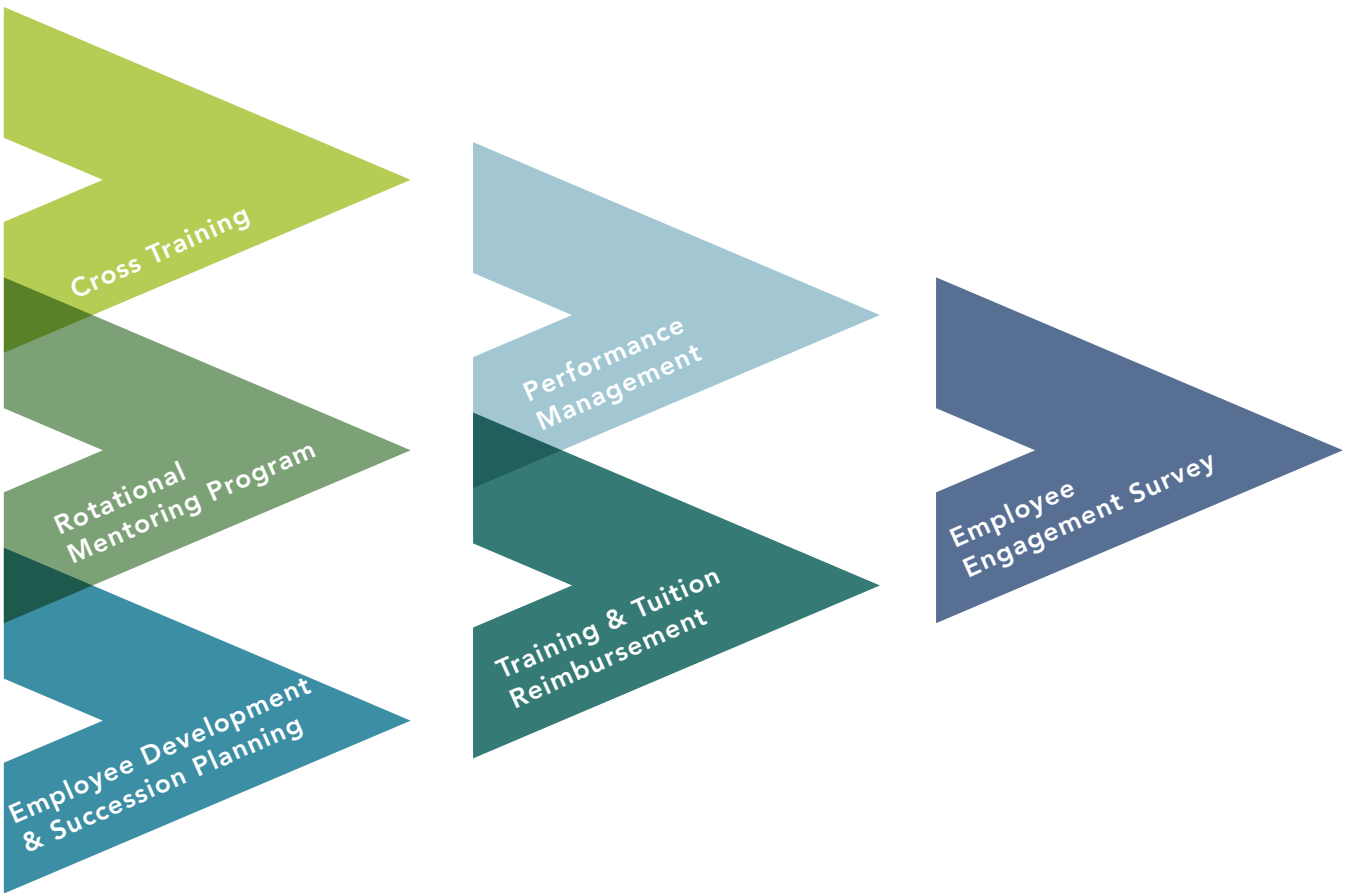
- Annual Employee Satisfaction Survey
- Annual Performance Reviews
- Employee Volunteer Day
- Charitable Contribution Match Program
- Wellness Day: flu shots, biometric testing, and wellness gifts



Top and above: Employee Wellness Day

Human Capital Development

To strengthen our workforce and fortify the future resilience of our business, we invest significant resources into employee training and education. 100% of Paramount employees participated in educational and job-enhancing training opportunities in 2021.



Cross Training

We encourage cross-training opportunities so employees can develop the skills needed for other roles and functions of our business, resulting in a more agile and adaptable workforce.

Rotational Mentoring Program

Paramount’s Property Management Team is given the opportunity to shadow staff at other properties to facilitate information exchange, mentorship, and growth throughout our portfolio network.

Employee Development & Succession Planning

We develop strategies for identifying and developing internal talent to retain knowledge and maintain business continuity.

Performance Management

All employees receive annual reviews to identify strengths and weaknesses. In providing constructive feedback for areas of improvement, managers also provide opportunities for training to address these areas.

Training & Tuition Reimbursement

In order to advance employees’ careers within the company, Paramount invests in opportunities for professional development. Employees are encouraged to further their growth through ongoing training and education.

Employee Engagement Survey

The Human Resources Team at Paramount surveys employees annually to monitor satisfaction across communication, manager performance, growth and development, collaboration, and health and wellness. Our 2021 employee engagement survey had a response rate of 83%.



18 hours

AVERAGE TRAINING RECEIVED PER EMPLOYEE IN 2021

2021 TRAINING TOPIC	EMPLOYEE GROUP	NUMBER OF EMPLOYEES	HOURS PER EMPLOYEE PER YEAR
Active Shooter Response	Property Management	89	8
Anti-harassment	All Employees	318	1
Cardiopulmonary Resuscitation (CPR)	Property Management	89	8
Code of Ethics and SEC Compliance	Corporate Employees	89	1.5
Cybersecurity	Corporate Employees, Engineering, Property Management	291	1.5
Energy Management	Engineering, Property Management	10	3
ESG	Corporate Employees, Property Management	10	10
Fire Safety & Prevention	Property Management	21	30
Local 94 Job Development	Engineering – NYC	4	125
Local SEIU 32BJ Job Development	Security Guards – NYC	68	30
Sustainability	Corporate Employees	20	5.5

Tenure

Our investments in benefits and human capital development initiatives have been rewarded by sustained employee tenure and strong employee satisfaction.

