



PARAMOUNT
GROUP, INC.

2020 Sustainability Report



Company Profile



Headquartered in New York City, Paramount Group, Inc. (“Paramount”) is a fully-integrated real estate investment trust that owns, operates, manages, acquires and redevelops high-quality, Class A office properties located in select central business district sub-markets of New York City and San Francisco. As of December 31, 2020, our portfolio consisted of 13 Class A office properties aggregating approximately 12.9 million square feet that we own, and six other properties aggregating one million square feet that we manage. Our business strategy is simple and proven—we focus on the best markets, own the best assets, provide superior tenant service, and hire and retain the best people. We believe in staying true to what we know and do best. This is our formula for sustained success.

19

Properties



13.9 Million Sq. Ft.



323

Employees



329

Tenants



2020 Performance Highlights



100%

Properties Certified LEED
Platinum or Gold



100%

Properties Certified



G R E S B
★★★★★ 2020

“5 Star”

Second Consecutive Year



17.8

kWh/SF Energy Intensity



59.2%

Reduction in Water Intensity
Since 2016 Baseline



42.5%

Waste Diversion Rate



9

Fitwel Certified Properties

Fitwel Legacy
Champion



Adopted
“Modified
Rooney” Rule

To Increase Consideration of Diverse
Board-Level Candidates

Enhanced
Transparency

Added Resilience/Climate
Reporting and GRI and
TCFD Indices



Environmentally Conscious. Socially Responsible.

Never before have we been so aware of the impact that our actions have on each other, both “in the now” and “in the future.” Whether it is efforts to reduce greenhouse gas emissions to protect our climate, efforts to reduce plastic waste to protect our planet, or a commitment to get vaccinated if we can to protect each other’s health and economic well-being, we are all in this together.

— Albert P. Behler, *Chairman, CEO & President*



Letter from the CEO



Albert Behler
Chairman, CEO & President

As I write this, business as “almost usual” is becoming a reality. Despite the uncertainty brought by 2020, we are slowly but surely finding our way back to normalcy as the government’s vaccination efforts have yielded tremendous success. We successfully navigated the COVID-19 crisis, thanks to the resilience of our employees, investors, and the communities in which we operate. While there are many key drivers to our success, including our years of discipline in curating a portfolio of some of the most desirable assets in gateway cities that are long-term leased to a blue-chip tenant roster, one particularly important driver of this resilience is an Environmental, Social and Governance (“ESG”) strategy that is fully integrated into our business. When the world was on pause due to the global pandemic, we took the opportunity to further that strategy by improving many of our underlying ESG processes and data analyses. I am therefore proud to present this year’s Sustainability Report highlighting our efforts. Never has the interconnection between our overall performance and our environmental performance, social impact, and governance policies been more apparent and critical. For this reason, even our compensation committee has for the first time approved explicit ESG goals as part of the compensation framework for our executive team.

Even before Paramount went public in 2014, we had endeavored to provide the safest and highest quality workplaces. Before the onset of COVID-19, several of our buildings had achieved Fitwel certifications, which is awarded to buildings that support healthier workplace environments by helping

improve their occupants’ health and productivity. Our endeavor to provide the “safest in class” workspaces took on an entirely different meaning in a COVID-19 environment as we prepared our buildings for the safe re-entry of our tenants and employees. We redoubled our safety efforts, going above and beyond CDC guidelines. We established a COVID-19 response taskforce, updated our cleaning protocols, and installed the highest rated MERV air filters throughout our portfolio. We conducted regular indoor air quality testing. Moreover, to ensure we were using the best in class infection-control policies and procedures we implemented practices recommended by the industry-leading Arc Re-Entry tool. Our efforts didn’t go unnoticed—not only by our tenants and employees—but also by the industry in general. We achieved Fitwel certifications for several additional buildings, and earlier this year we were honored with the coveted “Fitwel Champion” status for our efforts in 2020. The past year required us all to find new ways to live, work and connect. As vaccines are distributed across the country and our tenants and employees return to the office, we will continue to provide the highest quality workspaces that meet the utmost health and safety standards.

I am also proud of our other industry-leading ESG practices. In early 2021, we reorganized our Sustainability Committee, giving it a formal charter and establishing a schedule for regular progress briefings to the Audit Committee. I appointed Gage Johnson, Paramount’s General Counsel, to chair the committee, which consists of a diverse group of leaders from



Sustainability is more than just environmental performance: it is about the impact we leave on the world around us, the environment, and the communities where we operate.

each department. One of the first tasks of the committee was to prepare a 2 degree Celsius climate impact analysis for our executive team to better inform us about the “why” in our efforts to reduce our environmental footprint. Sustainability is more than just environmental performance: it is about the impact we leave on the world around us, the environment, and the communities where we operate. That is why we are proud of the recognition we have received for our outstanding ESG efforts this year. Some of these include:

- **2020 Global Real Estate Sustainability Benchmark (“GRESB”):** We received another GRESB 5-Star Rating in 2020, highlighting our portfolio as a top 10% performer among American offices, placing us 24% above the global average and 10% better than our peer companies overall.
- **Leadership in Energy and Environmental Design (“LEED”):** 100% of our REIT portfolio has been certified LEED Platinum or LEED Gold. These certifications reflect our commitment to minimizing our impact on the environment as well as our operating costs.
- **Fitwel:** We achieved “Fitwel Champion” status with five more Fitwel-certified buildings for a total of nine, including three 2-star buildings and six 1-star buildings.
- **Arc Re-Entry:** We have stepped up our facility management processes and benchmarked 13 of our properties with the Arc Re-Entry tool sponsored by LEED.

In 2021, we plan to further demonstrate our industry leadership by:

- Pursuing three additional Fitwel certifications.
- Improving our environmental impact and reducing our greenhouse gas (“GHG”) footprint by monitoring each of our buildings’ monthly progress.
- Enhancing our governance by aligning disclosures with the Global Reporting Initiative (“GRI”).
- Strengthening our resilience to climate impacts and further evaluating any potential climate risks and opportunities for our portfolio.
- Expanding our diversity, equity, and inclusion initiatives.

We are also committed to learning, listening and doing our part to address inequality and promote inclusive diversity. This year’s report includes additional data on these issues. We are excited for the achievements we made together and those still to come, and are confident that our innovative employees and stakeholders will enable us to meet any challenges ahead.

Best wishes,

Albert P. Behler

Chairman, CEO & President



Environmental



Wilbur Paes

Chief Operating Officer, Chief Financial Officer and Treasurer

“As our employees and tenants return to the office environment, we do not wish for a return to “business as usual”. We wish to bring forward the lessons we learned, the solutions we created, and the ingenuity we fostered to strategically position ourselves as an ESG champion.”



745 Fifth Avenue (NY)



Sustainability Strategy and Goals

At Paramount, we have an Environmental Management System (“EMS”) that influences all of our sustainability initiatives. Our EMS is aligned with the ISO 14001 standard and involves four stages as the basis of operation:

- Plan
- Do
- Check
- Act

These stages guide our strategy to improve our portfolio’s environmental performance, increase our social impact within the community, enhance the health and well-being of our tenants and employees, and provide transparency for our stakeholders.

STEP ONE:
PLANNING (PLAN)

We identify target achievement areas by setting goals, objectives and budget parameters for each asset.

STEP TWO:
IMPLEMENTATION (DO)

We implement environmental, social and governance project plans for each asset and enroll in local incentive programs.

STEP THREE:
VALIDATION (CHECK)

We evaluate the progress and create and implement corrective action plans, if needed.

STEP FOUR:
EVALUATION (ACT)

We use the results to improve ESG best practices.



ENERGY STAR® & LEED

In 2018, the Commercial Building Energy Consumption Survey baseline for ENERGY STAR® was raised from 2003 to 2012 and so ENERGY STAR® scores across the nation fell, including our own. Paramount has always led the industry in energy performance and as we re-doubled our efforts, our buildings' scores have rebounded and now are even higher than before.

100% of Paramount's portfolio is either LEED Platinum or LEED Gold certified. These certifications are a public display of our relentless commitment to sustainability and peak building performance.



BUILDING*	LOCATION	SQ.FT	ENERGY STAR®	LEED
1633 Broadway	New York	2.5 MM	✓	Gold
1301 Avenue of the Americas	New York	1.8 MM	✓	Gold
1325 Avenue of the Americas	New York	0.8 MM	✓	Platinum
31 West 52nd Street	New York	0.8 MM	✓	Gold
900 Third Avenue	New York	0.6 MM	✓	Platinum
712 Fifth Avenue	New York	0.5 MM	✓	Gold
60 Wall Street	New York	1.6 MM	✓	Gold
One Market Plaza	San Francisco	1.6 MM	✓	Platinum
Market Center	San Francisco	0.7 MM	✓	Gold
300 Mission Street	San Francisco	0.7 MM	✓	Platinum
One Front Street	San Francisco	0.6 MM	✓	Platinum
55 Second Street	San Francisco	0.4 MM	✓	Platinum
111 Sutter Street	San Francisco	0.3 MM	✓	Gold



13

REIT Assets

12.9MM

Square Feet

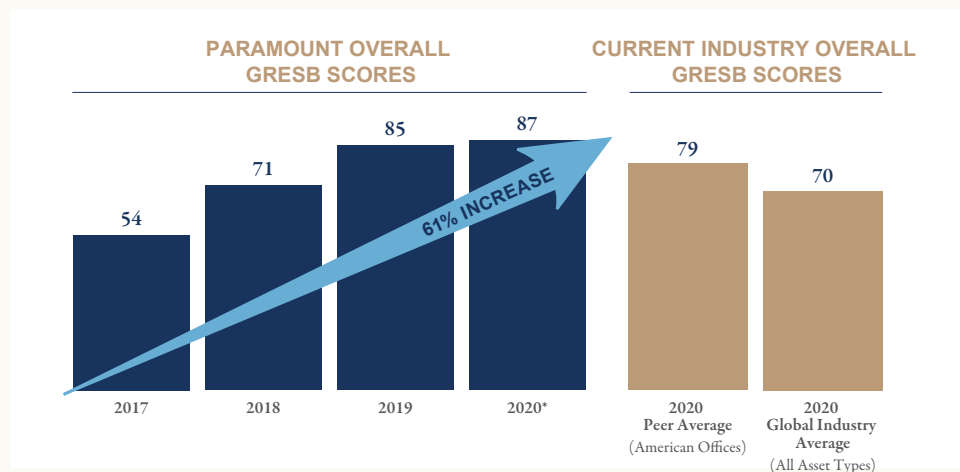


GRESB

GRESB is the leading environmental, social and governance assessment for real estate companies worldwide. Covering a comprehensive set of key performance indicators, it is one of the most rigorous standards for real estate companies. Each year, GRESB assesses and benchmarks ESG performance for real estate companies globally, guided by the factors that investors and the industry consider to be material for sustainable performance and emerging regulations.

