



Supplement to 2020 ESG Report  
June 6, 2022



Subsequent to the issuance of Cognizant’s 2020 ESG Report, Cognizant expanded the scope of our measured and reported GHG emissions and energy consumption metrics and refined the criteria and measurement methods used to calculate our Scope 1, Scope 2 and Scope 3 GHG emissions and total energy consumption metrics, collectively, the “updated measurements”. This Supplement provides a summary of the changes in reporting boundary, measurement methods, and criteria and the related impact on the GHG emissions and total energy consumption metrics. The 2020 updated measurements are presented in the table below under “Metric Quantity, As Updated”. The updated GHG emissions and energy consumption shown below and the corresponding changes in reporting boundary, measurement methods and criteria described herein allow metrics to be most easily compared year over year. The body of this 2020 ESG Report has not been changed to reflect the updated measurements. This Supplement reflects the only information in our ESG Report that has been updated. Please see our 2021 ESG Report for more current information about our ESG program.

**2020 GHG Emissions and Total Energy Consumption Updated Metrics<sup>16</sup> (original metrics included on page 14 of our 2020 ESG Report)**

GHG Emissions and Total Energy Consumption Metrics	Definition of Metric and Assessment Criteria <sup>1,2,3,5,6</sup>	Metric Quantity, As Reported in our 2020 ESG Report	Metric Quantity, As Updated <sup>4,16</sup>
Total Scope 1	Direct emissions from stationary and mobile fuels, refrigerants, and on-site solar panels. <sup>8</sup>	7,437 MTCO <sub>2</sub> e <sup>7</sup>	10,542 MTCO <sub>2</sub> e <sup>7*</sup>
Scope 2 (Location-based)	Indirect emissions from purchased electricity (Location-based), district heating and cooling, and electric vehicles charged offsite. <sup>9</sup>	148,138 MTCO <sub>2</sub> e <sup>7</sup>	149,209 MTCO <sub>2</sub> e <sup>7*</sup>
Scope 2 (Market-based); Total Scope 2 (referencing Market-based)	Indirect emissions from purchased electricity (Market-based), district heating and cooling, and electric vehicles charged offsite. <sup>9</sup>	100,685 MTCO <sub>2</sub> e <sup>7</sup>	101,756 MTCO <sub>2</sub> e <sup>7*</sup>
Scope 3, Category 3: Fuel and energy-related activities	Indirect upstream well-to-tank (WTT) emissions and transmission & distribution (T&D) losses associated with the fuels and electricity consumed by Cognizant. <ul style="list-style-type: none"> <li>• Stationary fuels (WTT)</li> <li>• Mobile fuels (WTT)</li> <li>• Electricity (T&amp;D losses and WTT)</li> <li>• District heating and cooling (WTT)</li> <li>• Electric vehicles charged offsite (T&amp;D losses)<sup>10</sup></li> </ul>	50,797 MTCO <sub>2</sub> e <sup>7</sup>	51,508 MTCO <sub>2</sub> e <sup>7*</sup>
Scope 3, Category 6: Business travel	Indirect emissions from business travel and associated WTT emissions. <sup>11</sup>	45,859 MTCO <sub>2</sub> e <sup>7</sup>	87,363 MTCO <sub>2</sub> e <sup>7*</sup>
Scope 3, Category 7: Employee commuting	Indirect emissions from employee commuting. <sup>12</sup>	11,206 MTCO <sub>2</sub> e <sup>7</sup>	50,117 MTCO <sub>2</sub> e <sup>7*</sup>
Total energy consumption for Scope 1 and 2 activities	Direct and indirect energy consumed from fuel and energy consumption (diesel, liquid petroleum gas, natural gas, gasoline, electricity, district heating and cooling, and electric vehicles charged offsite). <sup>13,14,15</sup>	767,307 gigajoules	901,620 gigajoules*

\*We commissioned an external third party to perform attestation procedures with respect to these updated metrics for the year ended December 31, 2020. Full details and data methodology are available at **Report of Independent Accountants**.

**2020 GHG Emissions: Updated Emissions by category and Emissions by scope (original percentages included on page 15 of our 2020 ESG Report)**

GHG Emissions Category or Scope		Percentage, As Reported in our 2020 ESG Report	Percentage, As Updated	
	Category Name, As Reported in our 2020 ESG Report	Category Name, As Updated		
Emissions by category	Company-sponsored commuting	Employee commuting	4.8%	15.8%
	Offices (other fuels/gases)		3.4%	3.3%
	Business travel (air and rail)	Business travel	19.74%	27.5%
	Fleet		0.01%	0.4%
	Offices (electricity)	Offices (electricity and other purchased energy sources)	72.0%	53.0%
Emissions by scope	Total scope 1		3.2%	3.5%
	Total scope 2 (referencing market-based)		43.33%	33.8%
	Total scope 3		53.47%	62.7%

**Updated Endnotes (originally included on pages 48 and 49 of our 2020 ESG Report)**

**GHG emissions disclosure**

1. Cognizant considers the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised* and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (together the "GHG Protocol"), to guide the criteria to assess, calculate and report GHG emissions, including total energy consumption.

2. Organizational boundary relates to Cognizant's sites over which it had operational control during the reporting year.

3. Emissions associated with the following sites are not included: those under construction, not operational, on short-term leases, co-working sites, or non-integrated companies (those in process of being or recently acquired).

4. Cognizant's GHG emissions and total energy consumption are rounded to the nearest whole number and are for the year ended December 31, 2020.

5. Carbon dioxide equivalent (CO<sub>2</sub>e) emissions are inclusive of carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), and industrial gases, which include hydrofluorocarbons (HFCs). The other GHGs of sulfur hexafluoride (SF<sub>6</sub>), perfluorocarbons (PFCs) and nitrogen trifluoride (NF<sub>3</sub>) are not emitted by Cognizant's sites. Emissions data by individual gas is not disclosed as a majority of CO<sub>2</sub>e relates to CO<sub>2</sub>. These CO<sub>2</sub>e emissions utilize Global Warming Potentials (GWPs) defined by the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report (AR4 - 100 year), unless a different Assessment Report is already embedded in the emission factor source. CO<sub>2</sub>e are calculated by multiplying actual or estimated energy, fuel and refrigerant usage by relevant emission factors taking into account the equivalent GWP.

6. GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

7. MTCO<sub>2</sub>e = Metric tons of carbon dioxide equivalent.

## Scope 1 and 2 GHG emissions

### 8. Related to Scope 1 GHG emissions:

- Scope 1 stationary fuels includes diesel fuel used for backup generators, liquid petroleum gas, and natural gas used by Cognizant sites.
  - Diesel powered backup generators are in use at certain sites in France, Hungary, India, Lithuania, Mexico, the Philippines, Poland, and the United States (U.S.). Diesel consumption (volume) was obtained from third-party invoices or property owners' reports. Stationary diesel is adjusted for stockpiling for sites in India. Where diesel consumption was not available, Cognizant estimated diesel consumption using the intensity method (liters/square foot) based on comparable Cognizant sites. For Mexico and the countries in Europe, Cognizant assumed the same number of diesel powered backup generators were in service during 2020 as in 2021 as a proxy.
  - Food vendors on-site at fully leased or owned sites in India consume liquid petroleum gas. Actual consumption data was obtained from third-party invoices or vendors' reports. No estimates were made.
  - U.S. and Canadian sites, and certain European sites are assumed to consume natural gas. Natural gas consumption was obtained from third-party invoices or property owners' reports. For sites where consumption data was not available for certain months, an average monthly consumption was calculated based on the invoices received for that site. For sites where consumption data was not available, Cognizant estimated natural gas consumption using the 2012 Commercial Buildings Energy Consumption Survey intensity factors for United States offices.
- Scope 1 mobile fuels include diesel or gasoline fuels used for the Cognizant vehicle fleet in Belgium, Brazil, Germany, India, the Netherlands, and Portugal.
  - Cognizant used invoice data where available to measure mobile fuel consumption. For vehicle fleets where mobile fuel consumption data was not available for certain months, an average monthly consumption was calculated based on the invoices received for that vehicle fleet.
  - Where invoice data was not available, Cognizant estimated emissions from mobile fuel using the intensity method (average annual GHG emissions by vehicle from 2021).
- Scope 1 emissions from refrigerants apply to Kyoto Protocol refrigerants used in the operation of sites in India and the Philippines. All other refrigerant emissions are outside of Cognizant's operational control and are excluded from reporting. Refrigerant top ups were obtained from third-party invoices.
- Energy associated with on-site solar panels (not connected to a third party grid) is generated and consumed on-site at sites in India. Cognizant categorized emissions from on-site solar panels within its Scope 1 GHG emissions with zero emissions.
- Emission factors: United Kingdom (UK) Government GHG Conversion factors for Company Reporting (2020).
- Estimated emissions from the sources above account for approximately 36% of total Scope 1 GHG emissions.

### 9. Related to Scope 2 GHG emissions:

- Scope 2 purchased electricity applies to electricity used at Cognizant sites and purchased a) from the grid, or b) from the property-owner for Cognizant's direct use on-site.
  - Cognizant captured actual electricity usage from the grid from third-party invoices or property owners' reports. For sites where consumption data was not available for certain months, an average monthly consumption was calculated based on the invoices received for that site. For all other sites (except the U.S. and Canada) where electricity consumption was not available, Cognizant estimated electricity using the intensity method (kWh/square foot) based on comparable Cognizant sites.
  - For sites in the U.S. and Canada, Cognizant used the 2012 Commercial Buildings Energy Consumption Survey intensity factors for United States offices.
  - Electricity purchased from a property owner and generated through captive diesel generators in India is based on invoice data and categorized under Scope 2 as purchased electricity.
  - In certain countries, Cognizant has sites that house on-site data centers or Cognizant operated (infra-managed) data centers. Electricity used for these data centers is included in Scope 2. Cognizant calculated its data center electricity use based on contracted power, its share of power utilization provided by the partner data centers and operating hours per year. Data centers operate 24 hours per day, 7 days per week, 365 days per year.

- Scope 2 district heating and cooling is used for one site in Hungary. Consumption was estimated based on the 2021 consumption.
- Scope 2 electricity consumption by electric vehicles charged offsite for Cognizant’s vehicle fleet in Belgium and the Netherlands. Cognizant used the intensity method (annual average km/vehicle from 2021).
- Emission factors: Location-based:
  - Grid electricity (excluding infra-managed data centers):
    - India: Government of India Ministry of Power Central Electricity Authority CO<sub>2</sub> baseline database for the Indian Power Sector (2018).
    - U.S.: U.S. Environmental Protection Agency Emissions & Generation Resource Integrated Database (“eGrid”) 2019 factors by sub-region (2021).
    - All other countries: International Energy Agency (IEA) Emissions Factors (2020).
  - Electricity purchased from property owners: UK Government GHG Conversion factors for Company Reporting (2020) for 100% mineral diesel.
  - Electricity from infra-managed data centers:
    - India: Government of India Ministry of Power Central Electricity Authority CO<sub>2</sub> baseline database for the Indian Power Sector (2021).
    - U.S.: U.S. Environmental Protection Agency eGrid 2020 factors by sub-region (2021).
    - All other countries: IEA Emissions Factors (2021).
  - District heating and cooling, and electric vehicles charged offsite: UK Government GHG Conversion factors for Company Reporting (2021).
- Emission factors: Market-based:
  - Grid electricity (excluding infra-managed data centers):
    - Solar and wind energy purchased through power purchase agreements or energy contracts or through the property owner: Treated as zero emissions.
    - For all other countries: Same as the location-based factors.
  - Electricity purchased from property owners: Same as the location-based factors.
  - Electricity from infra-managed data centers: Same as the location-based factors.
  - District heating and cooling, and electric vehicles charged offsite: Same as the location-based factors.
- Estimated emissions from the sources above account for approximately 14% of Scope 2 GHG emissions (location-based) and approximately 20% of Scope 2 GHG emissions (market-based) and total Scope 2 GHG emissions (referencing market-based).

### Scope 3 GHG emissions

10. Related to GHG emissions from Scope 3, category 3: fuel- and energy-related activities:

- Calculated based on activity data (diesel, liquid petroleum gas, natural gas, gasoline, electricity, district heating and cooling, and electric vehicles charged offsite) from Scope 1 and 2 emissions.
- Emission factors:
  - WTT for diesel, liquid petroleum gas, natural gas, gasoline, electricity: UK Government GHG Conversion factors for Company Reporting (2020).
  - WTT for district heating and cooling and T&D losses for electric vehicles charged offsite: UK Government GHG Conversion factors for Company Reporting (2021).
  - T&D losses for electricity: IEA Emissions Factors (2020).