8 years

AVERAGE TENURE OF ALL EMPLOYEES

15 years

AVERAGE TENURE OF EXECUTIVE MANAGEMENT

Diversity, Equity, & Inclusion

At Paramount, we strive to create a diverse, equitable, and inclusive workplace where all employees are encouraged to work and grow authentically. We face social inequality issues head-on and recognize that sustained progress is needed within both our organization and our industry. While we do not have all the answers, we are dedicated to listening, learning, and doing our part.

It has been, and will continue to be, our policy to recruit, hire, assign, promote, and train across all job titles without regard to race, religion, sex, color, national

origin, creed, ethnicity, age, disability, political affiliation, sexual orientation, gender identity or expression, or any other status protected by applicable law. Our workforce is instead evaluated on qualifications, performance, skills, and experience. We do not accept disrespectful or inappropriate behavior, harassment, or retaliation in the workplace or in any work-related circumstance outside the workplace.

To ensure diversity, equity, and inclusion (DE&I) are promoted throughout the company, each employee is provided

with policies and materials detailing Paramount's governance over this area. This year, we will also be introducing DE&I and unconscious bias training that will be mandatory for our employees.

Our Board of Directors conducted a review of all our governance policies at the Board level relating to DE&I. As a result, the Nominating and Corporate Governance Committee revised its policies and procedures to purposefully increase the consideration of diverse candidates for Board-level positions.



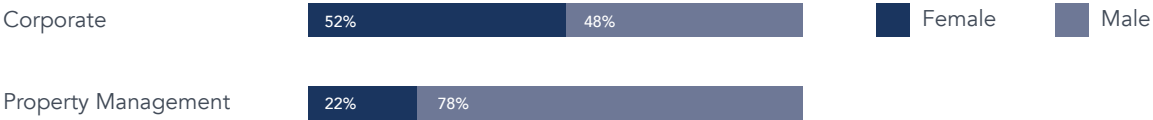
DE&I STRATEGY

- Report quarterly DE&I metrics to Executive Management
- Disclose organizational diversity metrics through U.S. Equal Employment Opportunity Commission (EEOC)
- Publish race, gender, and age group metrics annually through the the GRI Content Index
- Implement policies that prohibit discriminatory practices in the workplace and encourage hiring and promoting diverse employees
- Increase the consideration of diverse candidates for Board-level positions
- Introduce mandatory DE&I and unconscious bias training for our employees in 2022

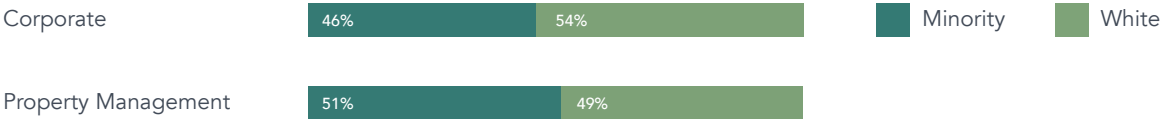


46% OF NEW HIRES IN 2021 IDENTIFY AS MEMBERS OF A MINORITY GROUP

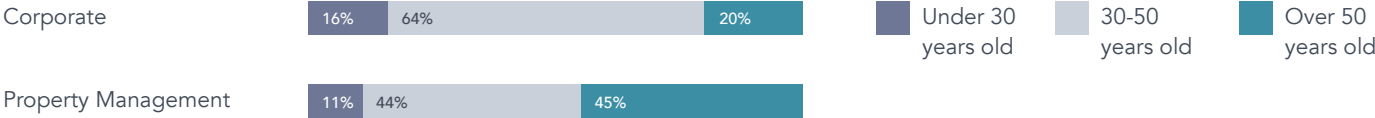
Gender



Ethnicity

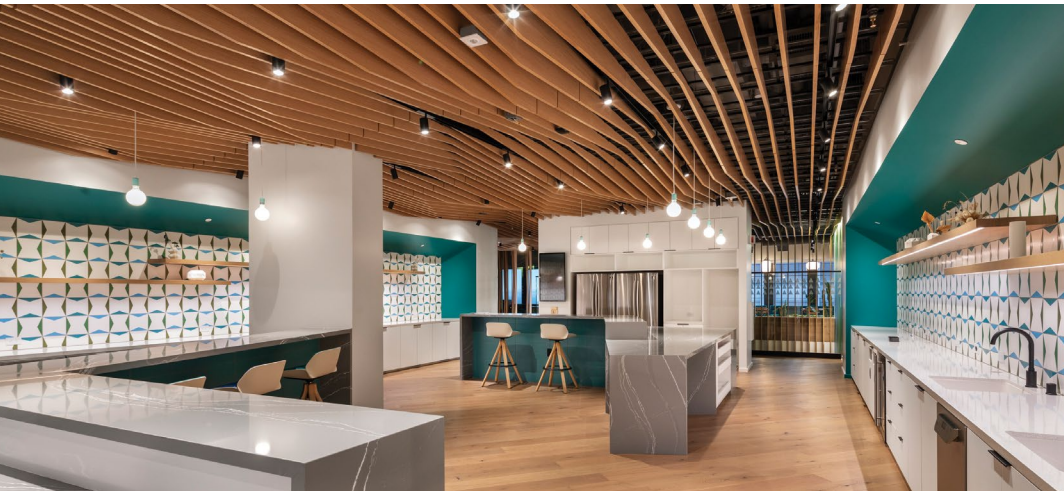


Age



Occupant Health & Safety

Paramount's assets are home to thousands of tenants, visitors, and employees, and we recognize our responsibility to maintain healthy and safe environments for all building occupants. Our historical focus on improving indoor environmental quality (IEQ) positioned us to effectively respond to the COVID-19 pandemic. Our team will continue to adapt, innovate, and collaborate to protect the health of both occupants working throughout our properties and our neighbors from the surrounding communities.



HEALTHY BUILDING MATERIALS

- Limit exposure of building occupants to potentially hazardous materials
- Procure products that emit low quantities of VOCs (volatile organic compounds) to maintain optimal indoor air quality (IAQ)
- Utilize safe and healthy building materials when constructing spaces
- Prioritize materials that are recycled, local, and responsibly sourced

FITWEL

The effectiveness of Paramount's health and wellness strategy is reinforced by our Fitwel Champion status, which distinguishes companies that are committed to applying Fitwel at scale across their portfolios. Paramount achieved Fitwel certification across 10 properties

aggregating approximately nine million square feet.

Fitwel is a rigorous third-party healthy building certification system operated by the Center for Active Design (CfAD). Fitwel was created as a joint initiative

between the U.S. Centers for Disease Control and Prevention (CDC) and the General Services Administration (GSA) to set the industry standard for evidence-based strategies that promote positive health outcomes for building occupants and communities.