Paramount's overall GRESB score increased from an 85 in 2019 to an 87 in 2020, maintaining our status as an industry leader and earning five out of five stars for the second year in a row.

We also received the Green Star designation for the third consecutive year. This accolade is awarded to entities with a score above a given percentage of the points allocated to each category.



HIGHLIGHTS

Top 10%...

Performance Score for American office assets

24% Above...

the GRESB global average (all asset types) Overall Score

10% Higher...

Overall Score than our peer companies' (American office) average

37% Greater...

Performance Score than the GRESB global average (all asset types)

45% Better...

Environmental Score than the GRESB global average (all asset types)

Perfect scores...

in building certifications, data monitoring, GHG emissions, environmental targets, policies, reporting, and corporate risk assessments

* Note: The 2020 GRESB Assessment structure changed fundamentally, establishing a new baseline for Performance, and affecting the comparability of benchmark scores with previous years.

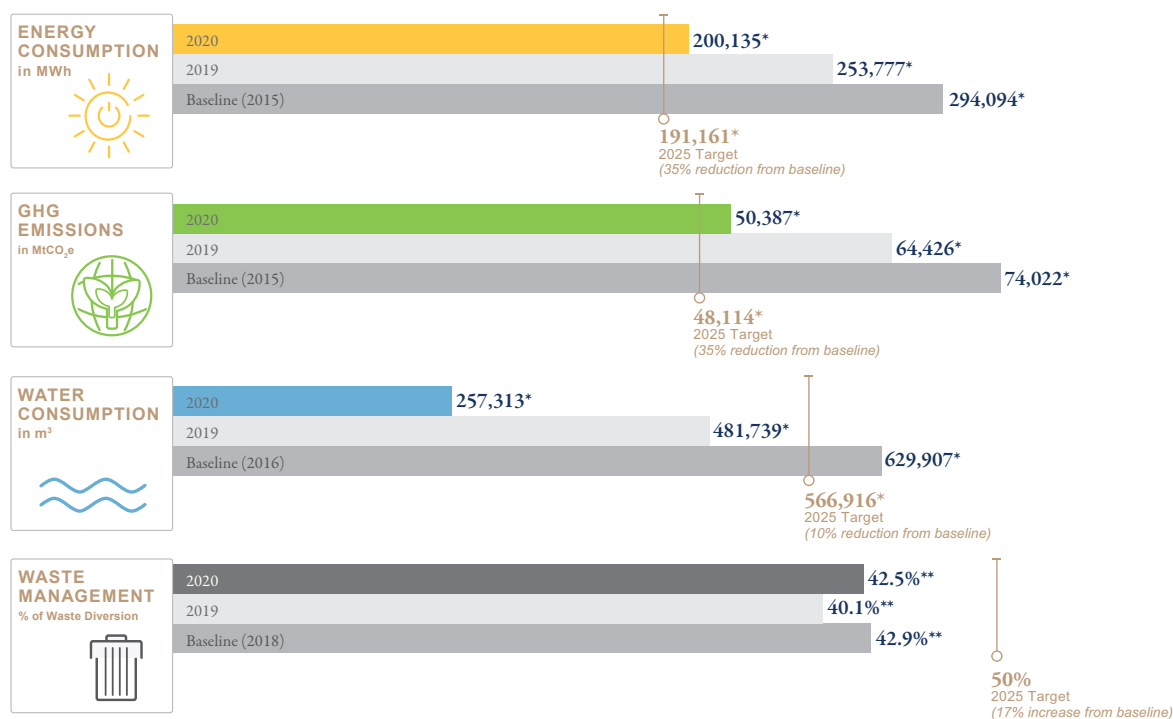


Monitoring Our Sustainability Progress

At Paramount, we know that measurement is a critical component of an effective sustainability strategy. In 2018, we established historical baselines for energy, emissions, water and waste to help crystallize our 2025 goals, which has shaped the actions that we take to catalyze the year-over-year progress towards those goals.

To achieve our GHG and energy reduction targets, Paramount plans to reduce energy consumption from non-renewable

sources through energy efficiency measures and by favoring procurement of renewable energy, including the purchase of renewable energy credits, when deemed environmentally and financially practicable. To achieve our water reduction targets Paramount has installed high-efficiency fixtures at many of our properties. To achieve our waste goals, we seek to reduce waste sent to the landfill, and encourage recycling and composting when available. We provide the following table evaluating our progress and informing planned future improvements.



* The information above, including baselines and targets, has been adjusted for property acquisitions and dispositions if available.

** Historical waste management data is unavailable for our three most recent acquisitions in San Francisco, so is excluded from 2018 and 2019; however, data for 55 Second Street is included for 2020.

Paramount's efforts to reduce energy and water consumption, GHG emissions, and waste production resulted in significant resource diversion.

COVID-19 presented countless challenges to the corporate real estate industry as building management teams sought to conserve energy while meeting lease requirements and ensuring healthy indoor environmental conditions. With buildings in New York and San Francisco, two areas most heavily impacted by the pandemic, our portfolio saw low occupancy across the board. Despite these unprecedented operating conditions, we committed to maintaining a healthy environment for our tenants by installing indoor air quality sensors and performing routine building flush-outs among many other precautionary measures. The low occupancy

across the portfolio promoted an overall net decrease in energy and water consumption in 2020, compared to 2019.

In 2020, Paramount:

- Reduced energy consumption by 53,642 MWh, or 21.1%, equivalent to powering 4,578 homes.
- Reduced GHG emissions by 14,039 MtCO₂e, or 21.8%, equivalent to emissions from 3,053 cars.
- Reduced water consumption by 224,426 cubic meters, or 46.6%, equivalent to 90 Olympic size swimming pools.
- Reduced total waste by 3,603 metric tons, or 68.1%, equivalent to the weight of 12.2 intercontinental jet airliners.

As we continue to evaluate the impact of Covid-19 and our level of progress over time, we may adjust these targets to meet our evolving circumstances and achievements.



Monitoring Our Sustainability Progress (cont.)

RENEWABLE VERSUS NON-RENEWABLE ENERGY SOURCES

Electrical and Energy Use

- Gross Total Electrical Use (in MWh) and on a Percentage Basis by Region
 - During 2020, in San Francisco, we used 11,683 MWh (29%) of our electric power from renewable sources and 28,604 MWh (71%) from non-renewable sources, with corresponding numbers in New York of 6,236 MWh (9%) from renewable sources and 66,273 MWh (91%) from non-renewable sources. Overall, 16% (17,919 MWh) of our electricity came from renewable sources, with 84% (94,877 MWh) from non-renewable sources.
- Gross Total Energy Use (in MWh) and on a Percentage Basis by Region
 - During 2020, in San Francisco, we used 11,683 MWh (21%) of our energy from renewable sources and 43,339 MWh (79%) from non-renewable sources, with corresponding numbers in New York of 6,236 MWh (4%) from renewable sources and 138,876 MWh (96%) from non-renewable sources. Overall, we used 9% renewable source energy (17,919 MWh) with 91% non-renewable source energy (182,215 MWh).
- Energy and electricity is provided by utility providers (Con Edison, PEPCO, and Pacific Gas & Electric) through the grid. Totals and percentages above are derived from the percentages disclosed by our utility providers in 2019 (the most recent available data).

Our Strategy

- Our approach to decreasing energy and electrical consumption from non-renewable sources will be based on a combination of the following, amongst other strategies:
 - Increased tracking and monthly monitoring of this information at each property
 - Reduced overall energy and electrical consumption in line with stated goals
 - Increased purchases from power plants using wind, solar, hydro and other renewable sources, where feasible, and purchases of renewable energy credits

RECYCLING PROGRAMS

Waste Management

- Our approach to decreasing waste, including hazardous waste, is to set goals, then to validate progress annually and adjust as needed.
 - In 2020, we partnered with ProTech, Bee Green, and Renewable Path Inc. to offer our tenants the opportunity to recycle electronic waste (computer monitors, batteries, toner, etc.)
 - Diverted 40,888 pounds of hazardous waste, enough material to fill 2,540 household trash bags

Our Strategy

- Our approach to decreasing waste, including hazardous waste, is to set goals, then to validate progress annually and adjust as needed.
 - Goal: 50% waste recycled and 100% of batteries/lamps recycled
 - Goal: 75% of furniture recycled and 70% of construction waste recycled
- As we continue to evaluate the impact of COVID-19 and our level of progress over time, we may adjust these targets to meet our evolving circumstances and achievements.