11. Related to GHG emissions from Scope 3, category 6: business travel:

- Air and rail travel: The data used in the calculation is obtained from reports provided by a third-party commercial travel manager, which includes total distance per trip for business travel booked:
  - Air travel covers domestic and international travel by Cognizant employees globally.
  - Rail travel covers commuter train, national rail, and international rail by Cognizant employees globally.
- Other business travel categories: Calculated based on annual procurement spend data (accommodation, car lease, relocation services, transportation, travel management, and visa & immigration services) obtained from Cognizant’s procurement system.

- Emission factors:
  - Air and rail travel, and associated WTT: UK Government GHG Conversion factors for Company Reporting (2020).
  - Other business travel categories: Quantis emission factors available from the Greenhouse Gas Protocol Scope 3 evaluator tool (cited October 2021).

12. Related to GHG emissions from Scope 3, category 7: employee commuting:

- Includes employees commuting between their homes and their worksites. Calculated using an average intensity factor estimated based on peer benchmarks and the number of employees obtained from the HR system as of December 31, 2020.
- Emission factors: Average GHG emissions intensity factor for employee commuting based on publicly available data, as reported to CDP Climate Change for 2020, for three (3) similar companies, Infosys, IBM, and Wipro.

### Energy consumption

13. Direct and indirect energy include total gigajoules of direct on-site renewable energy consumption from solar panels, direct energy purchased, which is comprised of diesel, liquid petroleum gas, natural gas, and gasoline, and indirect energy purchased which is comprised of purchased electricity, district heating and cooling generated offsite, as well as electricity consumption by electric vehicles charged offsite for the year ended December 31, 2020.

14. The preparation of the total energy consumption metric requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in a materially different amount or metric being reported.

15. Estimated energy consumption from the sources above account for approximately 31% of the total energy consumption for Scope 1 and 2 activities.

### Summary of Changes in Reporting Boundary, Measurement Methods, and Criteria

16. Subsequent to the original issuance of Cognizant's 2020 metrics, Cognizant expanded the scope of our measured and reported GHG emissions and energy consumption metrics and refined the criteria and measurement methods used to calculate our Scope 1, Scope 2, and Scope 3 GHG emissions and total energy consumption metrics, collectively, the "updated measurements". Cognizant retrospectively updated the 2020 metrics included herein based on the refined criteria and measurement methods, which resulted in higher GHG emissions and energy consumption. The updated measurements include:

- Total Scope 1:
  - Diesel powered backup generators: Cognizant expanded the reporting boundary to include sites in France, Hungary, Lithuania, Mexico, and Poland and measured consumption using the methodology described in 8. above. In addition, Cognizant reclassified emissions related to diesel powered backup generators in the Philippines from Scope 2 (captive diesel generators) to Scope 1.
  - Natural gas: Cognizant expanded the reporting boundary to include sites in Europe. Cognizant made the assumption that all sites in the U.S. and Canada consume natural gas. In addition, for sites where natural gas consumption was not available, Cognizant refined its methodology to estimate natural gas consumption using the 2012 Commercial Buildings Energy Consumption Survey intensity factors for United States offices instead of using an internally derived intensity factor.
  - Mobile fuels: Cognizant expanded the reporting boundary to include the vehicle fleet in Belgium, Brazil, Germany, the Netherlands, and Portugal, which include both diesel and gasoline vehicles, and measured consumption using the methodology described in 8. above.
  - Cognizant updated its measurement of total Scope 1 GHG emissions from 7,437 MTCO<sub>2e</sub> to 10,542 MTCO<sub>2e</sub> based on the above.

- Scope 2 (Location-based and Market-based) and Total Scope 2 (referencing Market-based):
  - Cognizant reclassified emissions related to diesel powered backup generators in the Philippines from Scope 2 (captive diesel generators) to Scope 1. Cognizant expanded the reporting boundary to include infra-managed data centers, district heating and cooling, and electric vehicles charged offsite and measured consumption using the methodology described in 9. above. In addition, for sites in Canada where electricity consumption was not available, Cognizant refined its methodology to estimate electricity consumption using the 2012 Commercial Buildings Energy Consumption Survey intensity factors for United States offices instead of using an internally derived intensity factor.
  - Cognizant updated its measurement of Scope 2 location-based and Scope 2 market-based (including total Scope 2) from 148,138 MTCO<sub>2e</sub> to 149,209 MTCO<sub>2e</sub> and 100,685 MTCO<sub>2e</sub> to 101,756 MTCO<sub>2e</sub>, respectively.
- Scope 3, category 3: fuel- and energy-related activities:
  - Metric quantity updated as a result of updates to Scope 1 and 2 consumption data described above.
  - Cognizant updated its measurement of Scope 3, category 3: fuel- and energy-related activities from 50,797 MTCO<sub>2e</sub> to 51,508 MTCO<sub>2e</sub>.
- Scope 3, category 6: business travel:
  - Cognizant expanded the reporting boundary to include other business travel categories and measured consumption using the methodology described in 11. above.
  - Cognizant updated its measurement of Scope 3, category 6: business travel from 45,859 MTCO<sub>2e</sub> to 87,363 MTCO<sub>2e</sub>.
- Scope 3, category 7: employee commuting:
  - Cognizant expanded the reporting boundary to include worldwide employees and refined its calculation methodology. Cognizant calculated emissions from employee commuting using an average intensity method (GHG emissions by employee) estimated based on a peer benchmark applied to the number of employees as of December 31, 2020 instead of using employee commuting trips from company-provided transportation in India logged in Cognizant's automated system.
  - Cognizant updated its measurement of Scope 3, category 7: employee commuting from 11,206 MTCO<sub>2e</sub> to 50,117 MTCO<sub>2e</sub>.
- Total energy consumption for Scope 1 and 2 activities:
  - Metric quantity updated as a result of updates to Scope 1 and 2 consumption data as described above.
  - Cognizant updated its measurement of total energy consumption for Scope 1 and 2 activities from 767,307 gigajoules to 901,620 gigajoules.

**Cognizant**<sup>®</sup>

# Living our purpose

Engineering modern businesses  
to improve everyday life

**2020 ESG Report**



# Message from our Chief Executive Officer

One of my most important roles as CEO is to focus on the future, stay alert to what is changing in the external environment, including the growing expectation that companies serve a social purpose, and act on these challenges and opportunities decisively.

