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PAE’s Environmental, Social and Governance Activities

PAE is committed to sound environmental, social responsibility and corporate governance practices, integrating ESG policies and practices into our operations. Our corporate responsibility and sustainability strategy is focused on adopting and implementing ESG policies and practices across our business. In an effort to increase transparency about our ESG activities, PAE is providing information about these activities on our website. Making this information publicly available gives stockholders, the investor community and other stakeholders increased awareness about PAE’s ESG activities.
PAE’s Commitment to the Environment, Health and Safety

PAE recognizes the protection of the environment and the safety of its employees as imperative to our operational success. Our policies make it clear that prevention is the first line of defense against hazardous environmental and safety impacts. Local environmental, safety and health representatives implement various initiatives at program sites with the objective of meeting targeted goals aimed at eliminating injuries and negative environmental impacts resulting from our operations. Initiatives include safety councils that develop safe work practices, promote employees' interests in health and safety issues and bring employee representatives together for safety-related discussions.

PAE has embraced a digital transformation within our Risk Management and Occupational Health and Safety departments so that we can work smarter in achieving our OHS and EHS goals. This effort includes detailed and automated performance analytics and continuous improvement monitoring. We use risk management software to anticipate, manage and respond in real-time to strategic and operational risks across the enterprise. Using this risk correlation technology, PAE derives actionable insights to reduce risks, avoid loss and deliver better business outcomes.
Occupational Health & Safety

PAE’s Code of Conduct addresses our commitment to a safe and healthy work environment, and we ask all employees to consider themselves ambassadors of public safety. At PAE, we care for our people and work daily to provide a safe and healthy working environment to each employee, customer, contractor and visitor. We believe that through consistent ongoing efforts, incidents and occupational illnesses can be prevented.

Everyone at PAE plays a role in striving to achieve the highest standards of OHS performance. We aim to provide the most stringent levels of protection to our colleagues and all persons for whom we are responsible. We actively involve management at all levels in driving a proactive culture of health and safety at all locations where employees, contractors and visitors conduct business activities on behalf of PAE. Not only are all employees responsible for complying with ESH regulations and laws, our policies also require them to report any injury sustained or accident observed on a job site to management personnel at such job site immediately. At PAE, we recognize that one of the root causes of workplace injuries, illnesses and incidents is the failure to identify or recognize existing or potential hazards. A critical element of our OHS program is a proactive, ongoing process to identify and assess such hazards.
We are committed to the following safety standards and practices:

- Becoming a leader in OHS performance and making OHS a core value of PAE.

- Providing a positive culture of safety in which employees, contractors, customers and visitors feel free to speak up about non-conformances, undesirable or unsafe situations, or any other OHS-related issue.

- Maintaining a risk-based process for the identification, classification, prioritization and control of hazards and risks.

- Providing employees, customers, contractors and visitors with appropriate information, operational controls and training on OHS requirements to enable them to conduct their activities safely.

- Consulting and collaborating with employees, their representatives and other stakeholders on OHS matters.

- Implementing effective approaches to guard against safety and health risks.

- Maintaining full transparency in periodic OHS performance reporting.

- Meeting or exceeding applicable laws and PAE safety standards.
In addition to reducing the number of safety incidents occurring at program sites, we also participate in initiatives that aim to reduce our carbon footprint around the world. Throughout the year, employees participate in initiatives such as an e-waste recycling project, Safe and Sound Week through the U.S. Department of Labor, local training events and Forklift Safety Day through the Industrial Truck Association. In addition, PAE has continued pollution prevention initiatives and recurring training for program employees on proper disposal of hazardous waste. We choose to work with suppliers and partners who adhere to applicable regulatory standards to promote environmental sustainability. These standards include the use of environmentally preferable products and services, acquiring products and services that meet sustainability standards, promoting the use of nonhazardous and recovered materials and utilizing alternatives to ozone-depleting substances.
PAE prides itself on being a socially responsible corporate citizen. PAE demonstrates its social responsibility in multiple ways, including through the following:

- A strong ethics program
- Anti-retaliation and anti-corruption policies
- A diverse and inclusive approach to recruitment and employment
- Careful attention to human rights worldwide
- Health and wellness initiatives for our employees
- Charitable engagement
PAE’s Code of Conduct and Ethics and Compliance Program

PAE is built on a foundation of integrity, respect and the highest ethical standards. From the top down, we exemplify our core values in all that we do. How we conduct ourselves and manage our business relationships is as important as the professional services we deliver.