Resilience

GENERALLY

History teaches that part of running a successful business turns on simply being resilient—i.e., keeping your business running, and even thriving, when adverse events such as fires, floods, earthquakes, cyberattacks, etc. get in the way. Paramount's core resilience strategy is grounded on (1) being invested in high quality office assets in some of the most resilient business markets in the world, and (2) following prudent long-term business practices such as leasing to creditworthy tenants, insuring our assets against physical loss, following good information security and vendor management practices, and testing our business continuity plan regularly. In 2020, Paramount's short-term resilience was tested across its platform by the global pandemic with all of its corresponding challenges. Our business continuity planning paid off. Our business has proven robust, and we are positioned to thrive as vaccines are distributed and our gateway markets recover.

CLIMATE CHANGE SCENARIOS

In February 2021, we paused to consider a longer-term threat to our business that is increasingly important to our stakeholders—specifically, climate change. We included climate change as part of our overall risk management framework which is administered by senior management under the supervision of the Audit Committee of our Board of Directors.

When we looked at climate change vulnerabilities, we considered multiple scenarios, starting with what will happen to our business if the earth warms 2° Celsius above pre-industrial levels (the "2° Celsius scenario"), and we also considered opportunities that these scenarios could present. As climate change occurs, there are multiple aspects of our business that will be impacted. Effects might include rising sea levels, extreme weather, increased flooding, and changes in precipitation and temperature. Any of these developments could result in physical damage or a decrease in rent from, and the value of, our properties located in the areas affected by these conditions.

The framework for our analysis was in line with that suggested by the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TFCD"), namely, to consider, among other things, the following risks in a 2° Celsius scenario:

Physical risks to our assets and the surrounding New York and San Francisco economies from what scientific research suggests is likely to be increased episodic flooding and rising sea levels, albeit likely fully manifesting only many decades (or even a century or more) from now based on NOAA flood models that we accessed at [ClimateCentral.org](https://climatecentral.org), and using their general assumptions and methodologies. We also assessed the location of and potential impact on building systems at each asset.

Transition risks to our business as materially lower GHG emissions become a goal increasingly mandated not just by the Paris Accords, but by federal, state and local laws and regulations, and backed in some cases by substantial fines on excess emitters, amongst other remedies, potentially necessitating the need for increased capital expenditures in our financial planning to lower our emissions and mitigate potential fines.



The maps shown here demonstrate how our buildings are affected in the 2° Celsius scenario. Paramount owns a number of properties in low-lying areas close to sea level, making those assets, and the economies in which they reside, susceptible to adverse effects from a rise in sea level and any associated increase in episodic storm surges. If sea levels near our target markets were to rise as shown here, we could incur material costs to protect our low-lying properties, or we could sustain damage, a decrease in demand for or total loss of these assets. These would obviously be part of significant adverse impacts on the transportation systems and local and regional economies in which our properties are located.

We emphasize that these analyses are preliminary and incorporate a number of scientific and financial planning assumptions that may or may not turn out to be accurate. They follow complex models concerning various ice sheets and glacier melts, and assume, for example, a significant delay between GHG emissions and a warming climate, that no seawalls are built in our markets, and that there are no significant discoveries in atmospheric carbon reduction, all of which, if varied, could produce significantly different results. (See forward-looking disclosures page.) Still, these analyses are a good start for us to acknowledge the importance of climate change and focus us on how to address it proactively.

New York City (2° Celsius Scenario)



- Paramount buildings shown as orange dots

2° Celsius scenario assumes a 15.4 ft. average sea level rise at high tide. Other major assumptions: Accounts for carbon emissions only; Assumes global cooperation (Paris, etc.); Uses NOAA ground-level estimates; No local seawalls; No discovery regarding reversal of atmospheric carbon uptake, etc.

4° Celsius scenario (not shown) results were similar, but with the coastline moving even higher into New York City and San Francisco for even greater impact and potential economic stress. This scenario assumed a 29.2 ft. average sea level rise at high tide. Other assumptions were the same as the 2° Celsius Scenario but with no Paris Accord in force and other mitigants over time to avoid more drastic outcomes.

San Francisco (2° Celsius Scenario)



OUR EVOLVING CLIMATE STRATEGY AND CONTINUED FOCUS ON LOW CARBON INVESTMENTS

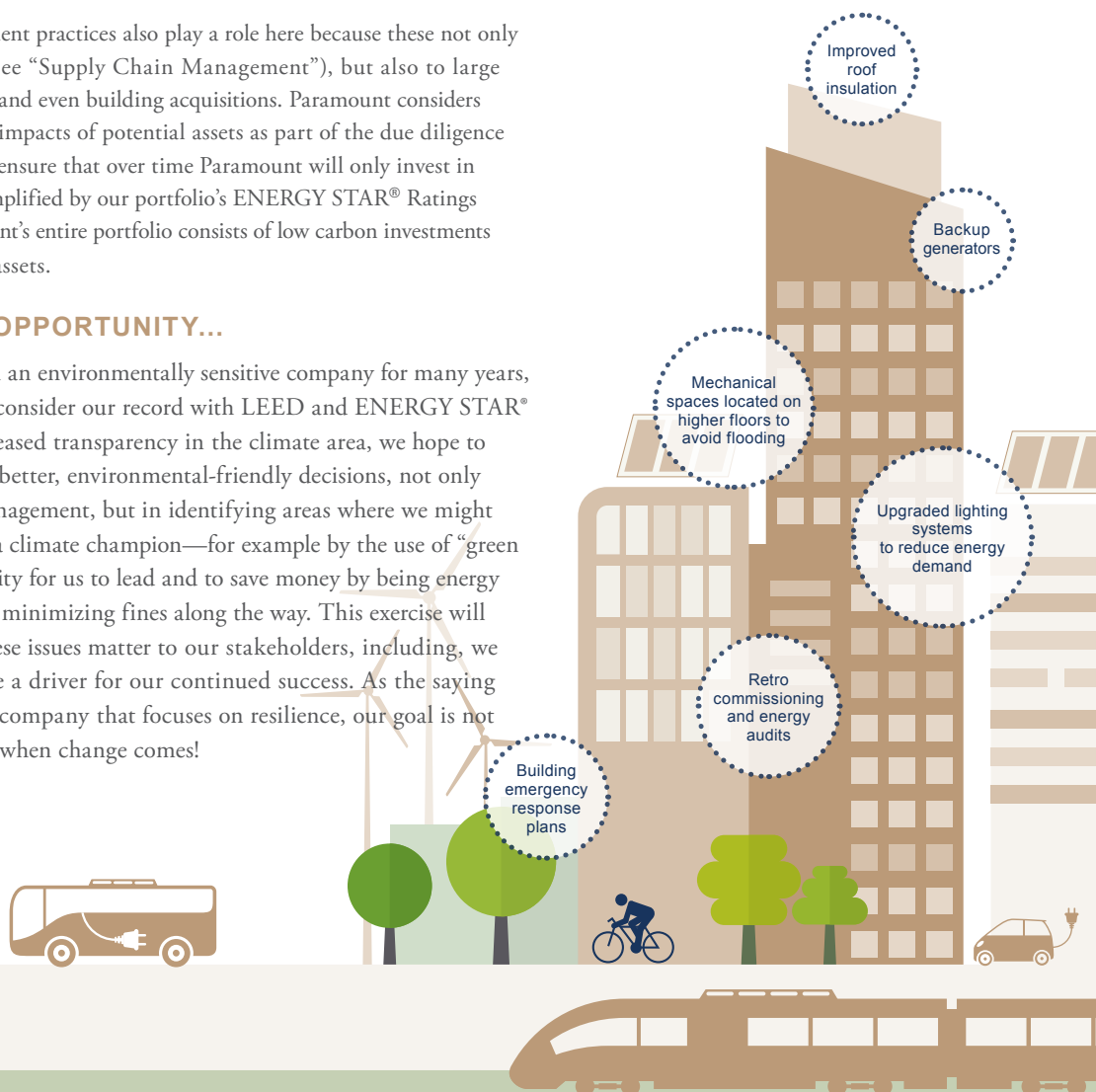
As a result of these analyses, Paramount has begun implementing an active climate change strategy incorporating new disciplines into various aspects of our business—e.g., monitoring the GHG emissions (in MtCO₂e) of each of our buildings on a monthly basis (and diligencing the location and GHG emissions of potential new acquisitions) to help ensure that we remain on track to comply with the strict local requirements to which we are now subject (e.g. NYLL 97 and SF ordinance 200–19, Ch.30) that are designed to reduce GHGs and increase the level of renewable versus non-renewable energy we use. Because we operate in forward-looking jurisdictions where local laws are generally designed to be in line with the goals articulated by the Paris Accords, this strategy should, over time, help keep our emissions in line with those permitted by the Paris Accords, and thus not only help protect our assets, but help contribute to our chance of delaying and or escaping the more significant risks of a warming climate more generally. By following this strategy, we can also reduce and or hopefully eliminate potential fines that we will now be monitoring on a periodic basis as part of our long-term financial planning.

Paramount’s sustainable procurement practices also play a role here because these not only apply to product procurement (see “Supply Chain Management”), but also to large capital expenditures, investments, and even building acquisitions. Paramount considers the environmental and emissions impacts of potential assets as part of the due diligence process. This process should help ensure that over time Paramount will only invest in low-carbon opportunities. As exemplified by our portfolio’s ENERGY STAR® Ratings and LEED certifications, Paramount’s entire portfolio consists of low carbon investments relative to traditional real estate assets.

NOT JUST RISK, BUT OPPORTUNITY...