## Today's interconnected world

We recognize that businesses are interdependent with the world's social and environmental systems. In the medium and long run, social and environmental issues become financial issues. Businesses can thrive only if society prospers and the natural environment is protected.

We believe that pursuing an environmental, social, governance (ESG) agenda serves the interests of all of our stakeholders, including shareholders. Our associates, clients, partners, and investors expect us to stand up for our values and take action to promote a more equitable and sustainable world.

## Delivering value through purpose

The leadership team and I, along with our Board of Directors, devoted considerable thought and energy in 2020 to developing and communicating our company's new purpose, vision, bold moves, and values, which we call the "Cognizant Agenda."

At the top of this Agenda is Cognizant's purpose: we engineer modern businesses to improve everyday life. This statement serves as our North Star, guiding our actions by defining what we stand for, why we are in business, and how we aim to do well by doing good. Although Cognizant is a business-to-business company, the work we do with and for our clients seeks to improve everyday life for people around the world.

Everything we create for stakeholders comes from the knowledge, skills, and passion of our associates.

To focus the passion of our associates, encourage their engagement, and better understand the perspectives of the diverse clients and communities we serve, we are intensifying our efforts to drive diversity and inclusion (D&I) and a culture of belonging throughout our organization. This is not only the right thing to do, but essential to attracting and retaining top talent with the skills needed to exceed our clients' expectations.

Along with developing the Agenda, we are repositioning the Cognizant brand, globalizing Cognizant, accelerating digital, and increasing our client relevance, including through ESG. Executing our ESG priorities will enable us to fulfill our purpose and drive shareholder value as we advance toward our vision of becoming the preeminent technology services partner to the Global 2000 C-suite.

Running a responsible business begins with our Board of Directors and leadership team setting a cultural "tone at the top," by clearly communicating the values and behaviors we celebrate and reward. Our Code of Ethics is a reflection of these values, which include doing the right thing, the right way and creating conditions in which everyone can thrive. We require all of our executive leaders to share ethics and compliance messaging with their teams each quarter.

For Cognizant, bringing our values to life means investing not only in our associates, but also in our communities around the world.

## Our response to COVID-19

COVID-19 continues to put lives and livelihoods at risk around the world, especially in India. The pandemic's continuing waves have become a humanitarian crisis for India, which is home to more than 200,000 of our associates. Over the course of the pandemic, we have been continuously tracking and responding to new developments in the spread of the virus. Right from the start, we activated a range of global measures to protect our people, offices, clients, and communities, including making more doctors and paramedics available at the health care centers in our India offices.

We rapidly enabled the majority of our teams to work from home. We also recognized the extraordinary continuity-of-service efforts of our associates in India and the Philippines, investing tens of millions in additional compensation for many. In April 2020, we announced a \$10 million philanthropic commitment to help communities around the world respond to the pandemic's immediate and long-term impacts.

In April 2021, more than a year after the pandemic's onset and with the virus surging in India, we took steps to facilitate access to vaccines for all of our associates and their dependents in India. We worked with local partners to build a portal for the easy scheduling of vaccines, covered the cost of vaccinations for associates and their dependents, and launched vaccination drives at select Cognizant offices across India. We also offered paid leave for COVID-19 care or recovery, additional COVID-19-related insurance coverage options, and salary advances.

In parallel, we delivered immediate relief through the Cognizant Foundation in India to operationalize response efforts with longstanding partners across the country. Further, Cognizant provided an additional \$2 million of emergency funding to UNICEF to help address acute shortages in life-saving oxygen and deploy medical and testing supplies in India. Cognizant will also provide the Cognizant India Foundation with an additional \$1.5 million to enable its efforts to mitigate COVID-19 in the country.

## Building a better future

Cognizant has a proud tradition of commitment to social responsibility through our associates' unstinting volunteer efforts across the world, as well as the focused work of our Foundations. In February 2021, our company announced a five-year, \$250 million initiative to advance economic mobility, educational opportunity, diversity, equity, and inclusion, and health and well-being in communities around the world.

Our associates channel their dedication to social and environmental welfare through Cognizant Outreach, our employee volunteerism program, which recently marked its 13th anniversary. Applying their passion and professional skills, our associates work to enhance the quality of education, conserve and protect the environment, participate in community welfare initiatives, and deliver pro bono consulting services.

In early 2021, Cognizant joined the United Nations Global Compact (UNGC), a worldwide network of more than 9,500 companies and 3,000 non-business participants that are committed to building a sustainable future. By signing this compact, I committed Cognizant to integrating UNGC's Ten Principles into our company's strategy, day-to-day operations, and organizational culture.

Our ESG-focused intent is also reflected in Cognizant becoming a founding member of the World Economic Forum's "Partnering for Racial Justice in Business" initiative. This coalition of organizations is committed to building equitable and just workplaces for professionals with under-represented racial and ethnic identities.

We are in a time of significant, widespread, and sustained social and political change in which businesses are expected to take action in line with their values. One of our company's core values, creating conditions for everyone to thrive, impels us to recognize and respond to injustice, especially that endured by people of color and other marginalized communities around the world.

In June 2020, in addition to ongoing efforts, the Cognizant U.S. Foundation committed \$5 million to serve communities of color, which included joining the Reboot Representation Tech Coalition, a partnership of multiple technology companies working to increase the number of Black, Latinx, and Native American women in technology.

## Where we are heading

Although we have advanced our practice of stakeholder capitalism, we recognize the significant work ahead. We are focused on embedding ESG into our thinking, decisions, and actions. To help us move decisively in this direction, we created two important roles in 2020: a new Global Head of ESG and Chief Sustainability Officer, and a new Global Head of Diversity & Inclusion. We empower their functions with investment and support from our Executive Committee and Board.

As climate change becomes an increasingly urgent global priority, we believe technology has a critical role to play in shaping the way everyday life can adapt and respond to climate challenges. We expect that our response to these challenges will become an increasing area of focus for stakeholders evaluating our ESG strategy. We believe in setting public, time-bound greenhouse gas reduction goals and are exploring how best to define and achieve these goals in line with our business strategy.

We are also focusing on D&I – a movement that must be continually and relentlessly moved forward. At Cognizant, we have strong momentum. We know we have work to do, particularly when it comes to women in leadership and ethnic diversity and inclusion globally. However, we are convinced that we will achieve measurable progress. We are not just headed towards improving the levels of diversity at Cognizant and creating more inclusive teams, we're building champions of a fairer and more equitable world.