Physical Health



Mental Wellness



Community



Social Equality



Physical Activity



Occupant Safety



Nutritional Food

THERMAL COMFORT

- Survey tenants on space temperature satisfaction
- Maintain and install high-quality and efficient HVAC (heating, ventilation, and air conditioning) systems
- Adjust temperature set points based on occupancy

EMERGENCY PREPAREDNESS

- Create emergency evacuation plans and procedures specific to each property
- Practice response drills with tenants
- Communicate with tenants using emergency notification systems
- Provide CPR (cardiopulmonary resuscitation) and AED (automated external defibrillator) trainings



AIR FILTRATION

At 1325 Avenue of the Americas, we installed ActivePure air scrubbers, which have proven to reduce 99.99% of airborne contaminants. 100% of lobby HVAC systems throughout the REIT portfolio will have this technology installed in 2022.



CLEANING AND SANITATION

- Enforce LEED's green cleaning requirements with our cleaning vendors and janitorial staff
- Require high-frequency cleaning and disinfection of commonly touched surfaces
- Procure materials that effectively clean, disinfect, and sanitize
- Adopt touchless systems, including turnstiles, elevators, and bathroom fixtures

INDOOR AIR QUALITY

- Align operations with CDC and ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) guidelines
- Increase outside air intake to maximum levels
- Replace and improve air filtration (MERV-13 filters minimum)
- Commission third-party testing
- Inspect and regulate air quality on an ongoing basis


- Monitor IEQ parameters in real time using the iES WellStat
 - ✓ Carbon dioxide
 - ✓ Particulate matter
 - ✓ Ozone
 - ✓ VOCs
 - ✓ Formaldehyde
 - ✓ Temperature
 - ✓ Humidity
 - ✓ Light level


Amenities


As our tenants return to their offices, we have met their expectations for an innovated workplace that prioritizes wellness, safety, convenience, and amenities. Paramount's team takes a 360-degree approach to providing unparalleled personalized service to tenants and their employees. We invest in our tenant relationships to address the needs of their employees, create value for their companies, enhance their office experiences, and nurture lasting partnerships.




Conceptual Rendering, 1301 Avenue of the Americas Amenity Center

 **Elevated Food Service Offerings**

 **Lounge Areas**

 **Wellness Areas**

 **Meeting Rooms**

NEW YORK CITY

Paramount is in the process of conceptualizing a large-scale conference and amenity center on the ground and concourse levels of 1301 Avenue of the Americas. The center will be available exclusively to tenants within Paramount's New York portfolio, and it will feature elevated food service offerings;

lounge and wellness areas; and large, flexible meeting rooms capable of accommodating over 200 seats. Our objective is to offer tenants a space that cultivates a best-in-class experience and provides a secondary workplace that extends beyond their office footprint.



TENANT ENGAGEMENT PLATFORM

Paramount's team is collaborating with VTS Rise to develop a mobile application that will enhance daily convenience for our tenants through these features:

- Access Control
- Visitor Management
- Event Management
- Booking Reservations
- Service Requests
- Building Communications

SAN FRANCISCO

Paramount's San Francisco portfolio offers market-leading facilities to our tenants, including:

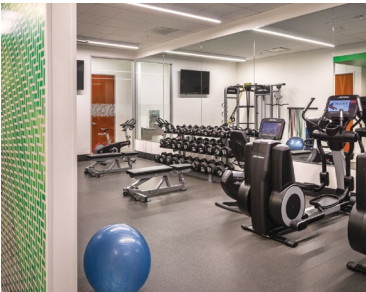
 **Amenity Centers**

 **Outdoor Spaces**

 **Fitness Studios**

 **Conference Rooms**

 **Lounge Areas**



Counterclockwise from top left: One Market Plaza Atrium, One Front Street Outdoor Area, Market Center Fitness Studio, 300 Mission Green Wall, 111 Sutter Amenity Center, 55 Second Street Lounge Area

Volunteerism & Philanthropy

At Paramount, we recognize that our success as a company goes hand in hand with the resiliency of our surrounding communities. We strive to make a positive social impact through employee volunteerism, philanthropic contributions, and donation drives in partnership with our tenants. We are unified by a shared sense of purpose to create a healthy planet and strong communities.



Blood Drive

Recipient: New York Blood Center
Donated: Life-saving blood donations for patients in need



Cancer Fundraising

Recipient: Alex's Lemonade Stand
Donated: Contributions to change the lives of children with cancer through research and awareness



Coat Drive

Recipient: NY Coat Cares
Donated: New or used winter coats for vulnerable New Yorkers



Food Drive

Recipients: Encore Community Services and Citymeals on Wheels
Donated: 800 pounds of food and \$3,000 to help feed food insecure neighbors



Halloween Candy Drive

Recipients: Deployed troops, local military, first responders, and veterans
Donated: Halloween candy to show appreciation to service heroes



Holiday Toy Drive

Recipients: Kids for Kids and Cohen Children's Hospital
Donated: 500+ toys to support children struggling with medical challenges



School Supply Drive

Recipient: Operation Backpack
Donated: Over \$2,000 for school supplies to students living in homeless or domestic violence shelters



Community Commitment

Paramount's assets are more than just office buildings – they are business hubs for over 300 tenant companies, access points for public transportation, openly accessible areas for visitors, platforms for artwork, supporters of local jobs and businesses, and the heartbeat of our surrounding communities.



1

Sustainable Transportation

To promote the use of sustainable transportation for commuters traveling to and from our properties, we constructed bicycle rooms and installed electric vehicle (EV) charging stations. Our employees are also provided with commuter benefits to promote and incentivize the use of public transit.



2

Public Transit Improvements

We partner with the Metropolitan Transportation Authority (MTA) to invest in and construct public transit improvements for the subway infrastructure that connects into our properties. At 60 Wall Street, Paramount will be upgrading the MTA corridor leading from the Wall Street subway station into the building's concourse.

3

Convenient and Accessible Locations

100% of our properties are located within central business districts that are walkable and have premier access to public transportation. As a testament to prime locations of Paramount's properties, we scored an average of 98 / 100 Walk Score and 100 / 100 Transit Score using the Walk Score® methodology.