Paramount is proud to have been an environmentally sensitive company for many years, well before it was fashionable—consider our record with LEED and ENERGY STAR® certifications. By providing increased transparency in the climate area, we hope to give ourselves the tools to make better, environmental-friendly decisions, not only in acquisitions and property management, but in identifying areas where we might further distinguish ourselves as a climate champion—for example by the use of “green bonds.” This is a great opportunity for us to lead and to save money by being energy efficient and lowering waste and minimizing fines along the way. This exercise will make us even more resilient. These issues matter to our stakeholders, including, we believe, our tenants, and will be a driver for our continued success. As the saying goes, change is inevitable. As a company that focuses on resilience, our goal is not simply to survive, but to *prosper* when change comes!

**Assess Vulnerability +
Plan & Response =
Resilience (Respond
& Recover)**





Leadership on Local Laws



View of 745 Fifth Avenue (NY) from Central Park

Owning and operating an industry-leading real estate portfolio not only means managing Class A office buildings with some of the industry's most efficient equipment, but also monitoring, complying with, and supporting local sustainability and climate-focused regulatory efforts. We own and operate Class A office buildings in New York and San Francisco, cities that have their own unique laws and regulatory requirements. We not only meet but exceed local regulations in the communities where we operate. Here are just some of the local laws and regulations we comply with and are proud to support:



Local Law 84 (New York) Benchmarking

Local Law 84 requires that all buildings over 25,000 square feet annually track their energy use and water consumption through New York City's ENERGY STAR® Portfolio Manager template.

- All of Paramount's buildings have used ENERGY STAR® Portfolio Manager for benchmarking. This process has helped to standardize environmental metric tracking and has provided cross-comparable benchmarks across all of our New York City buildings.



Local Law 33 (New York) Energy Efficiency Labels

Local Law 33 requires that buildings required to benchmark their energy efficiency are also required to post energy efficiency labels such as ENERGY STAR® scores and corresponding grades from A-D.

- 100% of our New York City portfolio has been ENERGY STAR® -certified with an average score of 81, or equivalent to a "B" energy efficiency grade under Local Law 33.



Local Law 87 (New York) Energy Efficiency Audits

Local Law 87 requires that all New York buildings over 50,000 square feet undergo periodic energy audits, retro-commissioning, and submit an Energy Efficiency Report to the city every 10 years.

- Our buildings proactively undergo comprehensive energy audits every couple of years both to comply with Local Law 87 as well as ensure our buildings' equipment functions optimally, which in turn also reduces operational costs. Over the last few years, we began early retro-commissioning ahead of Local Law 87 mandates, and our sustainability consultant, SIG, performed all necessary studies for early compliance. The findings from those reports have helped us better plan and allocate capital to retrofit our buildings' equipment.



One Front Street (SF)



Local Law 97 (New York) Carbon Emissions Targets

Local Law 97, also known as the Climate Mobilization Act, established carbon emission reduction requirements for most New York City buildings over 25,000 square feet. Covered buildings are required to meet their emission targets, set by property type, with the first compliance deadline in 2024. The emission targets become progressively more strict in 2030 and 2035.

- We track the carbon emissions of all our buildings and are aligning our portfolio to comply with Local Law 97's carbon emission reduction targets.



CALGreen (California)

California's Title 24 - Part 11: Green Building Standards Code, better known as CALGreen, sets standards for sustainable building design, construction, and retrofitting, including standards for: energy efficiency, water conservation, resource use efficiency, and environmental impacts. California updates CALGreen periodically. The recent 2019 CALGreen update sets new requirements for electric vehicle charging stations, bike parking, water reuse systems, and light pollution.

- To align with California mandates, our San Francisco buildings have focused on benchmarking, disclosing building performance, and ramping up energy auditing. Two of our San Francisco buildings have also designated bike parking.



Ordinance No. 200-19, Chapter 30 (San Francisco)

San Francisco's Ordinance No. 200-19, Chapter 30, mandated that by December 31, 2022, nonresidential buildings over 500,000 square feet purchase and/or generate onsite renewable energy sources to meet 100% of their building's electricity demand by 2024.

- We are aligning our San Francisco portfolio to comply with Ordinance No. 200-19's renewable energy targets.



Social



Peter Brindley

Executive Vice President, Head of Real Estate

“While our focus has always been the health and well being of our employees and tenants, our response to the COVID-19 pandemic only served to highlight it!”



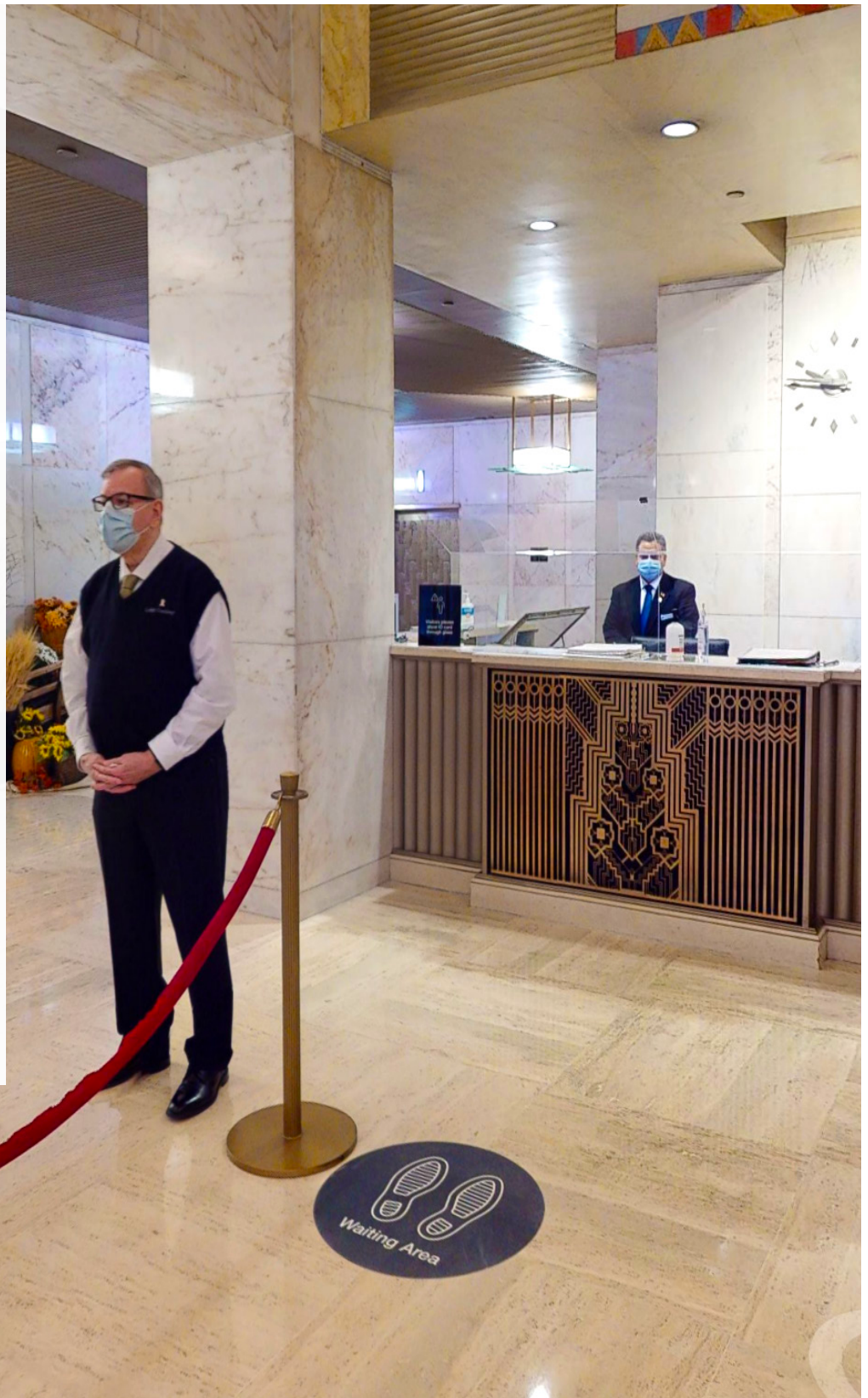
Lobby View of 31 West 52nd Street (NY)



COVID Response

In 2019, Paramount began expanding our corporate focus to include human health and ensure that our buildings promote the health of our tenants, their employees, and the surrounding community. When our nation entered a global pandemic, our first thought was how to protect our tenants and our employees. As is the case for many of our tenants, within Paramount we know that our employees are our greatest asset and their health and well-being is our greatest concern.

We have undergone several corporate initiatives that focus on healthy building entrances, thorough workspace cleanliness, and responding to tenant expectations. For the benefit of our employees and our tenants, Paramount has implemented our tenant re-entry initiatives aligned with Arc Re-Entry's best management practice recommendations for cleaning, lobby protocols, and exceeding tenant and employee expectations.



Lobby View at 745 Fifth Avenue (NY)

**BUILDING AND LOBBY ENHANCEMENTS****BUILDING AND LOBBY ENHANCEMENTS**

- ✓ Installed thermal cameras in each lobby to take temperatures for tenants, employees and visitors.
- ✓ Established the following policies and protocols:
 - Entrance and exit guidelines to ensure a safe path of travel into and out of the building
 - Limited elevator and stairwell occupancies
 - Mask requirements for all tenants, employees and visitors
- ✓ Installed the following in common areas, including our corporate office:
 - Touchless hand sanitizer stations
 - Social distancing and maximum occupancy signage
 - Plexiglass shields where needed
 - Technology to enable reduction of high touch-points
- ✓ Upgraded to MERV-13 filters in all HVAC systems.
- ✓ Increased outside air intake to maximum levels.
- ✓ Installed Indoor Air Quality (IAQ) sensors to monitor indoor air quality.
- ✓ Cleaned and flushed all domestic water systems and proactively performed periodic legionella testing.

