



Carbon reduction plan

Commitment to achieving Net Zero

Introduction

Cognizant welcomes and supports the UK government's commitment to addressing climate change, including through its world-leading efforts to reduce emissions through the procurement of major UK government contracts. Cognizant looks forward to delivering our Net Zero emissions goal in line with the UK Government's targets as set out in the climate change act 2008 (as amended in 2019) and the Procurement Policy Note 06/21 (PPN).

Net Zero commitment

Cognizant is adopting a science-based approach to Net Zero GHG emissions reduction target-setting. This means that we are aligned with the need to ensure global temperature increases do not exceed 1.5 degrees Celsius. Our Goal includes the following key targets for GHG emissions reduction:

- **2030:** A 50% reduction in gross emissions arising from our global operations and supply chain, with the remaining, unavoidable emissions compensated through carbon offsets.
- **2040:** A 90% reduction in gross emissions arising from our global operations and supply chain, with the remaining, unavoidable emissions neutralised through carbon offsets.

We have adopted a philosophy of prioritizing gross emissions reduction, relying on carbon offsets only when further emissions reduction is physically or financially unachievable. For example, we will first look to reduce air travel, using offsets only where we cannot.

Executive summary

Cognizant is committed to achieving Net Zero emissions in the UK and globally by 2040. Cognizant will do this through our Net Zero Goal. In line with best practice, our Net Zero Goal:

- Is science-based
- Is third-party validated by the Science Based Targets Initiative (SBTi)
- Uses the Greenhouse Gas (GHG) Protocol accounting standards
- Is based on GHG emissions limited assured by our auditor of record
- Includes Kyoto protocol gasses reported in units of carbon
- Is inclusive of the Scope 1, Scope 2 and select Scope 3 emission categories required by the technical standard for completion of carbon reduction plans which accompanies the PPN ("Technical Standard") (including from reporting year 2020).

Supplier Name: Cognizant
Worldwide Limited

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Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. Cognizant has chosen to use 2019 as the baseline year for its Net Zero Goal.

Baseline year: 2019

Additional details relating to the baseline emissions calculations

Cognizant seeks to treat GHG emissions data with rigorous governance. Cognizant undertakes business across the world and Cognizant's global 2022 GHG emissions data, which can be accessed through our annual ESG Report¹, and has been assured by our auditor of record, PwC, through a limited assurance process.

As required by the technical standard, the reported data for this carbon reduction plan has been established by completing a carbon footprint for Cognizant's GHG emissions from sources in the UK.

Cognizant's 2022 GHG emissions reporting does not contain the following Scope 3 emissions requested in the Technical Standard:

Scope 3 emissions type	Exclusion explanation	Future reporting
Downstream transportation & distribution	Cognizant is a services company and does not manufacture any physical goods. For this reason, Cognizant does not have Scope 3 emissions associated with downstream transportation and distribution of physical goods.	As a services company, we have no immediate plans to report on downstream transportation and distribution in the immediate future.

We will keep the Scope 3 emissions referenced above under review and where applicable these emissions will be included for the reporting year 2023 and future reporting years.

Baseline year emissions

Reporting year: 2019	Emissions TOTAL (tCO ₂ e)
Scope 1	27
Scope 2	337 (market based)
Scope 3 (included sources)	31,492 Purchased goods and services Capital goods Fuel and energy related activities (FERA) Business travel Employee commuting Upstream leased assets Upstream transportation and distribution Waste generated in operations Investments
Total emissions	31,856 (market based)

Current emissions reporting

Reporting Year: 2022	Emissions TOTAL (tCO ₂ e)
Scope 1	10
Scope 2	182 (market based)
Scope 3 (included sources)	25,935 Purchased goods and services Capital goods Fuel and energy related activities (FERA) Business travel Employee commuting Upstream leased assets Upstream transportation and distribution Waste generated in operations Investments
Total emissions	26,127 (market based)

Carbon reduction initiatives

Cognizant has developed a global approach to GHG emissions reduction which includes emissions generated in the UK. Our plan for decarbonization and the delivery of Net Zero Goal will be implemented through six main levers:

1. Energy

Renewable energy and energy efficiency create absolute emissions reductions in our operations. By obtaining renewable energy, including electricity from renewable sources directly and indirectly, we seek to create new demand and stimulate green market growth.

a) Renewable energy:

In April 2022, we announced our objective to source 100% of our electricity needs for our offices and facilities from renewable sources, solar and wind, by the end of 2026. We have focused our renewable energy strategy in India, where we have a significant physical footprint and where our energy consumption is highest. In India, our activities include renewable energy projects like:

- Using photovoltaics (PV) to harness solar power.
- Expanding renewable energy sources through new Power Purchase Agreements (PPAs) with clean energy developers.