In numerical order: EV Charging Stations at One Front Street, Conceptual Rendering at 60 Wall Street, Entrance of One Market Plaza, POPS at 31 West 52nd Street, Lobby Artwork at 55 Second Street, Local Artist at One Front Street, Security Guard at 1325 Avenue of the Americas

Convenient and Accessible Locations

98/100

WALK SCORE

100/100

TRANSIT SCORE

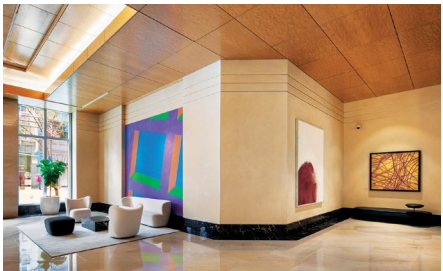
4



Privately Owned Public Spaces (POPS)

POPS offer open public space and greenery for our tenants, visitors, and neighbors. Six of our properties maintain POPS, which create pedestrian-friendly retreats within dense cities.

5



Artwork

Paramount invests in artwork installations both within our lobbies and at our building exteriors to create an aesthetic experience for building occupants and our neighbors. We believe that public art enriches our physical environments and contributes to a community's vitality.

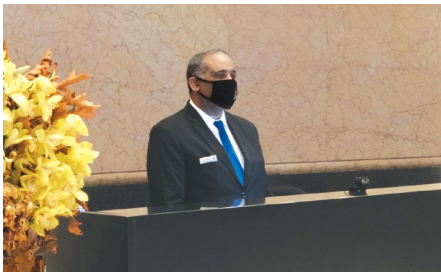


At One Front Street, we partner with local artists from the Bay Area to curate a rotating display of artwork in the building's lobby. This initiative provides artists with the opportunity to exhibit their work to a broader audience within the community.

6

Job Creation

Hundreds of onsite property management, engineering, janitorial, security, and construction employees are hired to operate our properties. We partner with local unions to hire for various roles and ensure we are strengthening the current and future workforce. Our business not only creates jobs directly, but also supports local businesses within our surrounding communities by generating activity and foot traffic.





Governance

At Paramount, our governance structure is integral to safeguarding the company's long-term success, delivering value to our shareholders, managing risks and opportunities effectively, and preserving the public's trust in our reputation as an ethical corporate citizen.

Governance

At Paramount, we are committed to operating our business under rigorous corporate governance practices. The adoption of Corporate Governance Guidelines enhances the Board's effectiveness and oversight over long-term strategy, business continuity and resilience, adherence to standards and policies, and the advancement of responsible operations.



1301 Avenue of the Americas



31 West 52nd Street

CORPORATE GOVERNANCE HIGHLIGHTS

Stockholder Rights	Structural Protections
<ul style="list-style-type: none">Annual election of all DirectorsMajority voting for Directors in uncontested elections, with mandatory Director resignation policyAnnual Say-on-Pay votingNo stockholder rights plan (poison pill)Proxy access (3/3/20 up to the greater of 2 Directors or 20% of the Board)Right to select federal forum in any state to bring federal securities actionsStockholder right to amend bylawsPolicy on company political spendingFrequent and robust stockholder engagement efforts	<ul style="list-style-type: none">8 of 9 Directors are independentLead independent DirectorExecutive sessions without ManagementBoard and Committee risk oversightMinimum share ownership guidelines for Directors and Executive OfficersCode of Business Conduct and Ethics for Directors and employeesAnnual Board and Committee self-evaluationsAnti-hedging and anti-pledging policiesClawback policy

STOCKHOLDER ENGAGEMENT

Engaging in stockholder outreach is an essential element of strong corporate governance, and we continually seek to better understand the views of our investors on key topics affecting our business. Our team met with 88 investors in 2021, and as a direct result of these engagements, the Board made meaningful changes to certain corporate governance practices and related disclosures. Please refer to Paramount's 2022 Proxy Statement for additional information.

53% OF UNAFFILIATED INVESTORS ENGAGED THROUGH 2021 STOCKHOLDER OUTREACH EFFORTS

2021 Stockholder Engagement Themes:

- Board-level Diversity
- ESG Management
- Bylaw Amendments
- Proxy Access

ESG Oversight

Paramount's Board of Directors vested the Audit Committee with oversight over Environmental and Social matters, and the Nominating & Corporate Governance Committee with oversight over Governance matters. As such, Paramount's Sustainability Committee, which was created to implement Paramount's ESG goals and ensure they are fully integrated into our business strategy, reports to the Audit Committee.

The Sustainability Committee reports to the Executive Management Team, the Chairman and CEO, and the Audit Committee on an ongoing basis. The Sustainability Committee also advises the Audit Committee and the Chairman of the Board on sustainability strategy, emerging regulatory and compliance issues, and stakeholder engagement.

The Sustainability Committee meets monthly and is comprised of leadership representatives from every department across the company, including Leasing, Asset Management, Acquisitions, Legal, Property Management, Engineering, Finance, and Human Resources. This diverse participation reinforces that ESG is at the forefront of decisions made throughout every level of the business.

To further integrate ESG into our business strategy, the Compensation Committee incorporates key ESG-centric goals into Executive Management variable pay awards. These encourage, for example, achievement of additional green building certifications and improvements in various ESG ratings. The 2021 ESG Compensation Goals are listed in Paramount's 2022 Proxy Statement.

SUSTAINABILITY COMMITTEE RESPONSIBILITIES

- Improve the environmental performance at all assets
- Increase social awareness and the health and well-being of employees and tenants
- Provide spaces that promote physical health and mental well-being and are focused on tenant satisfaction
- Report on the company's achievements toward best-in-class governance and transparency efforts including coordinating internal and external stakeholder engagement



TCFD

The TCFD (Task Force on Climate-related Financial Disclosures) was established to develop recommendations for more effective climate-related disclosures and to enable stakeholders to understand an organization’s climate change exposure. TCFD recommendations are structured around four categories that represent core elements of how organizations operate – governance, strategy, risk management, and metrics and targets. At Paramount, we leverage the TCFD framework to incorporate climate-related risks and opportunities into our risk management and strategic planning processes. For additional detail, Paramount’s TCFD Report is available on our website.

GOVERNANCE

The Board of Directors vested the Audit Committee with oversight responsibility for Environmental and Social matters, including sustainability and climate change. As such, the Audit Committee has oversight over Paramount’s Sustainability Committee, which is comprised of management-level representation from all departments of the organization, including Finance, Legal, Leasing, Human Resources, Asset Management, Acquisitions, and Property Management.

STRATEGY

Understanding Paramount’s climate-related risks and opportunities is essential to effective management of the business and our strategic objective to advance sustainable economic growth. Physical risk from climate change can be driven by events (acute) or by longer-term shifts (chronic) in climate patterns, and transition risks are the result of policy, legal, technology, and market changes that address mitigation and adaptation requirements related to climate change. The climate-related physical risks, transition risks, and opportunities Paramount has identified are listed in the below table.