CLEANING INITIATIVES**CLEANING INITIATIVES**

- ✓ Implemented continuous cleaning and disinfection services for all common areas and high-touch points.
- ✓ Performed weekly electrostatic disinfecting spray downs.
- ✓ Deployed portable ultraviolet light units to disinfect elevator cabs.
- ✓ Installed Portable Disinfecting Filtration Systems (DFS) in common areas.

HEALTH AND SAFETY OF EMPLOYEES**HEALTH AND SAFETY OF EMPLOYEES**

- ✓ Required daily health screening surveys.
- ✓ Required bi-monthly COVID-19 testing for employees.
- ✓ Provided PPE, hand sanitizer, disinfecting wipes and spray to employees.
- ✓ Implemented temporary alternate rotation schedule for corporate employees.
- ✓ Reconfigured workspaces to establish proper social distancing where needed.
- ✓ Reduced occupancy in common areas.
- ✓ Adopted strict quarantine and testing guidelines for employees who travel and are affected by COVID-19.
- ✓ Established visitor restrictions for essential services and meetings only.



Paramount has always placed high value on human health. In 2020, Paramount earned Fitwel certification for five of our REIT properties bringing our total certifications to nine, plus one managed asset, and we achieved the coveted “Fitwel Champion” designation in early 2021.

The Paramount portfolio has an average WalkScore of 98.5 out of 100. Each property is in an excellent location, with options for public transportation and outdoor amenities. Paramount’s Fitwel buildings all advocate for tenant health and safety with exterior lighting, outdoor walking trails, and emergency preparedness plans. While each property has individual strengths, Paramount’s commitment to high quality locations and unparalleled views is evident.

PROPERTIES CERTIFIED IN 2020:

1633 Broadway



- Walk Score of 99
- Two health programming events offered each month
- Walking distance to Hell’s Kitchen Park with basketball and handball courts
- Restaurant, gym, and coffee shop within building

1325 Avenue of the Americas



- Walk Score of 99
- Access to 8 subway lines, including 4 that are through covered walkways
- Near Abby Aldrich Rockefeller Sculpture Garden
- Pedestrian arcade with seating next to building

712 Fifth Avenue



- Walk Score of 97
- Views of Central Park and Manhattan
- Drinking water supply is quality tested twice per year
- Subsidized membership to Equinox gym 0.2 miles away

55 Second Street



- Walk Score of 97
- Close to trails and outdoor fitness classes in Salesforce Park
- 0.2 miles from extensive farmers market at Crocker Galleria year-round.
- 25 on-site bike racks available with showers on-site

111 Sutter Street



- Walk Score of 99
- Onsite 24-Hour Fitness
- Near the Presidio Trust Park and Saint Mary’s Square
- Access to views and operable shades to increase tenant comfort control

745 Fifth Avenue (Managed Property)



- Walk Score of 100
- Walking distance to Grand Army Plaza & Pulitzer Fountain
- Thermal control for tenants
- Walking distance to athletic fields in Central Park



2019 Ice Cream Social event at 745 Fifth Avenue (NY)

Employee Engagement

Paramount places great value in being an equal opportunity employer that strives to provide a variety of benefits for our employees and create a higher quality of life. Our employees are a top priority, and it is our goal to keep our employees safe and our workplaces dynamic.

HEALTH AND WELLNESS

- ⇒ Medical, dental and vision coverage
- ⇒ Health Savings Account
- ⇒ Healthcare Flexible Spending Account (“FSA”)
- ⇒ Limited Healthcare FSA
- ⇒ Paid short and long-term disability leaves
- ⇒ 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
 - Financial hardship
- ⇒ Complimentary Benefit Advocacy Center to assist employees with various medical questions, such as:
 - General medical benefits available
 - Explanation of benefits
 - Claims issues
 - Prescription and pharmacy issues
- ⇒ Subsidized gym memberships
- ⇒ Complimentary fresh fruit, water and tea



2019 Health Fair event at 712 Fifth Avenue (NY)

FAMILY

- ⇒ Paid parental leave
- ⇒ Dependent Care FSA
- ⇒ Life and Accidental Death & Dismemberment Insurance

FINANCIAL WELLNESS

- ⇒ 401(k) retirement plan with matching program
- ⇒ Complimentary one-on-one financial planning sessions with our 401(k) provider
- ⇒ Commuter benefits program

EMPLOYEE ENGAGEMENT EVENTS

- ⇒ Wellness day:
 - Flu shots
 - Biometric testing
 - Virtual fitness classes
 - Wellness gifts to promote healthy lifestyles and habits
- ⇒ JP Morgan Corporate Challenge
- ⇒ Cycle for Survival
- ⇒ Employee satisfaction survey
- ⇒ Summer internship program



Employee Training

WORKPLACE AND SAFETY RELATED TRAININGS

- ⇒ Preventing discrimination and sexual harassment
- ⇒ Code of business conduct and ethics
- ⇒ Fire safety and fire prevention practices
- ⇒ Active shooter response
- ⇒ Bloodborne pathogens
- ⇒ Electric safety
- ⇒ Hazardous communications
- ⇒ Preventing back injuries
- ⇒ Preventing injuries when lifting, moving and transferring
- ⇒ Slip, trip and fall prevention
- ⇒ Proper use of PPE
- ⇒ Earthquake safety training (San Francisco only)
- ⇒ Occupational Safety and Health Administration (OSHA) 10 course
- ⇒ Cardiopulmonary resuscitation (CPR) training

PROPERTY MANAGEMENT RELATED TRAININGS

- ⇒ Ritz-Carlton Leadership Center
 - Gold Standards of Leadership
 - Customer Experience and COVID-19 Respose
- ⇒ New York Security Guard State certification training
- ⇒ Continuous educational courses through Building Owners and Managers Association (BOMA), Local 94 and Local 32BJ

TECHNOLOGY RELATED TRAININGS

- ⇒ Cybersecurity and security awareness
- ⇒ Social engineering red flags
- ⇒ Other financial application trainings:
 - Microsoft Office applications
 - *Excel*
 - *Word*
 - *PowerPoint*
 - *Outlook*
 - *Teams*
 - *Visio*
 - ARGUS and ARGUS Taliance
 - CapEx database
 - MRI fixed assets
 - Nexus
 - Telecom expense management



"New Lobby" Breakfast at 712 Fifth Avenue (NY)



Pride Event at One Market Plaza (SF)

Diversity, Equity and Inclusion

While the social unrest that was brought to center stage last year and the continuing attacks against some minority groups in 2021 have captured public attention, they were by no means the beginning of the movement in America for a more just and equitable world. Racism and discrimination are unacceptable in our society and never tolerated at Paramount.

We are committed to equal opportunity and workplaces that are free from discrimination or harassment on the basis of 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. Recruitment, hiring, placement, development, training, compensation and advancement may not be based on any of these factors, but should instead be based on rational factors such as 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. We provide each of our employees with detailed policies and materials to inform them on

equal opportunity, discrimination, and harassment, and require participation in training on these matters.

At Paramount, we are committed to fostering an inclusive workplace. We promote a culture of inclusion and value diverse viewpoints to strengthen our management practices and empower us to adapt to new challenges. While we do not have all the answers, we are committed to listening, learning, and doing our part.

Our Board of Directors recently conducted a review of all of our governance policies at the Board level relating to diversity and inclusion. As a result, the Nominating and Corporate Governance Committee revised its policies and procedures to add a "modified Rooney rule" provision (to use the sports analogy) which mandates the consideration of director candidates of diverse race and gender whenever this representation is lacking.

**323****TOTAL EMPLOYEES****94****CORPORATE****229****PROPERTY MANAGEMENT**

EMPLOYEE METRICS

CORPORATE

Female	55 %
Minorities	41 %

PROPERTY MANAGEMENT

Female	20 %
Minorities	52 %

TOTAL WORKFORCE

Female	30 %
Minorities	49 %

WOMEN IN LEADERSHIP

Women on Management Team	30 %
Women on Board of Directors	22 %



May Lau
Vice President, Human Resources

“Our investments in human capital have been rewarded by a diverse workforce and strong employee tenure.”

EMPLOYEE DIVERSITY AND RETENTION

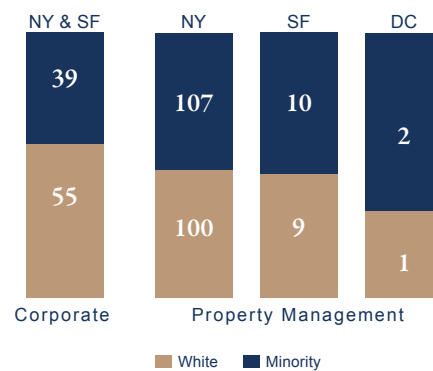
On average, employees choose to remain with Paramount for nearly eight years, with executives remaining for nearly 14 years.