By the end of 2022, nearly half of the energy used in our buildings in India came from wind and solar sources. We plan to rely on energy attribute certificates, including in the UK, where renewable energy cannot be obtained due to supply constraints, energy needs being below the threshold of PPAs or other constraining factors.

b) Energy Efficiency:

Energy efficiency is also a priority. We focus most of our energy efficiency work in our owned buildings in India. These buildings are the largest source of our energy use, and we have the most flexibility and ability to determine and influence demand.

- Equipment upgrades: We upgrade aging HVAC equipment in our owned buildings, using modular uninterruptible power supply (UPS) systems in place of conventional units and adopting LED lighting in our facilities to enhance our energy efficiency.
- Consolidating UPS systems and re-engineering chilled water distribution: Both of these efforts reduce energy consumption and lower energy costs.
- LED retrofit: We replace existing compact fluorescent lights with LED and optimize lighting requirements.

We estimate that these projects have an energy saving potential of up to 4.7 million kWh. In 2023, we will continue to replace or upgrade HVAC equipment and UPS units in our owned buildings to improve operational efficiency.

Looking ahead, we are setting up a centralized enterprise building management system platform in India to integrate all facilities and organize energy use data from multiple sites into a single, easily accessible online repository. Real-time information access will improve data analysis and facilitate data-driven decision-making. Additionally, it can provide a flexible and reliable database that can help us to interface with analytical tools on cloud spaces for fine-tuning, global benchmarking and making positive changes throughout our built environment.

We offer similar services for our clients to help them use data, automation and the Internet of Things (IoT) to improve the energy efficiency of their buildings.

In the UK, we typically occupy multi-tenanted facilities and so are generally reliant on our landlords for minimizing energy consumption. We are focused on ensuring the following:

- Associates turn off electrical devices when not in use.
- Air conditioning units only operate during business hours.
- The temperature of our server rooms is held at +/- 21 °C.

In 2022, we moved to a new office in Bishopsgate, London. This building has achieved:

- BREEAM² Outstanding in the Refurbishment category, indicating that the building has been refurbished with environmental performance in mind.
- WELL v2³ Platinum certification, indicating that the building has been designed with our associates' health and wellness in mind.
- Cycling Score Platinum⁴, indicating the building's cycle-friendliness.

2. Travel reduction

Our travel philosophy is based on ensuring efficient movement to support business goals. Our travel emissions have been reduced by 72% since 2019, the baseline of our Net Zero Goal. The COVID-19 pandemic is responsible for most of that reduction, but we also work to maintain this trend by:

- Setting limits on travel expenses and therefore emissions.
- Requiring pre-travel approval and delivering information to associates on the carbon footprint of travel.
- Building on reports from the airlines we use to identify wasteful trends.
- Improving the insights, we provide associates on the emissions impact of air travel through the company travel booking system.

3. Green information technology (IT)

We seek to optimize energy consumption across our IT infrastructure globally, implementing smart and efficient strategies to manage our energy demands and lower emissions from our operations. Significant improvements have been made since 2019 in:

- **Data centers:** We have reduced the total footprint of our data centers by 17% over the course of 2021 and 2022 and improved our Power Usage Efficiency by 9%. We have also accelerated our hyper convergence of servers while optimizing

physical by 13% and virtual by 20%. Cloud migration is a priority: 80% of our software applications now reside in the cloud.

- **Collaboration:** By focusing on the use and benefit of online collaboration tools we reduced the need for associate travel. We estimate that our associates have devoted nearly 400 hours per associate to virtual conversations since mid-2019. Our focus has been on consolidating our meeting platforms, and we have reduced the use of Internet Protocol phones by 37%.
- **End user computing:** Energy consumed through office IT equipment represents a significant source of emissions. Our initiatives to reduce our footprint include
 1. Reducing sleep time for associate laptops;
 2. Upgrading operating systems remotely instead of using on-premise infrastructure;
 3. Scaling down office printers; and
 4. Switching associates from desktops to laptops, thereby achieving an 80% reduction in power needed for associates' computing.
- **Network:** We have significantly improved the energy efficiency of our network with new hardware such as routers using 30% less power than existing equipment.