Although we expect our evolution to a more sustainable business will take several years, the first steps on this journey are detailed in this report.



Although we have advanced our practice of stakeholder capitalism, we recognize the significant work ahead. We are focused on embedding ESG into our thinking, decisions, and actions."

## The big picture

In 2020, I signed the Business Roundtable’s refined and expanded Statement on the Purpose of a Corporation – a commitment to deliver value for all of Cognizant’s stakeholders. Our new purpose reflects our understanding that the welfare of the environment and society influence how we engineer business for the future.

We are fully aligned with those who say that for capitalism to survive, it must become more economically inclusive, socially just, and environmentally restorative.



Brian Humphries  
CEO



# About this report

Welcome to Cognizant’s environmental, social, and governance (ESG) report, which outlines our approach to integrating ESG considerations into our business strategy while navigating an ever-changing world.

It takes a purpose-driven company to deliver on ESG. This report shares how our purpose ties to our ESG focus areas, who oversees those areas and how, and the daily work of delivering on our ESG commitments. For each of Cognizant’s priorities – environment with a focus on climate, social with a focus on talent and diversity and inclusion, and governance with a focus on data privacy and security – we walk through what actions we have taken and why, and share future plans where we see room to grow.

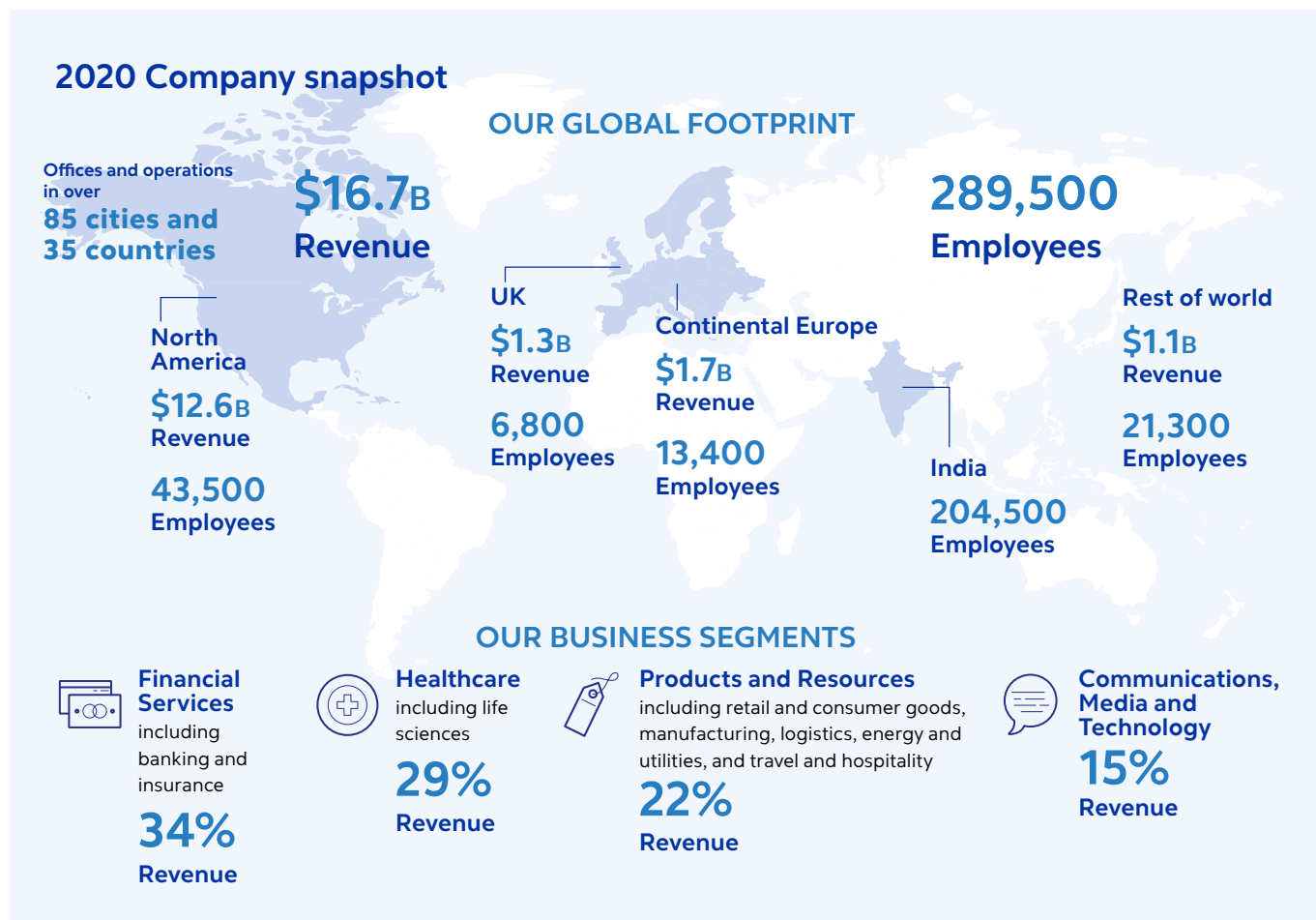
Within each focus area, we have clear priorities. We have carefully chosen these priorities to deliver on a specific outcome: integrate ESG into our business thinking through strong leadership to deliver long-term value creation. Starting with the tone at the top, we open with our CEO’s view of stakeholder capitalism, a summary of our Board of Directors’ oversight of ESG, and a description of management’s engagement with the topic. Our environmental section reflects our increasing focus on carbon emissions and climate change risk and opportunity. We have obtained external assurance on select reported metrics. This includes scope 1 and 2 greenhouse gas emissions and energy consumption, and scope 3 fuel- and energy-related activities, business travel, and employee commuting. More information can be found in the [Report of Independent Accountants](#).

Our social section orients around the interconnected nature of our workforce development, plans to improve global diversity, and implementation of technology skilling programs. Our governance section discusses our efforts in ethics and compliance, data security, and data privacy. We also address other areas of ESG and provide specific examples throughout, such as our response to COVID-19. Through every section runs the common thread of our increased focus on ESG, building momentum with oversight, programs, and processes.