To assess the acute and chronic physical risks resulting from climate change on Paramount’s portfolio, we initiated a climate



The Audit Committee considers climate-related issues when reviewing financial statements and disclosures. When evaluating both the existing portfolio and new acquisitions, the intersections of climate-related issues with strategy, annual budgets, capital expenditures, acquisitions, and divestitures are taken into account initially by the Executive Management Team and then reviewed, as needed, by the Investment & Finance Committee or Board of Directors. The Sustainability Committee is responsible for assessing and managing climate-related risks and opportunities across the organization.

change scenario analysis. This analysis was informed by the Representative Concentration Pathway (RCP) greenhouse gas concentration trajectory adopted by the Intergovernmental Panel on Climate Change (IPCC), which is detailed in the Climate Resilience section of this report.

To further enhance our risk identification process, Paramount works with a third-party provider to produce physical climate risk assessments biannually. These assessments help our team prioritize capital planning decisions and strengthen the resiliency of our assets. Paramount defines short-, medium-, and long-term risks as 0-5 years, 5-15 years, and 15-35+ years, respectively.

RISK MANAGEMENT

Paramount’s process to identify, assess, and manage climate-related risks is detailed in the below table.

Annual <ul style="list-style-type: none">Analyze asset-level exposure to physical climate hazards through climate scenario analysisAssess Critical Tier I Suppliers on ESG performanceRefresh materiality assessment	Biannual <ul style="list-style-type: none">Conduct building evaluations through third-party physical risk assessments Quarterly <ul style="list-style-type: none">Evaluate building greenhouse gas emissions and environmental performance with the Executive Management TeamRequest price forecasting from vendors	Ongoing <ul style="list-style-type: none">Identify in underwrites asset proximity to flood zones and location of critical building equipmentUpdate analyses on emerging transition risks, including legislative developmentsMonitor energy prices and procurement optionsInitiate stakeholder engagement
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Decision Making Processes

For each property in our portfolio, Paramount develops a 5-year and 10-year capital plan based on an assessment of building equipment conditions to anticipate all future capital needs. Our Engineering Team identifies equipment near the end of its useful life and proposes capital projects that would produce energy efficiency improvements. Beyond our internal expertise, we also leverage external consultants to improve our properties through retrocommissioning, which ensures building systems perform up to specifications, and we conduct ASHRAE Level II Energy Audits to identify energy efficiency opportunities. Capital plans are reviewed annually, where planned projects are reevaluated for implementation and can be expedited or deferred.

To help inform our financial planning and capital allocation, we also piloted an internal carbon shadow price. The shadow price is a theoretical dollar cost per ton of carbon emissions included in the investment analysis of projects. Incorporating carbon pricing helps our team prioritize low carbon investments and consider the impact of these investments beyond our bottom line to also include society and the planet.

We engage key stakeholders to confirm the materiality of identified climate-related risks and opportunities. Emissions and energy were among the top risks and opportunities that were revealed in our 2021 materiality assessment.

METRICS AND TARGETS

At Paramount, we are committed to sharing environmental performance data publicly through issuing annual ESG reports. We also set ambitious reduction targets for emissions, energy, water, and waste. We track our progress against these targets at the organizational level and report performance compared to these targets at the asset level to Paramount’s Executive Management Team quarterly. To further integrate responsible climate management practices throughout our organization, the Compensation Committee incorporates key ESG goals into Executive Management variable pay awards.

\$750M

NEW REVOLVING CREDIT FACILITY
LINKED TO CARBON EMISSION
REDUCTION TARGETS

Risk Management

This section summarizes select priority risks that have Board-level oversight, in addition to the climate- and ESG-related risks detailed throughout the report. Through a multifaceted and comprehensive approach to risk management, Paramount's leadership proactively addresses the risks and opportunities that influence all aspects of our business, including financial performance, business conduct, cybersecurity, health, and compliance.



Business Resiliency

Paramount's long-term business strategy is rooted in operating high-quality office assets in the cities that are at the center of global commerce and following prudent practices, such as leasing to creditworthy tenants, insuring our assets against physical loss, following responsible information security and vendor management practices, and testing our business continuity plan regularly.



Occupational Health and Safety - Contractors

All contractors hired by Paramount are required to work within OSHA (Occupational Safety and Health Administration) guidelines and are responsible for enforcing these requirements to protect their employed field personnel, as well as the subcontractors they hire. Construction projects employ either onsite safety managers or third-party reviewers to perform safety checks at the job site to ensure best practices are maintained.



Code of Business Conduct and Ethics

Paramount's Code of Business Conduct and Ethics guides the company's Directors, Officers, and employees in making ethical and legal decisions when conducting business and performing day-to-day duties. To uphold the Code provisions, every employee receives online training annually regarding obligations under the Code, and new employees must certify in writing upon hire that they will abide by the Code.



Corporate Governance Policies

Our website hosts a comprehensive suite of policies that are communicated to and enforced for all employees, partners, and shareholders to uphold sound governance practices. These policies address a variety of topics, including anti-bribery, anti-corruption, human rights, anti-money laundering, political spending, vendor conduct, and environmental protection.



Cybersecurity

We uphold the most stringent standards for our cybersecurity strategy by piloting protective technologies; purchasing liability insurance coverage; and implementing cybersecurity awareness training, firewall and penetration testing, periodic software updates, and security assessments.



Human Capital

Attracting and retaining premium talent is central to Paramount's risk management framework. Employee engagement surveys, performance reviews, and robust benefits are used to solicit feedback from our employees and ensure we are supporting our employees' needs. We also invest in cross training, rotational mentoring, employee education, and succession planning to retain knowledge and maintain business continuity.



