



Carbon reduction plan

Commitment to achieving Net Zero emissions

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 has adopted 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°C. 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.
- **2040:** A 90% reduction in gross emissions arising from our global operations and supply chain.

We have adopted a philosophy of prioritising absolute emissions reduction, relying on carbon offsets only when further emissions reduction is physically or financially unachievable. From 2030, we will compensate for emissions that we have been unable to avoid by purchasing high quality, credibly certified carbon offsets.

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 standards¹
- Is based on GHG emissions limited assured by our auditor of record
- Includes Kyoto protocol gases reported in units of metric tons of carbon equivalent
- 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").

Supplier Name: Cognizant Worldwide Limited

Publication Date: 30 June 2024

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. We undertake business across the world and Cognizant's global 2023 GHG emissions data, which can be accessed through our annual Global 2023 Sustainability & Corporate Citizenship Report².

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 2023 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 calculate 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 2024 and future reporting years.

Baseline year emissions

Reporting year: 2019	Emissions TOTAL (tCO ₂ e)
Scope 1	27
Scope 2	427 (market based)
Scope 3 (included sources)	14,215 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	14,669 (market based)

Current emissions reporting

Reporting Year: 2023	Emissions TOTAL (tCO ₂ e)
Scope 1	3
Scope 2	275 (market based)
Scope 3 (included sources)	8,583 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	8,861 (market based)

Carbon reduction initiatives

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

- Delivering on our renewable electricity sourcing goal.
- Improving the energy efficiency of our offices and data centres.
- Engaging our suppliers to set their own science-based emissions reduction targets.
- Optimising our approach to business travel and employee commuting.
- Sourcing high quality, credibly certified carbon offsets.
- Creating a climate competent workforce.

Renewable electricity sourcing

We have committed to ensuring 100% renewable electricity sourcing by 2026. In 2023, 52% of the electricity we consumed in India came from renewable sources, compared to 44% in 2022.

To meet our renewable electricity target, we are focusing on the following:

- Long term Power Purchase Agreements (PPAs) to source solar and wind-generated electricity for the properties that we own in the states of Tamil Nadu and Maharashtra.
- Engagement with landlords to agree to source renewable electricity where we lease property.
- Sourcing electricity on a green tariff.
- Purchasing Energy Attribute Certificates (EACs).

Energy efficiency

We are focused on reducing energy consumption and delivering energy efficiency across our offices and IT infrastructure. Total electricity consumption in 2023 was 61% lower than our 2019 Net Zero baseline year. Our energy intensity in 2023 was 34.69 gigajoules per million \$ of revenue, 66% lower than 2019.

For the offices we own in India, we have continued our focus on upgrading:

- Heating, ventilation and air conditioning equipment, including:
 - Replacement of conventional Air Handling Unit (AHU) motors with electronically commutated motors
 - Retrofitting of chillers and other refrigeration systems
 - Installation and commissioning of variable refrigerant volume units
- Fluorescent to LED lighting
- Conventional to modular Uninterrupted Power Supply (UPS) systems.

Over half of the properties owned by Cognizant in India are Leadership in Energy and Environmental Design (LEED) certified for new construction by the Indian Green Building Council (IGBC).

We have also implemented a new Enterprise Building Management System Platform in our Chennai office that can leverage AI solutions for real time data insights, predictive maintenance and improvement in operational efficiency.

For our IT infrastructure, we focus on improving the energy performance of our data centres. Key deliverables in 2023 included:

- 18% decrease in the number of hypervisors in use.
- Hosting over 80% of the apps we use across the business in the cloud, which is more energy efficient.
- An average Power Use Effectiveness (PUE) of 1.34 for the data centres we manage at third-party owned sites for our clients.

In the UK, we typically occupy multi-tenanted facilities and so are generally reliant on our landlords for minimising 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 2023, we moved to a new office in Bishopsgate, London. This building has achieved:

- BREEAM2³ Outstanding in the Refurbishment category, indicating that the building has been refurbished with environmental performance in mind.
- WELL v2⁴ Platinum certification, indicating that the building has been designed with our associates' health and wellness in mind.
- Cycling Score Platinum⁵, indicating the building's cycle-friendliness.
- Circadian lighting that adjusts to outside sunlight levels thereby optimising energy use.

Travel and remote work

The majority of our business travel emissions are attributable to air travel. In 2023, emissions from business travel was 62% lower than our 2019 Net Zero baseline year.

Our approach is to encourage more thoughtful travel. Our travel booking systems enable us to identify reasons for travel, routes taken, airlines used and any obviously inefficient journeys. We use this data to provide advice and guidance to associates on ways to avoid unnecessary travel. Our ongoing investment in advanced video-conferencing tools has supported our push toward travel avoidance. In 2023, our associates undertook over 11.5 million virtual meetings.

Associate work commutes are another source of emissions that we monitor. In 2023, we added 176 electric vehicles to the transport provided to associates commuting

outside of normal working hours. Our total emissions from all associate commuting in 2023 decreased by 72% compared to 2022.

We also surveyed associates on their home working practices. This enabled us to calculate total emissions generated through remote work at 168,757 MtCO₂e for the year ended 31 December 2023.

Supply engagement

Our sourcing of purchased goods and services and capital goods accounts for 49% of our total emissions footprint, making it a priority for our reduction plan.

We have identified those areas of purchasing that generate the most emissions and the top 150 suppliers most relevant to this sourcing. These 150 suppliers account for 72% of Cognizant's total supplier-generated emissions and are therefore the focus of engagement. In 2023, we identified which have committed to emissions reductions targets and which have not. We then engaged the latter group directly to discuss the potential for reduction commitments. We are committed to engaging 90% of our top 150 suppliers to set a science-based emissions reduction target by 2026.

In 2023, 39% of these suppliers had met this expectation, up from 18% in 2022.

To support this objective, we have introduced expectations on target setting and emissions data disclosure in contracts signed with new suppliers.

Carbon offsets

As part of our Net Zero Goal, we are committed to offsetting all emissions that are unavoidable from 2030 onwards using credibly certified carbon offsets.

Rather than delaying, we are taking early action by investigating specific projects that meet our needs. We began this process in 2023 by establishing a set of principles to ensure that the offsets we purchase meet our requirements and align with credible goal standards. We are using these principles to identify specific projects that fit these criteria.

Climate training

We want to ensure our associates possess the climate skills necessary to support our clients in meeting their environmental commitments.

In 2023, Cognizant introduced climate training for associates through our Learning and Development studio. We established an objective for 100,000 of our associates globally to undertake this training by the end of 2024. In addition to providing basic information on climate and biodiversity science, our training gives information to specific teams on how their roles relate to sustainability.

By the end of 2023, nearly 29,000 associates from over 40 countries have completed the training, reflecting almost 30% progress towards our target.

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 2023, nearly 95% 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.

Declaration and sign off

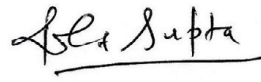
This carbon reduction plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for carbon reduction plans.

Emissions have been reported and recorded in accordance with the published reporting standard for carbon reduction plans and considered the GHG reporting protocol corporate standard principles and guidance 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 25 June 2024.

Signed on behalf of the supplier:



Name : Rohit Gupta
Title : Head of UK & Ireland, Cognizant
Date : 28 June 2024

1. <https://ghgprotocol.org/corporate-standard>
2. https://www.cognizant.com/en_us/about/documents/cognizant-2023-sustainability-report.pdf
3. <https://bregroup.com/products/breeam/>
4. <https://www.wellcertified.com/certification/v2/>
5. <https://cyclingscore.com/>
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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