EMPLOYEE RETENTION

Average Tenure—Total Organization	7.7 years
Average Tenure—Executive Team	14 years

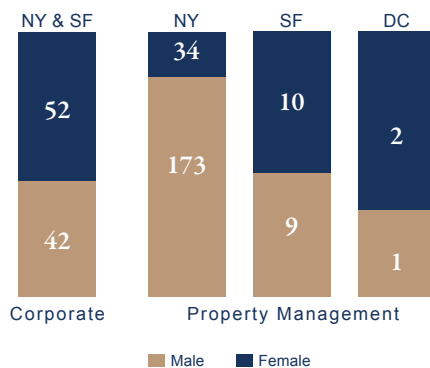
ETHNICITY DATA BY REGION

Total Organization by Region



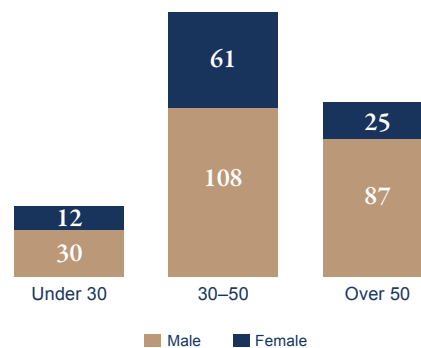
GENDER DIVERSITY BY REGION

Total Organization by Region



AGE DIVERSITY

Total Organization





Human Rights

Unless a company is thoughtful about its day-to-day management policies and practices, business-as-usual activities can pose a risk to human rights. To mitigate these, in 2019 Paramount implemented a formal Human Rights Policy. In establishing this, Paramount considered several potential risks that the traditional business-as-usual operations could pose to human rights including:

- Unsafe, unhealthy, or unsecure workplaces
- Workplace health, safety, and security
- Unfair work hours, forced labor, human trafficking, and child labor
- Lack of reporting opportunities
- Human rights violations in our supply chain
- Lack of freedom of association and collective bargaining

All identified risks were addressed with specific actions and commitments in our Human Rights Policy. Specifically, Paramount prohibits unfair work hours, forced labor, human trafficking, and child labor. In our Human Rights Policy, we also state our commitment to upholding workers' rights to the freedom of association and collective bargaining as well as providing reporting opportunities for any potential rights violations. We expect our suppliers and vendors to uphold these principles and urge them to adopt similar policies within their own businesses, and we have a program to monitor compliance by our top business counterparties*. For more information on our human rights values, please see our Human Rights Policy.** This was adopted by our CEO in 2019 and has been reported to the Paramount Board of Directors.

**Starting in 2021, the program will cover over 50 of our top counterparties including vendors and suppliers. This covers substantially all of our "critical vendors."*

***Human Rights Policy can be found on our website under the "Sustainability" tab.*

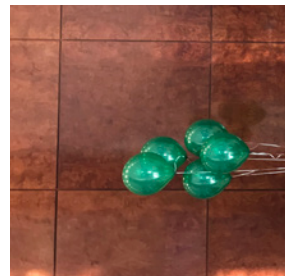


Philanthropy and Tenant Engagement

Paramount believes giving back to the communities around you is a basic corporate responsibility.

Over the years Paramount has been proud to support various charities and educational programs, both directly and by sponsoring programs together with our tenants:

- City Harvest food drives
- Citymeals on Wheels
- Clothing and back-to-school supply and toy drives for local charities
- Education Through Music
- Halloween candy drive for our troops
- Kids for Kids Foundation toy drives through St. Jude Children's Research Hospital
- Leukemia & Lymphoma Society fundraiser through NARS Cosmetics
- Reach Out and Read book drives
- Red Nose Day
- St. Francis Food Pantries & Shelters
- World Central Kitchen





Supply Chain Management



Supplier enjoying spring event at 55 Second Street (SF)



2019 Earth Day event with Vendors at One Market Plaza (SF)

Paramount's environmental footprint goes beyond just water and energy use in our buildings, and also includes our supply chain impacts. To help mitigate human and environmental impacts resulting from our supply chain, we have implemented several ESG and procurement policies aimed at reducing our upstream effects.

The first component of our program is to provide our key vendors and suppliers with copies of Paramount's own enterprise-level Human Rights and Environmental Policies, and apprise them of our expectation that they too should comply with those key elements that can fairly be applied to our supply chain. Starting in 2021, this is further explained in our Vendor Code of Conduct which sets forth additional broad social and environmental principles for our vendors and suppliers.*

In addition, we have implemented specific procurement policies and procedures which also aim to protect both human health and environmental well-being by, for example, listing minimum standards for use of materials that are locally sourced, that contain certified recycled content, or that are otherwise designed to limit adverse impacts on human health and the environment:

HUMAN HEALTH STANDARDS

- Use of low VOC paints and sealants
- Use of San Francisco Tier III pesticides
- Use of low mercury lamps

ENVIRONMENTALLY FRIENDLY PRODUCT CHOICES

- Ecologo
- Green Seal
- CRI Seal of Approval
- FSC paper
- 10% post-consumer or 20% post-industrial recycled content
- 50% rapidly renewable materials
- 50% harvested/extracted and processed/manufactured within 500 miles
- ENERGY STAR® products

Our EMS now requires that we provide training to our employees about our expectations in the procurement area so that they can ensure successful communications with our contractors and other vendors and suppliers concerning these standards.

**Our Vendor Code of Conduct and monitoring program covers over 50 of our major vendors and suppliers and also requests compliance information concerning certain information security practices. The information security requirements will also be applied to our partners.*



Governance



Gage Johnson

*Senior Vice President, General Counsel and Secretary
Chair of the Sustainability Committee*

“What gives a business ‘sustainability’ if you are its General Counsel and focused on governance aspects? It’s simple. Have a strong chief executive who can make decisions quickly and nimbly, and who empowers and expects his executive team to do the same, while also having a system of checks and balances in place, including an active board of directors to provide guidance and oversight as needed, time-tested policies and procedures to set a baseline for behavior, and transparency in reporting. Said differently: know who has the ball on any given issue, and then hold them accountable every day. That’s sustainability!”





Corporate Governance & Ethics

At Paramount we are proud of our governance structure, since having good governance practices is the key to any long-term, successful business. There are both “general” elements to this structure, as well as specific elements we have built in over the last two years to enhance sustainability oversight at all levels.

GOVERNANCE HIGHLIGHTS

- Code of Business Conduct and Ethics Applicable to all Directors, Officers and Employees
- Annual Ethics Training and Certifications for all Corporate Office Employees to Monitor Internal Compliance
- Ethics Hotline for Confidential Reporting of Issues Directly to Lead Independent Director and Chairman of Audit Committee
- 8 of 9 Independent Directors
- Majority Voting in Uncontested Elections
- Lead Independent Director
- Chairman/CEO for Clear Chain-of-Command
- Quarterly Executive Sessions of the Board without Management
- NCG, Audit and Compensation Committees are 100% Independent
- Formal policies covering Political Contributions, Shareholder Communications, and Audit Committee Complaint Procedures



31 West 52nd Street (NY)



Board + ESG Oversight

The implementation of a sustainability strategy is essential to our business operations and ensuring the creation of lasting value for our stakeholders. At Paramount, the Audit Committee of the Board of Directors is generally responsible for oversight of our financial statements, enterprise risk management, and compliance with legal and regulatory requirements. These responsibilities are crucial elements of our sustainability strategy.

In May 2020, the Board of Directors vested the Audit Committee also with additional oversight responsibility for environmental and social matters, including sustainability, climate change, corporate social responsibility, and health and safety. In January 2021, our CEO appointed Gage Johnson, the company's General Counsel, to chair our management-level Sustainability Committee. The committee meets monthly and oversees and implements the Company's sustainability goals and ensures they are fully integrated into our business strategy.

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

The Sustainability Committee chair reports to the CEO and Audit Committee, as needed. The Sustainability Committee also advises the Audit Committee and Board of Directors as requested on sustainability strategy, emerging regulatory and compliance issues, EMS updates, and stakeholder engagement. The Sustainability Committee supports the implementation of the Company's sustainability goals, policies, and initiatives that benefit Paramount stakeholders. This year, our executive management team has an even stronger interest in the committee's success because our Compensation Committee has approved ESG-centric key performance indicators that will impact variable pay awards. These encourage, for example, achievement of additional LEED, ENERGY-STAR® and Fitwel certifications, and increases and improvements in various ESG ratings of leading organizations. We have included the current Sustainability Committee and Sustainability Team members on the following page.





Paramount Sustainability Committee and Team Members

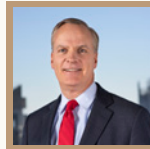
SUSTAINABILITY COMMITTEE



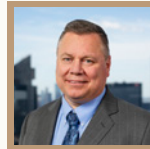
Ermelinda Berberi
Senior Vice President, Chief Accounting Officer



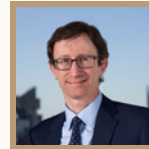
Christopher Brandt
Senior Vice President, Asset Management



Gage Johnson (Chair)
Senior Vice President, General Counsel



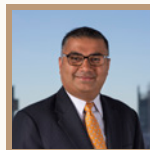
Joseph Szabo
Senior Vice President, Head of Property Management



Douglas Neye
Senior Vice President, Leasing



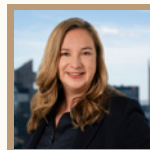
Sumit Sharma
Vice President, Investor Relations & Business Development



Bhavesh Raval
Vice President, SEC Reporting



May Lau
Vice President, Human Resources



Amy Monachelli
Vice President, Portfolio Manager (NY)



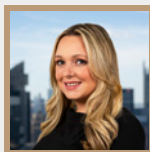
Emily Williams
Associate, Acquisitions and Capital Markets

SUSTAINABILITY TEAM

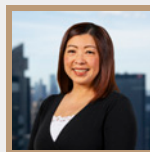
(Property Management and Advisors)



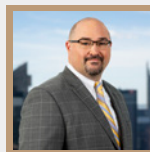
David Lieberman
1633 Broadway



Katie Kindbergh
1301 Avenue of the Americas



Thao Tran
1325 Avenue of the Americas and Managed Asset



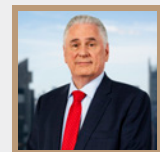
Michael Spagnola
31 West 52nd Street
60 Wall Street



Matt Ame
900 Third Avenue



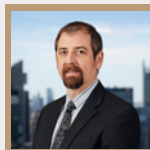
Carla Rooney
712 Fifth Avenue



Steve Griffith
NY Managed Assets



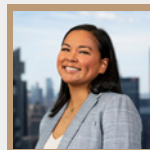
Neil Morgan
One Market Plaza



Aaron Killen
Market Center



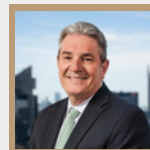
Beau Brown
300 Mission Street/
111 Sutter Street



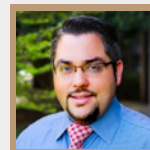
Katherine Mendoza
One Front Street



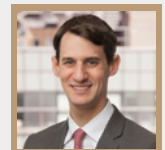
Marie Flores
55 Second Street



John Bone
D.C. Managed Assets



Charlie Cichetti
SIG



Harry Etra
HXE Partners



Stakeholder Engagement

Effective ESG management also 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. For these reasons, we seek to provide the utmost transparency and establish strong lines of communication with all our stakeholders. We identify stakeholders as those groups who both influence and are influenced by our business, including our tenants, investors, Board of Directors, employees, and local communities, among others. Through active engagement with our stakeholders, we are able to address stakeholder concerns and consistently improve our ESG performance.