We empower our employees to make the right choices with mandatory annual ethics and compliance training, as well as our Code of Ethics and Business Conduct, referred to as the Code of Conduct. Employees acknowledge their commitment to the Code of Conduct at the start of their employment and reaffirm their commitment to the code through the annual ethics training. Additional targeted ethics training is provided to employees based on their relevant functions. Our business decisions and actions are conducted in accordance with our ethics guidelines, in compliance with applicable legal requirements, and under the supervision of our chief ethics and compliance officer, who is empowered to report matters directly to the Audit Committee as needed.

In addition, PAE seeks out partners and suppliers who maintain the same high ethical standards as PAE recognizes the critical role its partners and suppliers play in maintaining the company's reputation and ability to do business worldwide. Accordingly, PAE conducts a risk assessment and due diligence screening on potential third-party partners and suppliers. In addition, PAE expects third parties with whom we do business, to abide by the ethics and compliance standards set forth in the Third Party Code of Conduct and related PAE policies. PAE conducts continuing audits and risk assessments on its suppliers and partners on an as-needed basis.
PAE’s Anti-Retaliation Policy

PAE has a zero-tolerance policy against retaliation and prohibits such action against anyone who makes an inquiry or reports misconduct in good faith. Employees are encouraged to report any violation of this policy. PAE employees have various channels to report violations, including our Ethics Hotline, which is reachable by international and domestic employees via phone or email.

PAE’s Commitment to Anti-Corruption

Through diligent instruction and regular reinforcement of policies and procedures, PAE employees receive a comprehensive education on operating ethically and professionally in their respective work locations. PAE’s commitment to the highest standards of ethical conduct applies to all employees in every location. They are required to comply strictly with anti-corruption laws that govern our operations in the countries where we do business. Such laws include the United States Foreign Corrupt Practices Act and similar laws enacted by other countries, and international anti-bribery conventions, for example, the Organization of Economic Cooperation and Development Convention on Combating Bribery of Foreign Officials. Generally, these laws prohibit the bribery, direct or indirect, of foreign government officials, political parties or candidates to obtain some improper business advantage. More specifically, they prohibit personnel from directly or indirectly giving, offering or promising anything of value to foreign officials or foreign political parties or candidates for the purpose of influencing them to misuse their official capacity to obtain, keep or direct business or to gain any improper advantage. In addition, to prevent the concealment of illegal payments, the FCPA prohibits knowingly falsifying a company’s books and records or knowingly circumventing or failing to implement adequate internal accounting controls. PAE provides employees with training to prepare them for any instance of corruption they might confront and implements precautions to ensure that the laws of the United States and applicable laws of foreign jurisdictions are followed.
PAE’s Commitment to Diversity and Inclusion

Operating in approximately 60 countries on all seven continents, PAE’s diverse workforce comprises individuals who represent a wide spectrum of ages, ethnicities, religions and races. To protect our employees from abuse or harassment, and to ensure that our working environment is inclusive and respectful of all employees, PAE implements a zero-tolerance policy against discrimination. Every PAE employee is trained on our policies on non-discrimination and Equal Employment Opportunity.

Guided by our values, we operate with a priority on diversity and inclusion. We support a diverse workforce that begins even before an employee is hired. PAE provides opportunities for employment candidates within minority groups through proactive recruiting strategies. PAE Recruiting uses targeted sourcing to reach diverse candidates. Outreach to local job networks and campaigns targeting more than 18,000 organizations and professional associations showcase career opportunities to minority audiences. We work with niche job boards and tools and participate in job fairs from organizations focused on diverse employment, including:

- Hispanic/Latino Professional Association
- Monster Government Solutions
- Military Skills Translator
- National Society of Black Engineers
- Rally Point
- Recruit Military
- Women in Technology
- Women’s Employment Network

Additionally, PAE recruits participants for internships through diverse colleges and universities, including historically black colleges and universities. We also participate in diverse fellowship efforts, such as Hiring Our Heroes' Corporate Fellowship and Military Spouse Fellowship programs.
PAE’s Commitment to Respecting Human Rights

PAE promotes a work environment that is positive, diverse, open and inclusive, where employees and others can ask questions, express work-related concerns about ethics issues, make inquiries or report violations without fear of retaliation. While these measures are effective, it is truly the management team that sets the tone and expectations for the rest of the workforce. Through their examples and the corporate policies in place, PAE continues to demonstrate its support for and protection of human rights.

In addition to guidance provided in our Code of Conduct and related policies, PAE’s Combating Trafficking in Persons program is comprised of policies and procedures to ensure PAE’s commitment to compliance with applicable laws and regulations regarding trafficking in persons. CTIP training is provided to employees and other personnel, and CTIP procedures are implemented within relevant programs, as well as to subcontractors and labor brokers in various parts of the world. Procedures include risk assessments of potential and existing subcontractors, program audits, continuous monitoring and implementation of process improvements.