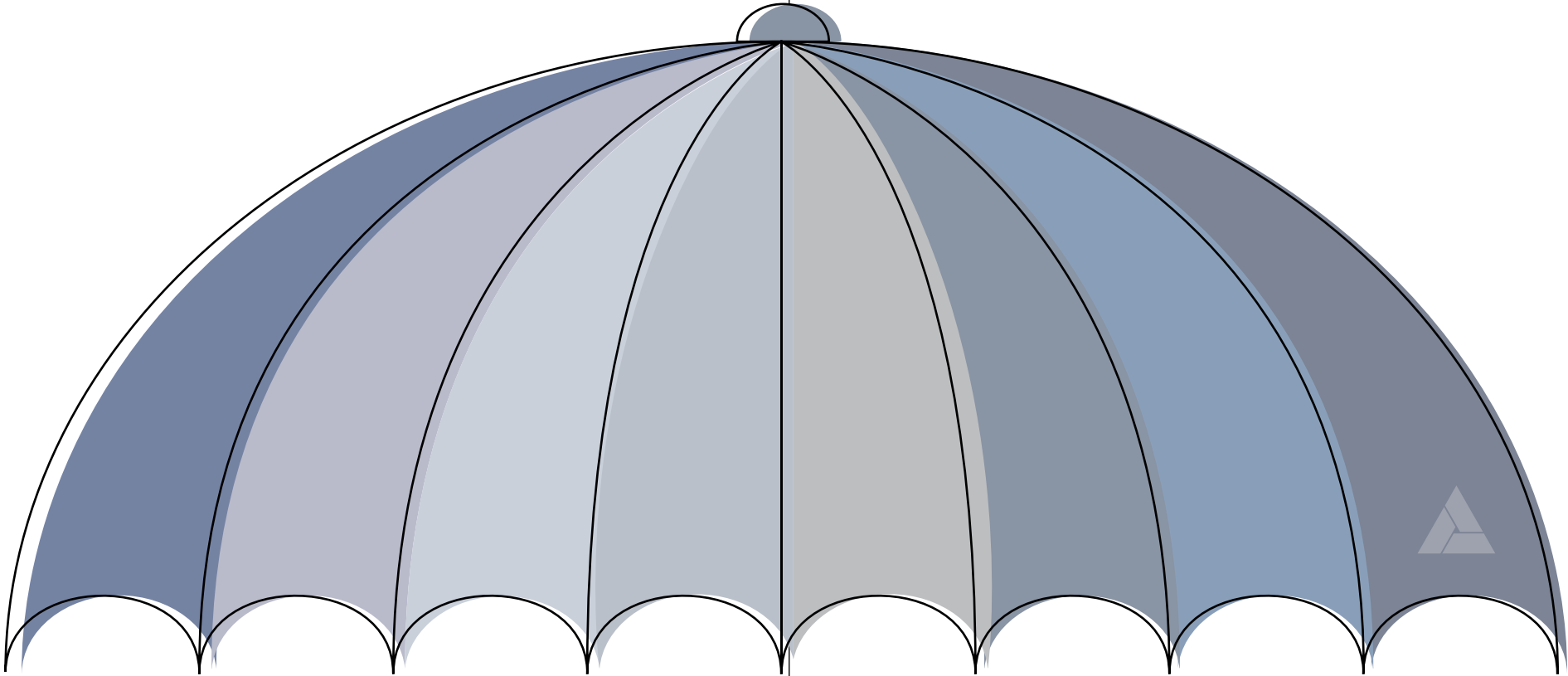
Legislative

Paramount's team evaluates the impact of legislation on our assets, including climate-related policies mandated through benchmarking ordinances and New York City's Climate Mobilization Act. These regulations require strategic planning and inform both current and future operational and capital decisions.



Occupational Health and Safety - Employees

Managing the health and safety of our employees and all building occupants is at the forefront of Paramount's approach to risk management. We developed a comprehensive strategy for a healthy workplace that includes enhancements such as indoor air quality testing, air filtration, and cleaning and sanitation. To address safety, our team is prepared to respond to emergency situations through fire safety and prevention, active shooter response, and CPR trainings.



Supply Chain

Paramount relies on an extensive network of suppliers for the procurement of materials and services. Our suppliers support all our business needs, from the operation of our existing buildings to the construction of new development. We partner with suppliers that embrace our ESG values and adhere to our Human Rights Policy and Vendor Code of Conduct. Through responsible supply chain practices, our objective is to positively influence the environmental and social outcomes both within our business and throughout our supply chain.



HUMAN RIGHTS

Protection of human rights requires thoughtful and intentional management of day-to-day operations. Paramount conducts its business in accordance with a stringent Human Rights Policy which we also require our suppliers to uphold within their own businesses. Paramount's Human Rights Policy is uploaded to our website and addresses the key risks listed below.

- Workplace health, safety, and security
- Work hours, forced labor, human trafficking, and child labor
- Lack of reporting opportunities, freedom of association, and collective bargaining

VENDOR CODE OF CONDUCT

Paramount's Vendor Code of Conduct establishes fundamental ethical and business principles that we expect all our suppliers to abide by. We entrust our suppliers to comply with the provisions of the Code when they conduct their business internally and within their supply chain. Our Vendor Code of Conduct is publicly accessible and available on Paramount's website.

SUPPLY CHAIN RISK MANAGEMENT

Our team implements an effective risk management process to identify potential risks across the supply chains that support both our own operations and the operations of our suppliers. This process applies to Paramount's Critical Tier 1 Suppliers and all new vendors. Critical Tier 1 Suppliers are defined as those that provide services to our organization valued at \$400,000 or above, plus those that provide essential services that, if interrupted, would immediately impact our operations.

Critical Tier 1 Suppliers and all new vendors are required to review and acknowledge their compliance with Paramount's Vendor Code of Conduct. We expect each of our suppliers to notify us if there is a violation of the Code which might adversely affect Paramount.

Critical Tier 1 Suppliers and new vendors are also required to complete a survey to evaluate their ESG practices. Critical Tier 1 Suppliers will be evaluated on an annual basis. For suppliers that do not adhere to the Code or meet our ESG requirements, corrective action plans can be issued and contracted future work will be reassessed.

76%

IN 2021, PARAMOUNT'S VENDOR CODE OF CONDUCT AND ESG MONITORING SURVEY COVERED 44 OUT OF 87 CRITICAL TIER 1 SUPPLIERS, REPRESENTING 76% OF ANNUAL SPEND WITH THOSE SUPPLIERS.



1301 Avenue of the Americas

SUPPLIER ESG SURVEY

Workplace, Social Practices, and Business Ethics

- ✓ Human Rights
- ✓ Diversity, Equity, and Inclusion
- ✓ Freedom of Association and Collective Bargaining
- ✓ Safe and Healthy Workplaces
- ✓ No Child Labor, Forced Labor, or Human Trafficking
- ✓ Work Hours, Wages, and Benefits
- ✓ Anti-bribery/Anti-corruption

Environmental Practices

- ✓ Compliance with Environmental Laws
- ✓ Resource Conservation Practices
- ✓ Responsible Procurement
- ✓ Corrective Action

Cybersecurity

- ✓ Data Privacy
- ✓ Penetration Testing and Vulnerability Scans
- ✓ Cyber Threat Assessments
- ✓ Employee Training
- ✓ Business Continuity/Incident Response Plan

Stakeholder Engagement

Effective ESG management requires robust stakeholder engagement. Stakeholder engagement is critical to ensuring we have the best information, are responsive to stakeholder needs, and are able to quickly identify and address emerging challenges. We seek to provide the utmost transparency and establish strong lines of communication with all our stakeholders. Stakeholders are defined as those groups who both influence and are influenced by our business, including Paramount's Board of Directors, community members, employees, investors, suppliers, and tenants. Through active engagement with our stakeholders, we adequately address stakeholder concerns and consistently improve our ESG performance.