Stakeholder	Engagement Method	Engagement Frequency	Topics and Concerns
Tenants	Hold town hall meetings providing opportunities to engage with Paramount leadership. Hold Earth Day activity series. Conduct surveys for Fitwel, materiality assessment, and tenant satisfaction. Be always available to discuss issues or concerns.	• Ongoing • Quarterly • Annually	Energy, Water, and Waste Efficiency. Carbon Emissions. Climate Risks and Resilience to Catastrophes/ Disasters. Health and Wellness. Security. Community Impact. Building Certifications. Procurement Practices. Customer Privacy.
Investors	Publish Annual Report and Proxy Statements. Quarterly SEC filings on Form 10-Q and Form 10-K. Hold regular investor conference calls and annual general meetings. Publish Annual Sustainability Report. Make available our investor relations team.	• Ongoing • Quarterly • Annually	Board Committee Management of ESG. Financial Performance. Carbon Management. Climate Risks and Resilience to Catastrophes/Disasters. Diversity and Inclusion. Corporate Governance and Anti-corruption. Executive Compensation. Building Certifications.
Board of Directors	Hold quarterly meetings of the Audit and Nominating and Corporate Governance Committees of the Board that collectively oversee ESG.	• Audit Committee and NCG Committee meet quarterly • The Board receives Audit and NCG Committee reports quarterly and as needed	Corporate Governance. Financial Performance. Climate Risks and Resilience to Catastrophes/ Disasters. Environmental Compliance. Executive Compensation. Human Capital Management. Company Culture. Freedom of Association and Collective Bargaining.
Employees	Meet regularly to discuss energy, water, waste, and carbon performance of each building. Conduct Arc Re-Entry Surveys, training and education. Conduct annual employee satisfaction surveys and act on results as needed. Conduct annual performance reviews.	• Ongoing	Training and Education. Energy, Water, and Waste Efficiency. Carbon Emissions. Climate Risks and Resilience to Catastrophes/Disasters. Health and Wellness. Community Impact. Building Certifications. Diversity, Equity and Inclusion. Company Culture. Freedom of Association and Collective Bargaining.
Communities	Engage in philanthropy and volunteerism. Partner with several community organizations that address a number of environmental and social causes including annual food, clothing, and toy drives. In 2020, we supported Citymeals on Wheels, Education Through Music, and many others.	• Ongoing	Carbon Emissions and Climate Risks. Community Health and Wellness. Community Engagement. Effluents and Waste. Economic Development.



Sustainability Reporting

Sustainability reporting is the most efficient way for companies to share performance information with investors and stakeholders. Paramount places high value on industry transparency and uses several different sustainability reporting platforms to respond to stakeholders and report on the portfolio's peak ESG performance.



Global Real Estate Sustainability Benchmark (GRESB)

2020 was the seventh year that Paramount reported to GRESB. This report covers a real estate company's environmental, social, and governance impacts on the surrounding community. As a GRESB leader, this was the second year in a row that Paramount scored 5 out of 5 stars.



Global Reporting Initiative (GRI)

This is the first year Paramount has reported using GRI metrics. These metrics allow Paramount to communicate the company stakeholder impacts, environmental metrics, and social measures in a standardized format.



Task Force on Climate-Related Financial Disclosures (TCFD)

The TCFD has developed recommendations for voluntary climate-related financial disclosures with the goals of being consistent and comparable to provide decision-useful information to investors. In 2020 Paramount aligned its sustainability report with the TCFD (see Appendix).



Sustainability Accounting Standards Board (SASB)

In 2020, Paramount first implemented SASB guidelines for the 2019 reporting year. SASB Standards identify the most relevant ESG issues, and Paramount uses those standards to report on its environmental performance for the most recently available reporting year.



Carbon Disclosure Project (CDP)

Paramount has responded to CDP for two consecutive years in the Climate Change disclosure. Within this report, Paramount has focused on reducing its carbon emissions and investing in low carbon opportunities within its portfolio.



Materiality Matrix

In 2020, Paramount conducted a materiality assessment to identify ESG issues most relevant to stakeholders. Performing the materiality assessment involved interviewing key stakeholders across company departments, including members of the executive team, to determine Paramount's greatest ESG strengths, risks and opportunities. The findings of the materiality matrix have helped us to further refine our ESG disclosures and prioritize the next steps for our ESG strategy.

Some of the top ESG categories identified were economic performance, cybersecurity, carbon emissions, energy, waste, and building certifications. We have aligned our materiality assessment process with the best practices set by GRI and have included highlights of our progress throughout this report.



MATERIALITY ASSESSMENT

ENVIRONMENTAL



- 1 Energy (Electricity, Steam, Fuel)
- 2 Water
- 3 Waste
- 4 Carbon Emissions
- 5 Building Certifications
- 6 Climate Risk
- 7 Resilience to Catastrophes/Disasters

SOCIAL



- 8 Employee/Staff Health & Well-being
- 9 Tenant Health & Well-being
- 10 Community Engagement
- 11 Training & Education
- 12 Diversity, Equity & Inclusion
- 13 Supply Chain
- 14 Human Rights

GOVERNANCE



- 15 Economic Performance
- 16 Strategy
- 17 Company Culture
- 18 Enterprise Risk Management
- 19 Anti-Corruption/
Anti-Competitive Behavior
- 20 Public Policy
- 21 Regulation
- 22 Cybersecurity





Appendices



712 Fifth Avenue (NY)



Global Reporting Initiative Index

100: Universal Standards

GRI Standard	Disclosure	Reference Source
102-2	Activities, brands, products, and services	2020 CDP Response
102-3	Location of the organization's headquarters	2020 10-K, p. 10
102-4	Location of operations	Company Profile
102-5	Ownership and legal form	Company Profile, 2020 10-K
102-6	Markets served	Company Profile
102-7	Scale of the organization	Company Profile
102-9	Supply chain	Supply Chain
102-10	Significant changes to the organization and its supply chain	Company Profile, 2020 Performance Highlights, Board + ESG Oversight
102-14	Statement from senior decision-maker	Letter from our CEO
102-15	Key impacts, risks, and opportunities	Sustainability Strategy and Goals, Resilience
102-16	Values, principles, standards, and norms of behaviour	Diversity, Equity, and Inclusion, Code of Business Conduct & Ethics
102-17	Mechanisms for advice and concerns about ethics	Human Rights, Code of Business Conduct & Ethics
102-18	Governance structure	2020 10-K
102-19	Delegating authority	2020 Proxy Statement
102-20	Executive-level responsibility for economic, environmental, and social topics	Board + ESG Oversight
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
102-22	Composition of the highest governance bodies and its committees	2020 Proxy Statement pp. 7, 16, 17
102-23	Chair of the highest governance body	Board + ESG Oversight
102-29	Identifying and managing economic, environmental, and social impacts	Board + ESG Oversight, Materiality Matrix
102-31	Review of economic, environmental, and social topics by highest governing body	Stakeholder Engagement, Board + ESG Oversight



Global Reporting Initiative Index

100: Universal Standards (continued)

GRI Standard	Disclosure	Reference Source
102-32	The highest position that formally reviews and approves the organization's sustainability report	2020 Proxy Statement pp. 7, 16, 17, Board + ESG Oversight
102-40	List of stakeholder groups	Stakeholder Engagement
102-41	Collective bargaining agreements	Human Rights
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Board + ESG Oversight
102-46	Define report content and topic boundaries	2020 10-K
102-50	Reporting period	Will cover a 12-month period
102-51	Date of most recent report	This report constitutes Paramount's first GRI disclosure.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Gage Johnson, SVP, General Counsel
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	GRI Index
102-56	External assurance	Externally assured by SIG — See Appendix

GRI 201: Economic Performance

GRI Standard	Disclosure	Reference Source
201-1	Direct economic value generated and distributed.	2020 Annual Report
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Resilience, 2020 10-K, 2020 CDP Responses
201-3	Coverage of the organization's defined benefit plan obligations	2021 Proxy Statement

GRI 205: Anti-Corruption

GRI Standard	Disclosure	Reference Source
205-2	Communication and training on anti-corruption policies and procedures	Code of Business Conduct and Ethics