In this report – and across our many other public platforms – we demonstrate that both commitment to our clients and a strong sense of purpose drive us forward. Our purpose – we engineer modern businesses to improve everyday life – seeks to facilitate positive transformation for our clients. In doing this, we strive to lead by example: managing, measuring, and communicating our efforts to improve everyday life.

This report marks a step in our ongoing ESG disclosure journey and is our first report considering the Sustainability Accounting Standards Board (SASB) Communications “Software & Information Technology (IT) Services” [standards](#) and the Task Force on Climate-related Financial Disclosures (TCFD) [recommendations](#). We have also observed the Global Reporting Initiative (GRI) [guidelines](#).

# Our global business



## Recognition in 2020

- Top 10**  
Fortune [World's Most Admired Companies](#) in the IT services sector
- 19<sup>th</sup>**  
Forbes [World's Best Employers](#)
- 193<sup>rd</sup>**  
Forbes America's [Best Employer for New Graduates](#)
- Named a Top Employer by [Top Employer's Institute 2020](#) across 15 countries
- Best-In-State Employers**  
New Jersey and Virginia
- [AI Breakthrough Award](#) in the Best Natural Language Recognition Solution category
- Publication Excellence**  
award at the 2020 Awards for Publication Excellence
- Microsoft Partner of the Year**  
across several categories
- Star of Excellence Award**  
for customer service
- [Best Proxy Statement](#) award at the 2020 U.S. Transparency Awards

# Our commitment to improving everyday life

As a company committed to improving everyday life, ESG is an inextricable part of our business and that of our clients. Cognizant’s vision is to become the preeminent technology services provider to the leaders of the world’s Global 2000 companies. Our ESG program is an important part of that vision and aligns with our clients’ increasing focus on ESG, as well.

We are working every day to integrate ESG considerations into how we work – helping us attract world-class talent and increase our relevance to clients.

## Our increasing focus on ESG

ESG issues impact all of us at Cognizant. That is why we act through rigorous cross-functional governance, driven by [committed leadership](#). In 2020, Cognizant

proudly invested in the diverse and dedicated leaders below to drive our integrated ESG management approach and deliver tangible results.

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We hired a Global Head of ESG and Chief Sustainability Officer, Sophia Mendelsohn, to lead our integrated effort.

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We also promoted Shameka Young to Global Head of Diversity & Inclusion.

**Sophia Mendelsohn,**  
Global Head of ESG and  
Chief Sustainability Officer



**Shameka Young,**  
Global Head of Diversity  
& Inclusion



Our investments and leaders have delivered exciting steps across our organization. We have made new commitments and created new policies and processes as part of our increased focus on ESG.

This report details where we are going and how we plan to get there. Some of our key milestones include:

**Leadership commitments**

Developed our application to the United Nations Global Compact in 2020 and formally became a Signatory in 2021.

Increased our focus on diversity in 2020 and subsequently, in 2021, became a founding member of the World Economic Forum’s Partnership for Racial Justice in Business and joined the Valuable 500 – a CEO community working to revolutionize disability inclusion through business leadership and opportunity.

Continued to invest in our philanthropic, in-kind, and volunteering platforms in 2020 and, in 2021, announced a new, five-year, \$250 million initiative to tackle some of the world’s most pressing problems and inequities.

**Policies**

Developed a new human rights policy.

Developed a new environmental, health, and safety (EHS) policy.

**Processes**

Embedded an ESG risk assessment into our due diligence procedures for acquisitions.

Commenced implementing International Organization for Standardization (ISO) 14001 certification across our facilities, which we have targeted for completion by end of 2022.

Beyond this, investors are increasingly interested in climate-related disclosures. To address this, we have:

- Measured and publicly reported our greenhouse gas (GHG) emissions
- Expanded our reporting to include scope 3 GHG emissions

- Conducted initial country-level physical and transition climate risk scenarios

We also look to manage and mitigate risks. We face a broad range of ESG risks, and our Enterprise Risk Management (ERM) program aims to identify, assess, prioritize, and facilitate our management of the most significant of such risks.





## Our core focus areas

Cognizant's recent ESG program, milestones, and future plans reflect our focus on ESG issues that we believe are core to our business, and that are part of evolving market expectations.

### Environment

Increasing our relevance to clients is a strategic priority. We strive to be a partner that our clients can be proud of. We do this in part by focusing on measuring and reducing our own environmental footprint. Our environmental approach delivers efficiency gains in our operations. As a company who believes ESG is a way to deliver long-term value, we orient much of our environmental work on climate change. We consider:

- **Our energy and emissions**  
Reducing our footprint and evaluating ways to reduce more (p.22)
- **Our response to climate risk and opportunity**  
Considering climate risk while helping our clients achieve their own resource reduction (p.16)
- **Our water conservation**  
Conserving and managing the use of water in our offices (p.20)

See the [Environment section](#) for more details on our approach (p.13).

### Social

We are positioning ourselves to attract world-class talent by focusing on education and the future of work to drive inclusion in the technology industry. We also focus on volunteering to engage associates once they are with Cognizant. Associates use our technology and knowledge to benefit communities. This ingrains a corporate culture of volunteering at Cognizant and contributes to our reputation in society.

We are committed to:

- **Skills for the future**  
Helping today's workers prepare for tomorrow through science, technology, engineering, and mathematics (STEM) opportunities (p.22)
- **Community**  
Focusing our industry-leading expertise on, and providing financial support to, organizations that make a positive change in the world (p.24)
- **Diversity and inclusion**  
Hiring the best people from around the world while building a sense of belonging (p.27)
- **Health and safety**  
Focusing on associates' safety, security, and health (p.31)
- **Supply chain**  
Considering our supply chain through the lens of ESG (p.33)

See the [Social section](#) for more details on our approach (p.21).

### Governance

Our values direct how we work – we do the right thing, the right way. We are dedicated to the highest standards of personal and corporate conduct, and we align our architecture to these standards. We focus on:

- **Governance**  
Embedding the principles of good governance in our business (p.34)
- **Ethics**  
Nurturing an open and transparent culture with integrity at its core (p.35)
- **Data security and data privacy**  
Leveraging data-management and security processes (p.36)

See the [Governance section](#) for more details on our approach (p.34).

# Our ESG oversight

We agree with the growing consensus that top-down oversight of ESG is a marker of a company's commitment to ESG business integration. As a purpose-driven company, our oversight structure is a critical driver of ESG. At Cognizant, we leverage the expertise of our leadership to implement our focus on ESG.