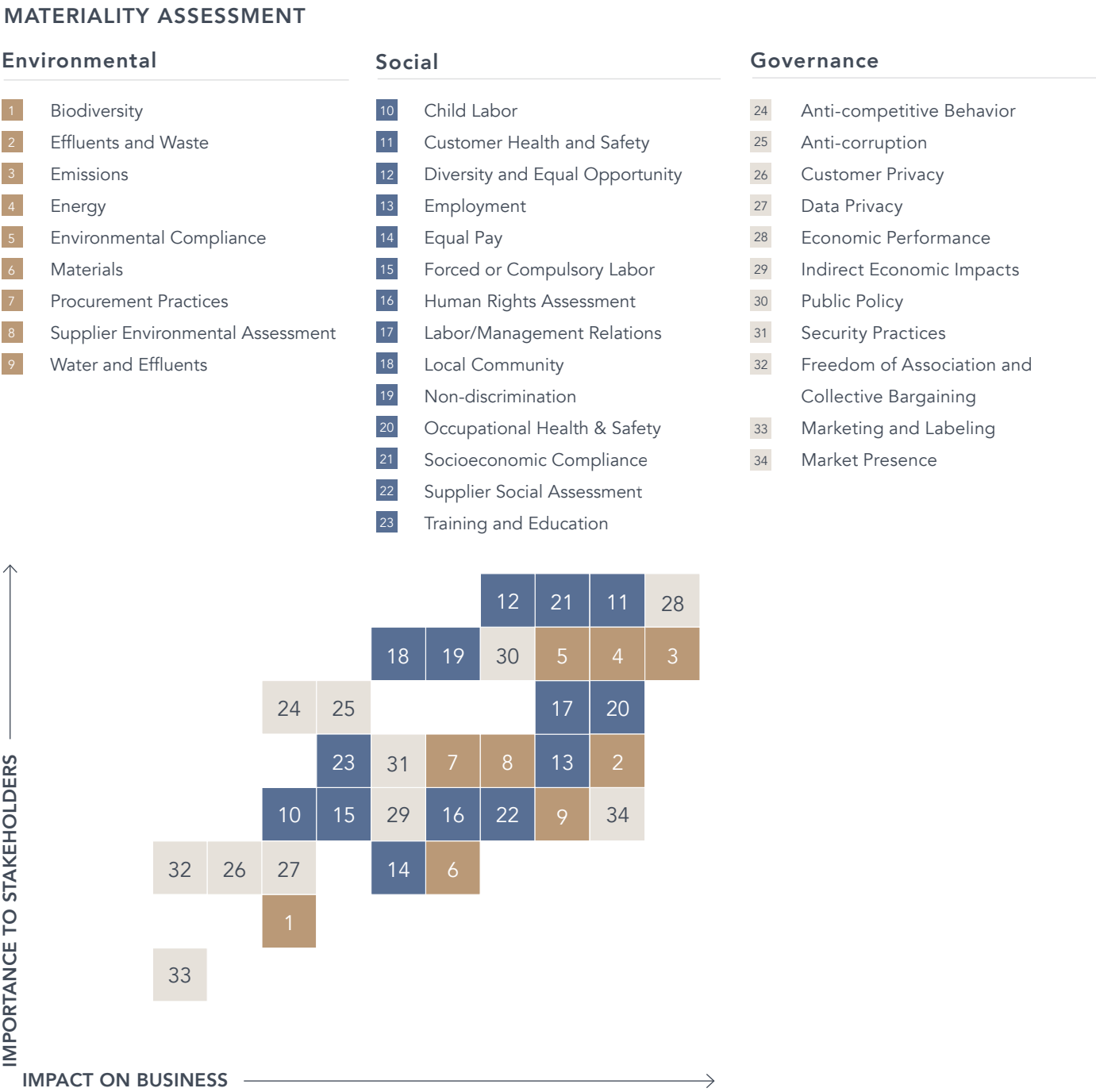
Stakeholder	Engagement Methods & Frequency	Topics Identified
Board of Directors	Quarterly Updates Annual ESG Report Annual ESG Target Compensation Review	Energy, Emissions, Water, Local Community, Economic Performance, Environmental Compliance, Socioeconomic Compliance, Diversity
Community Members	Ongoing Philanthropy and Volunteerism Initiatives Ongoing Job Generation Opportunities Ongoing Public Transit Improvements Ongoing Engagement on Development Projects	Energy, Emissions, Water, Effluents and Waste, Indirect Economic Impacts, Local Community, Biodiversity, Public Policy
Employees	Ongoing Training and Education Monthly Sustainability Committee Meetings Monthly Operating Meetings Annual Employee Engagement Survey	Freedom of Association and Collective Bargaining, Diversity, Nondiscrimination, Equal Pay, Occupational Health and Safety, Employment, Training and Education
Investors	Ongoing Non-deal Roadshows, Industry-specific Meetings Quarterly Investor Presentation Quarterly Earnings Calls, 10-Q Annual Report, 10-K, and Proxy Statement Annual ESG Report	Economic Performance, Energy, Emissions, Anti-corruption, Environmental Compliance, Socioeconomic Compliance, Diversity
Suppliers	Ongoing Pricing and Inventory Inquiries Annual ESG Assessment and Compliance Monitoring	Energy, Emissions, Water, Environmental Compliance, Effluents and Waste, Freedom of Association and Collective Bargaining, Diversity, Occupational Health and Safety, Child Labor, Forced or Compulsory Labor, Labor/Management Relations
Tenants	Ongoing Communication and Meetings Annual Green Building Surveys Biannual Tenant Satisfaction Surveys	Customer Health and Safety, Energy, Emissions, Water, Effluents and Waste, Materials, Procurement Practices, Customer Privacy, Security

Materiality Matrix

Paramount refreshed its annual materiality assessment in 2021 to identify the ESG issues that are most relevant to key stakeholders, including the Board of Directors, community members, employees, investors, suppliers, and tenants. The issues are classified into Environmental, Social, and Governance categories, and are weighted based on the importance determined by stakeholders (vertical axis of the matrix) and the impact on Paramount's business (horizontal axis of the matrix).