Global Reporting Initiative Index



300: Environmental Standards

GRI Standard	Disclosure	Reference Source
302-1	Energy consumption within the organization	Monitoring our Sustainability Progress, SASB Index
302-2	Energy consumption outside the organization	Not quantified
302-3	Energy intensity	Performance Highlights, Monitoring our Sustainability Progress, SASB Index
302-4	Reduction of energy consumption	Monitoring our Sustainability Progress, SASB Index
302-5	Reductions in energy requirement of products and services sold	Monitoring our Sustainability Progress, SASB Index
303-2	Management of water discharge-related impacts	Not disclosed
303-3	Water withdrawal	Monitoring our Sustainability Progress, SASB Index
303-4	Water discharge	Not quantified
303-5	Water consumption	Monitoring our Sustainability Progress, SASB Index
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	2020 CDP Response
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	2020 CDP Response
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Not disclosed
305-4	Greenhouse gas (GHG) emissions intensity	2020 CDP Response
305-5	Reduction of greenhouse gas (GHG) emissions	Monitoring our Sustainability Progress
305-6	Emissions of ozone-depleting substances (ODS)	Not disclosed
305-7	NOx, SOx, and other significant air emissions	Not disclosed
306-2	Waste by type and disposal method	Monitoring our Sustainability Progress

400 Social Standards

GRI Standard	Disclosure	Reference Source
401-2	Full-time employee benefits that are not provided to temporary or part-time employees	Employee Engagement Human Rights Policy
401-2	Parental leave	Employee Engagement
405-1	Diversity of governance bodies and employees	Diversity, Equity, and Inclusion
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement Philanthropy + Tenant Engagement



TCFD Index

GOVERNANCE

PAGE

Board's oversight of climate related-risks and opportunities	Board + ESG Oversight
Management's role in assessing and managing climate-related risks and opportunities	Board + ESG Oversight

STRATEGY

PAGE

Climate-related risks and opportunities we have identified over the short-, medium-, and long-term	Resilience, 2020 10-K, pp. 16-17
Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Resilience
Resilience of our strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	Resilience

RISK MANAGEMENT

PAGE

Organizational processes for identifying and managing climate-related risk	Materiality Assessment, Sustainability Strategy and Goals, Stakeholder Engagement, Board + ESG Oversight
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METRICS AND TARGETS

PAGE

Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process	Monitoring our Sustainability Progress, Resilience
Scope 1 and 2 greenhouse gas emissions and related risks	Monitoring our Sustainability Progress, Resilience
Targets used by the organization to manage climate-related risks and opportunities and performance against targets	Monitoring our Sustainability Progress, Resilience



SASB Index

Code	Accounting Metrics	Total	New York	San Francisco	Unit of Measure
IF-RE 130a.1	Energy Consumption Data Coverage as a percentage of floor area, by property subsector	100%	100%	100%	Percentage (%) by floor area (ft ²)
IF-RE 130a.2	(1)Total energy consumed by portfolio area with data coverage	726,627	522,404	204,223	Gigajoules (GJ)
	(2)Percentage of total energy that is grid electricity, by property subsector	55.88%	49.97%	71.02%	Percentage (%)
	(3)Percentage of total energy that is renewable, by property subsector	8.95%	4.30%	21.23%	Percentage (%)
IF-RE 130a.3	Like-for-like change in energy consumption of portfolio area with data coverage, by property subsector	−20.47%	−19.80%	−22.11%	Gigajoules (GJ), Percentage (%)
IF-RE 130a.4	Percentage of portfolio that has obtained an energy rating	100%	100%	100%	Percentage (%) by floor area (ft ²)
	Percentage of eligible portfolio that is certified ENERGY STAR®, by property subsector	100%	100%	100%	Percentage (%) by floor area (ft ²)
IF-RE 130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Energy efficiency is imperative to Paramount's operations and performance. We set a goal based on 2015 baselines to reduce our energy usage and emissions by 35%. Our primary emissions come from our portfolio's energy performance, and so we place great importance on how each building performs. Our energy goals are incorporated into our acquisition due diligence process as well. Paramount has been active in energy programs like ENERGY STAR® for many years. We monitor 100% of the portfolio's energy usage and report it to GRESB each year. In our existing portfolio, we implement energy efficiency measures such as retro-commissioning, building automation system upgrades, insulation, LED upgrades and more.			Discussion and Analysis
IF-RE 140a.1	Water withdrawal data coverage as a percentage of (1) total floor area, by property subsector	100%	100%	100%	Percentage (%) by floor area (ft ²)
	(2)Percentage of floor area in regions with High or Extremely High Baseline Water Stress, each by property subsector	38.83%	0%	100%	Percentage (%) by floor area (ft ²)



SASB Index

Code	Accounting Metrics	Total	New York	San Francisco	Unit Of Measure
IF-RE 140a.2	Total water withdrawn, (1) by portfolio area with data coverage	257,313	198,965	58,348	Thousand cubic meters (m ³)
	and (2) percentage in regions with High or extremely High Baseline Water Stress, each by property subsector	38.83%	0%	100%	Percentage (%)
IF-RE 140a.3	Like-for-like change in water withdrawn for portfolio area with data coverage, by property subsector	-46.59%	-41.00%	-40.66%	Percentage (%)
IF-RE 140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	At Paramount, we implement water-saving opportunities throughout the portfolio based on projects and capital plans. Our goal is to reduce water usage by 10% from our 2015 baseline. Smart irrigation and landscaping is difficult with urban properties but Paramount has taken the buildings with landscaping and implemented water saving strategies. When incorporating new acquisitions into the portfolio, Paramount has added leak detection and water submetering as proactive measures to reduce water consumption. A majority of Paramount properties also use lowflow water fixtures that reduce water consumption inside the building. The culmination of these efforts optimizes Paramount's water efficiency, and is aligned with the organization's ESG objectives of water efficiency.			Discussion and Analysis
IF-RE 410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	0%	0%	0%	Percentage (%) by floor area
	(2) associated leased floor area, by property subsector	0	0	0	Square feet (ft ²)
IF-RE 410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption	83.72%	82.96%	100%	Percentage (%) by floor area
	(2) water withdrawals, by property subsector	0%	0%	0%	Percentage (%) by floor area
IF-RE 450a.1	Area of properties located in 100-year flood zones, by property subsector	0	0	0	Square feet (ft ²)



Third Party Data Assurance



View of Bay Bridge from One Market Plaza (SF)

*green building consultants***Sustainable Investment Group**

June 1, 2021

External Assurance of 2020 Environmental Performance
Data for Paramount Group Inc.

To whom it may concern,

Sustainable Investment Group (SIG) has conducted a third-party verification and external assurance of Paramount's 2020 Energy, Emissions, Water, and Waste data being reported for environmental data disclosure. The scope of our review included a review of the water and energy consumption, waste and diversion, and GHG emissions from Paramount's REIT office properties, including Scope 1 and 2 emissions. The scope was comprised of three specific parts:

- Collection of data to assess energy, water, waste, and emissions
- A review to determine whether the process followed the methodology described in ISO 14064-3: 2019, and
- A review to determine whether any measurement of the Energy, Emissions, Water, and Waste data is faulty.

SUMMARY

Upon the completion of our review of Paramount's Environmental Performance data for the 2020 calendar year, SIG has externally verified and assured the environmental data disclosure. Our additional findings regarding the data and supplementary comments are as follows:

- The boundaries of the scope were clearly defined and included as part of the Sustainability reporting
- Assumptions and estimations made are appropriate

Based on the process and procedures conducted, there is no evidence that the environmental data with regards to energy, water, waste, and emissions data are not materially correct or is not a fair representation of this data. This report has been prepared in accordance with ISO 14064-3: 2019 for quantification, monitoring, and reporting.



green building consultants
Sustainable Investment Group

REVIEWED DATA

As part of the data verification and assurance process, Paramount Group provided the following data for 2020:

1. Aggregate Energy Data for each building
2. Energy and water data for the base building utilities
3. Renewable Energy Purchases
4. Waste haul data from the waste and recycling haulers serving the properties

The data and information supporting the assertion were actual values and estimated for those buildings with incomplete records.

FINDINGS

In our opinion, Paramount Group's assertion that the specified metrics found in the environmental data disclosure for the year ending December 31, 2020 are presented in accordance with ISO 14064-3: 2019 is fairly stated in all material respects. We can confidently make this claim after examination of supporting documentation.

Sincerely,

Charlie Cichetti, LEED AP BD+C, ID+C, O+M, ND,
Homes, WELL AP
CEO + Co-Founder | SIG



Cautionary Note on Forward-Looking Statements

This Sustainability Report contains forward-looking statements within the meaning of the federal securities laws. You can identify these statements by our use of the words “assumes,” “believes,” “estimates,” “expects,” “guidance,” “intends,” “plans,” “projects” and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and could materially affect actual results, performance or achievements. These factors include, without limitation, the negative impact of the coronavirus 2019 (COVID-19) global pandemic on the U.S., regional and global economies and our tenants’ operations, trends in the office real estate industry including telecommuting, flexible work schedules, open workplaces, and teleconferencing, the uncertainties of real estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions into our ESG programs, the costs and availability of

energy and natural resources, the willingness and ability of our joint venture partners and other owners of properties we manage to participate in ESG initiatives, the effects of local, national, and international economic and market conditions, uncertainties concerning climate change and models predicting climate change, the effects of acquisitions and dispositions on our operating results, regulatory changes, including changes to environmental and climate laws, tax laws and regulations, and other risks and uncertainties detailed from time to time in our filings with the U.S. Securities and Exchange Commission. We do not undertake a duty to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The data and information herein are as of December 31, 2020, unless otherwise indicated.



PARAMOUNT
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