## How our Board oversees ESG

Our dedication to integrating ESG into our thinking starts from the top. ESG requires management and Board-level oversight. Board committees have responsibilities over matters affecting portions of our ESG program.

The Board oversees ESG directly and through its Committees. In 2020, the Board reviewed the ESG program and various related topics. Our Chief Sustainability Officer outlined our strategy and approach to reporting. In 2021, the Board's Governance and Sustainability Committee, whose charter was revisited in 2021 to emphasize sustainability and ESG matters, has actively engaged in oversight of the program's enhancement in the immediate and future years.

### Governance and Sustainability Committee

The Governance and Sustainability Committee oversees public policy and the ESG program as a whole, which encompasses the following ESG matters:

- Climate change
- Environmental protection and sustainability
- Human rights
- Associate health and safety
- Responsible business practices
- Corporate responsibility programs
- Corporate philanthropy

### Audit Committee

The Audit Committee has oversight of the ERM program, as well as oversight of the following ESG matters:

- Cybersecurity
- Data privacy risks
- Ethics and compliance
- Business continuity management

### Management Development and Compensation Committee

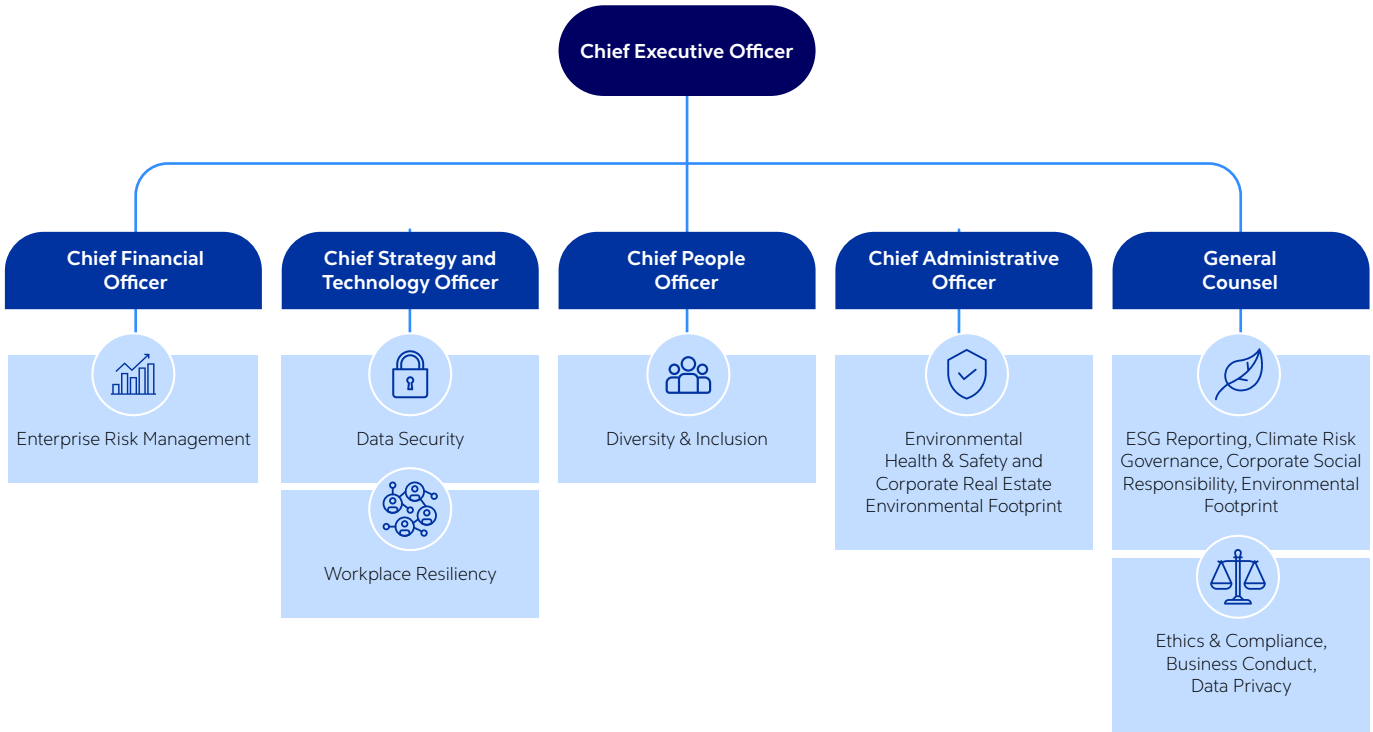
The Management Development and Compensation Committee has oversight of various human capital-related activities:

- Management development program
- Talent engagement (including retention, development, and training)
- Diversity and inclusion

## ESG matters and related organizational structure

We are also integrating ESG considerations into various management roles with our CEO overseeing our new and growing efforts.

This chart outlines management’s responsibilities for various ESG topics within our company:





# Environment

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**Our stakeholders want to know first, how we are reducing our own environmental footprint, and second, how we can help others do the same.**

As a company with a strong sense of social purpose focused on enhancing our reputation, we are reducing our own environmental impact where we see it mattering most. That means we are setting out on a path to reduce our emissions, increase our energy efficiency, and further define and develop climate action.

Like us, our clients are frequently on their own environmental journey. As with any topic, we seek to solve our clients' pain points by starting with a point of view. We believe that is why our clients come to us asking how we can support them in their business objectives, including how those objectives overlap with environmental gains. By leveraging tailored technology solutions, we are proud to help drive resource efficiency for clients.

## **In this section**

- 14 Our energy and emissions
- 16 Our climate response
- 20 Our water conservation

## Our energy and emissions

We agree with the business adage that what gets measured gets managed. As the importance of addressing greenhouse gas emissions grows, we are increasingly reporting emissions and our efforts to reduce them. As part of that process, we are developing how we monitor and report our GHG emissions. We are pleased to share detailed emissions information in this report.

### Greenhouse gas emissions

We began our greenhouse gas emissions reduction strategy in India, where our physical footprint is most significant and where many of our associates are based. In 2015, we set a goal for our operations in India, which we achieved early:

Goal	Update	Timing
<b>Source 20% of our energy from green sources by 2020</b>	27% of our energy was obtained from green sources in 2019 (wind and solar) (23% in 2018)	Achieved 2018

In 2020, our total energy consumption was 767,307\* gigajoules.