4. Supply chain engagement

We are helping our suppliers reduce their emissions as they represent the biggest source of our overall carbon footprint. We believe addressing emissions from our suppliers is critical to reducing our Scope 3 emissions and future dependence on carbon offsets.

We engage with our suppliers and request that they:

- Gather and report (to us) GHG emissions data.
- Set their own Net Zero targets.

In 2022, Cognizant set a goal that at least 90% of our top 150 suppliers by spend will have set their own emissions reduction targets by the end of 2026.

5. Carbon offsets

We will continually aim for absolute emissions reductions before the purchase of carbon offsets. As much as we desire and strive for absolute reductions, we also recognize the physical and economic barriers to a near-term zero-carbon economy.

Our goal is rapid decarbonization that allows for the continued growth and prosperity of our associates, communities and clients. To achieve this, we believe quality offsets have a place in the global transition to a low-carbon economy and we plan to use them where absolute emissions reductions are not physically or financially viable.

We are building an offsetting strategy to determine the standards and project types we will use, along with starting to engage with potential offsetting partners.

6. Culture and training

Reaching our Net Zero Goal will take commitment and a cultural shift from within. Large companies like ours have the power to help mobilize and educate hundreds of thousands of associates to contribute to our Net Zero Goal actions. This is one of the reasons we are prioritizing the provision of climate training.

In addition, business solutions to climate change require digital transformation; as digital transformation experts, Cognizant will lead our clients in this space. To do so, we are taking steps towards developing a climate-competent workforce, a part of meeting climate goals.

Our actions:

- We began our education efforts in 2021 when we trained 28,000+ associates on zero waste efforts. In 2022, we gave associates access to an application which is a platform for individual action on climate change and sustainability. More than 15,000 associates took more than 1 million actions.

- In 2023, we launched a robust climate education program and set a goal to provide 100,000 associates, including those based in the UK&I, with climate training by the end of 2024.

Certification schemes

Cognizant's global approach to Environment, Health and Safety (EHS) incorporates ISO standards 45001:2018 for occupational H&S management systems and ISO 14001:2015 for environmental management systems. As of 2022, nearly 92% of our workspace was covered by our EHS management system. We now track and report this metric based on workspace (e.g., offices) rather than associate count in a workspace. This allows us to accommodate the realities of hybrid work.

Future carbon reduction initiatives

We have identified levers, including in relation to the UK, for targeting the most material aspects of our GHG emissions and delivering against our Net Zero Goal:

Building energy performance including:

- Energy profiling of offices
- Consideration of environmental factors and green building certifications when selecting new real estate space
- Energy efficient usage of heating, ventilation, cooling, lighting (LEDs)
- IoT sensors and connectors

IT energy performance, including:

- Energy efficient IT equipment (e.g., copiers, desktops, monitors etc.)

Renewable energy sourcing:

- Renewable Energy Certificates (RECs)

Operational efficiencies:

- Developing policy and engaging associates for optimal flying
- EV charging points at or near offices

Emissions associated with purchased goods and services:

- Supplier Net Zero commitments
- Providing guidance, support and engagement opportunities to suppliers

Carbon offsets:

- Certified
- Auditable and verifiable
- Single-use (no 'double counting')

Declaration and sign off

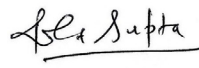
This carbon reduction plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for carbon reduction plans.

Emissions have been reported and recorded in accordance with the published reporting standard for carbon reduction plans and the GHG reporting protocol corporate standard⁵ and uses the appropriate government emission conversion factors for greenhouse gas company reporting⁶.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for carbon reduction plans and the corporate value chain (Scope 3) standard⁷.

This carbon reduction plan has been reviewed and signed off by the board of directors of Cognizant Worldwide Limited, evidenced by a written resolution of the board dated 27 July 2023.

Signed on behalf of the supplier:



Name : Rohit Gupta

Title : Head of UK & Ireland, Cognizant

Date : 11 August 2023

1. https://www.cognizant.com/en_us/about/documents/2022-esg-report.pdf

2. <https://bregroup.com/products/breeam/>

3. <https://www.wellcertified.com/certification/v2/>

4. <https://cyclingscore.com/>

5. <https://ghgprotocol.org/corporate-standard>

6. <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

7. <https://ghgprotocol.org/standards/scope-3-standard>



Cognizant (Nasdaq-100: CTSH) engineers modern businesses. We help our clients modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at www.cognizant.com or [@cognizant](https://twitter.com/cognizant).

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