The methodology used follows the GRI framework. The analysis is conducted with both a dynamic approach – continuous monitoring of stakeholders' expectations, particularly to determine whether there are any non-material issues that might become material for the business over time – and a dual vision – assessing the Company's environmental and societal impact.

The findings of the materiality matrix have helped us to further refine our ESG disclosures and prioritize the next steps for our ESG strategy.



24

Anti-competitive Behavior

25

Anti-corruption

26

Customer Privacy

27

Data Privacy

28

Economic Performance

29

Indirect Economic Impacts

30

Public Policy

31

Security Practices

32

Freedom of Association and Collective Bargaining

33

Marketing and Labeling

34

Market Presence

↑

IMPORTANCE TO STAKEHOLDERS

IMPACT ON BUSINESS→

About This Report

Methodology

This is Paramount's fourth annual sustainability report, which includes metrics covering the 2021 calendar year. Based on the GRI Reporting Framework, our report informs stakeholders of Paramount's ESG initiatives. This report includes disclosures from the Construction and Real Estate Sector Supplement of the GRI Reporting Framework. Historical reports, the GRI, SASB, and TCFD Indexes, and other supplemental ESG information can be found at <https://www.paramount-group.com/about/sustainability/>.

The reporting boundary covered in this report includes six New York City properties – 1633 Broadway, 1301 Avenue of the Americas, 1325 Avenue of the Americas, 31 West 52nd Street, 900 Third Avenue, and 712 Fifth Avenue – and six San Francisco properties – One Market Plaza, Market Center (555 Market Center and 575 Market Center), 300 Mission Street, One Front Street, 55 Second Street, and 111 Sutter Street. Paramount collected data from these properties in which we maintained ownership or direct operational control for the full 2021 calendar year. Data for retail and residential properties are excluded due to lack of direct operational control. The square footage of each building is consistent with the reported values disclosed through the company's financial filings.

Employee data and metrics used in this report pertain to full-time staff that have been directly hired by Paramount and do not cover third-party contractors operating at Paramount's buildings.

Paramount worked with SIG (Sustainable Investment Group), a sustainability consulting firm, to collect, analyze, and report on environmental performance data completely and accurately. SIG worked with management and building staff, service providers, and utilities to collect data for energy, emissions, water, and waste. This report uses like-for-like data to compare the environmental performance of Paramount's portfolio from 2019 through 2021, using a baseline of 2015 for energy and emissions, and a baseline of 2016 for water. Waste diversion rates are compared across 2019, 2020, and 2021. SIG assured the environmental performance data disclosed in this report. If any data were not available, estimates were used.

The GHG (greenhouse gas) inventory process was performed in accordance with quantification methodologies of the GHG Protocol. After all data were collected, SIG converted the energy consumption quantities into carbon emissions using industry standard emissions factors and global warming potentials published by the GHG Protocol. The EPA National emissions factors for electricity were used in 2015-2020 calculations, listed here: Electric – 82.93 kg/Mbtu, Steam – 66.4 kg/Mbtu, and Gas – 53.11 kg/Mbtu. EPA eGRID Subregions

emissions factors for electricity were used in 2021 calculations, listed here: Electric (NY) – 84.55 kg/Mbtu, Electric (CA) – 68.52 kg/Mbtu, Steam – 66.33 kg/Mbtu, and Gas – 53.11 kg/Mbtu.

For the New York City properties, energy data were collected by requesting aggregate utility data from Consolidated Edison and for the San Francisco properties, energy data were collected by requesting aggregate utility data from Pacific Gas and Electric. These reports provide usage values for electricity, steam, and natural gas in kBtu, which are converted into MWh using the factor 0.000293071. Scope 1 consumption and emissions were calculated by taking the aggregate on-site emissions factors (i.e., fuel oil, natural gas, and refrigerants) and subtracting tenant fuel. Scope 2 consumption and emissions were calculated similarly by subtracting the tenant distributed energy (i.e., electricity and steam) from the total electricity and steam usage found in aggregate building data.

Waste data were collected through waste hauler reports that include the total waste, recyclables, organics, and electronic waste collected from each site. The waste diversion percentage was calculated by taking the total amount of recyclable, organic, and electronic material and dividing by the sum of landfilled waste plus recyclable, organic, and electronic material. An absolute target of 50% waste diversion for the portfolio was set due to the unavailability of historical waste data for San Francisco properties. Beginning in 2019, One Market Plaza and One Front Street were included in the calculations, and in 2020, 55 Second Street's waste was added to these calculations for a total of three properties. Waste data for all properties, both in New York City and San Francisco, are included in the 2021 calculations.

Water data were collected by gathering aggregate water data from the utility provider from each city. The report provides usage values for aggregate potable water usage (kGal), and these values are converted to cubic meters using the factor 3.785411784.

Paramount's assets experienced a decrease in physical occupancy due to COVID-19 in 2020 and 2021. While our buildings remained in operation to serve all tenants, we experienced a decline in overall building utilization and subsequently in resource consumption. The environmental performance data are noticeably lower when compared to the latest pre-pandemic figures in 2019.

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Photography / Renderings

All photography and renderings used throughout this report are images from Paramount's portfolio, listed below:

1633 Broadway: Page 17, Page 20 (conceptual renderings)

1301 Avenue of the Americas: Pages 24-25, Page 34 (conceptual rendering), Page 42 (left), Page 49

1325 Avenue of the Americas: Pages 26-27, Page 29, Page 31 (left), Page 33, Page 37 (Thanksgiving Food Drive), Page 39 (security employee)

31 West 52nd Street: Pages 10-11, Page 15, Page 22 (bottom left), Page 37 (NYPD Breakfast), Page 39 (POPS), Page 42 (right)

712 Fifth Avenue: Page 3, Page 30

One Market Plaza: Pages 6-7, Page 9, Page 22, Page 35 (left column, top image), Page 38 (building entrance)

Market Center: Page 35 (right column, bottom left image), Pages 40-41, Page 53

300 Mission Street: Page 32, Page 35 (right column, bottom right image)

One Front Street: Page 35 (left column, bottom image), Page 38 (EV Charging station), Page 39 (local artist)

55 Second Street: Page 35 (right column, top image), Page 39 (lobby artwork)

111 Sutter Street: Page 35 (right column, middle image)

60 Wall Street: Cover (conceptual rendering), Inside Front Cover (conceptual rendering), Page 21 (conceptual rendering)



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