PAE is committed to compliance with labor and employment laws of all jurisdictions in which we operate. U.S.-based employees are provided with information about their rights to engage in collective bargaining. We believe that all our employees are our most valuable assets and we prioritize their individual and collective needs accordingly. PAE’s workforce includes several union labor groups, and we are proud of the effective collaborations between PAE Labor Relations and these teams to effectively support the missions of our customers.
PAE offers a robust suite of services, programs and initiatives to support employee health. Health fairs offer employees the opportunity to speak directly to their benefits vendors about coverage and health service options so they are better informed and prepared to make educated choices. Health insurance participants have access to additional services, including a benefit that supports employees with weight management and living with diabetes and hypertension. PAE’s benefits service provider also helps participants manage acute, complex and chronic conditions with advocacy, education, decision support and gaps in care.
PAE’s Commitment to Health, Wellness, and Professional Development Continued

All PAE employees, regardless of their participation in company-sponsored health insurance, have access to several programs that promote their health and wellness. Focused on encouraging physical activity and healthy habits, PAE offers a specialized wellness platform that engages employees through team or individual challenges and individualized wellness journeys. For example, all employees are eligible to receive free telephonic life coaching, financial counseling and virtual or in-person professional counseling sessions. In addition, PAE employees have access to resources for child and elder care management services. This includes locating care giving service providers and providing in-person assessments, check-in services and on-site evaluations. Finally, PAE’s wellness platform offers online learning opportunities, resources and numerous convenience services for everyday needs.

Employees who participate in company-sponsored health insurance have the option of selecting between various benefit options, including life insurance, short term disability coverage and flexible spending accounts that offer tax benefits for employees’ eligible dependent and health care expenses. All these programs were established to assist with work-life balance and offset out-of-pocket expenses.

Our employees’ professional development is important to PAE. Our Learning and Development Team strategizes corporate and individualized training needs with management and functional leads and utilizes a variety of tools and training mechanisms to ensure that our employees receive access to training programs relevant to their professional development. PAE also offers tuition assistance for eligible employees who may wish to pursue eligible continuing education.
Corporate-Level Charitable Contributions/Initiatives

We work to make the world a better, safer place. In addition to excellent service to our customers, we’re committed to improving the communities where we work and live. We support nonprofit organizations and charities that align with our core values and the interests of our employees. Some of those programs include:

- **Tragedy Assistance Program for Survivors**
  - TAPS provides comfort, care and resources to all those grieving the death of a military loved one. Since 1994, TAPS has provided comfort and hope 24 hours a day, seven days a week through a national peer support network and connection to grief resources, all at no cost to surviving families and loved ones.

- **Military Child Education Coalition**
  - MCEC strives to make sure every military-connected child is college-, workforce- and life-ready. They work to ensure inclusive, quality educational opportunities for all military-connected children affected by mobility, transition, deployments and family separation.

- **National Veterans Wellness & Healing Center**
  - The mission of the NVW&HC is to establish an environment that is responsive to the needs of veterans and military families using creative therapies and processes that focus on emotional and physical healing related to post-traumatic stress.
PAE is committed to supporting worthy causes that positively impact members of our workforce, especially when disaster strikes. For example, in collaboration with the American Red Cross, PAE supports disaster relief through a year-round matching gift program.

The charities discussed above are just a few examples of the programs we have supported. We are continually evaluating our charitable engagements to determine the programs to support that best align with our core values.
PAE’s board of directors sets high standards for the company’s employees, officers and directors. Implicit in our philosophy is the importance of sound corporate governance. To fulfill its responsibilities, the board follows the procedures and standards that are set forth in the Corporate Governance Guidelines and the board committee charters available on the Investor Relations section of the PAE website. A link to PAE’s Code of Conduct is also included on this page.

PAE is committed to sound corporate governance practices. Our corporate governance practices include the following best practices:

- The role of the chairman of the board and chief executive officer are completely separate
- All board committees are made up entirely of independent directors
- Independent directors meet without management
- Corporate governance guidelines are clear and robust
- The board and its committees complete annual self-evaluations
- Board members participate in a board orientation and education program
- Our insider trading policy prohibits hedging and pledging of PAE’s securities by directors, officers and employees
- Our compensation clawback policy provides for recoupment of incentive-based compensation under certain circumstances
- We have a pay-for-performance compensation philosophy
- We do not have a shareholder rights plan or “poison pill” in effect
PAE’s Corporate Governance
Continued

In addition, our board has appointed a nominating an 
corporate governance committee. One of the committee’s 
main responsibilities is to review periodically PAE’s corporate 
governance policies and practices and to recommend changes 
to the board where appropriate.
PAE's goals regarding its ESG initiatives are aspirational and not guarantees or promises that all goals will be met. Any statistics and metrics about PAE's ESG activities are estimates and may be based on assumptions or developing standards.