We are proud to increase transparency into our scope 1, 2, and 3 emissions by reporting them below. We will continue to consider evolving best practices for measuring and reporting our future emissions. In 2020, our common activities resulting in emissions were affected by COVID-19. See page 49 for notable exclusions.

\* This metric is part of Management's Assertion on select GHG emissions and total energy consumption metrics, which PwC has performed limited assurance over for the period from January 1, 2020 to December 31, 2020, as indicated in the [Report of Independent Accountants](#).

Certain categories do not total exactly due to rounding.

Based on our current processes, we have calculated our emissions as follows:

	Carbon dioxide equivalent (metric tons) Reporting Year 2020
<b>Scope 1</b>	
Stationary fuels	2,929
Mobile fuels	17
Refrigerants	4,492
<b>Total scope 1</b>	<b>7,437*</b>
<b>Scope 2</b>	
Electricity (location-based)	148,138*
Electricity (market-based)	100,685*
<b>Total scope 2 (referencing market-based)</b>	<b>100,685*</b>
<b>Scope 3</b>	
Stationary fuels (well-to-tank)	490
Mobile fuels (well-to-tank)	4
Electricity (transmission and distribution and well-to-tank)	50,303
<b>Total scope 3 - fuel- and energy-related activities</b>	<b>50,797*</b>
Business travel (air and rail)	41,333
Business travel (well-to-tank)	4,526
<b>Total scope 3 - business travel</b>	<b>45,859*</b>
Employee commuting	9,031
Employee commuting (well-to-tank)	2,175
<b>Total scope 3 - employee commuting</b>	<b>11,206*</b>
Common area electricity (base building including transmission and distribution, and well-to-tank)	16,382
<b>Total scope 3</b>	<b>124,244</b>
<b>Total scope 1 and 2 (referencing market-based)</b>	<b>108,123</b>
<b>Total scope 1, 2, and 3 (referencing market-based)</b>	<b>232,367</b>
Outside of scope (R22 refrigerant)	907

Cognizant is moving toward a global greenhouse gas strategy. Starting with India, our team has set out to reduce our GHG emissions through a three-pronged approach:

- **Reducing energy consumption** through efficient equipment and raising awareness of energy conservation among associates.  
In 2019 and 2020, we saved energy across several offices in India. We replaced outdated conventional power supply systems with more energy efficient modular models, upgraded conventional lighting with energy efficient LED fittings, and retrofitted two cooling systems to improve efficiency.
- **Using Internet of Things (IoT) and digital solutions**, such as data analytics to improve the efficiency of chillers, air handling equipment, computer usage, and lighting, based on real-time occupancy levels.  
In 2020, we set out to achieve monthly savings through IoT-based air handling unit monitoring.

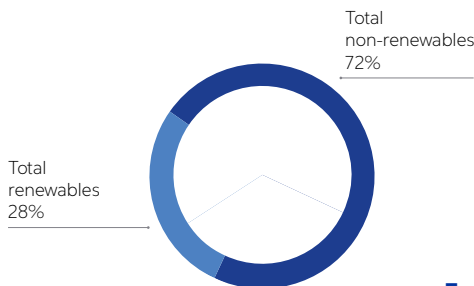
These efforts, which rely on associates being in the workplace to deliver savings, were delayed due to COVID-19 and associated work from home efforts. In the future, we plan to return to these efforts with renewed focus.

- **Increasing the use of renewable energy** through power purchases and the installation of solar panels at select facilities.

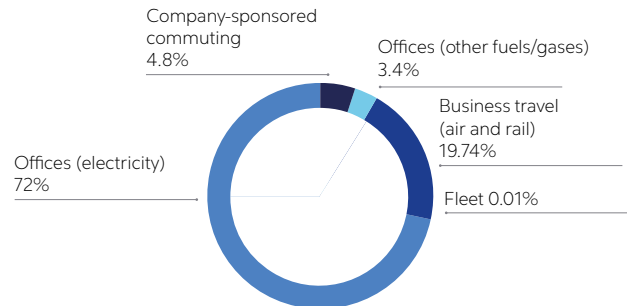


Cognizant is moving toward a global greenhouse gas strategy. Starting with India, our team has set goals to reduce our GHG emissions."

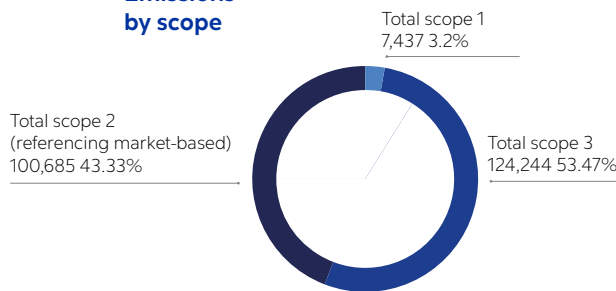
**Percent of renewable energy**



**Emissions by category**



**Emissions by scope**



Percentages for certain categories do not total to 100% due to rounding.

## Our climate response

How we respond to climate change is important to many of our associates, investors, and clients. As we plan our climate action, we are taking into account our many stakeholders' expectations and using our business model and purpose to guide our response.

### Climate goals

Cognizant believes setting public, time-bound GHG reduction goals increases associate, investor, and client confidence in a company. We are working on establishing a "net zero" goal, which could be achieved through a number of means, including, but not limited to, renewable energy and absolute GHG reductions in our operations. We understand the urgency from the business and investment experts eager to see companies align such reductions to climate science targets. In 2020, we initiated internal steps to execute such goals, dedicating resources to the topic.

### Renewable energy

In 2020, Cognizant joined the [Renewable Energy Buyers Alliance](#), a global initiative that brings together the world's most influential businesses committed to procuring 100% renewable electricity. Joining such an organization gives us additional tools to use.

### Climate risk and opportunity

Climate change is a global business issue. For a multi-national company like Cognizant, it can present varied risks and opportunities. We know that stakeholders all over the world, such as our associates, clients, and investors, are increasingly interested in understanding how a business is thinking about climate change.

Over time, we plan to tailor and mature our response to this global phenomenon. As part of our overarching efforts, one step we have taken is beginning our climate disclosure journey. To do this, we considered the climate-related factors below.

### Climate scenarios

For a business, climate change could present uncertainties even beyond those of the conventional operating landscape. Due to the challenge this presents, the Financial Stability Board produced recommendations for companies voluntarily disclosing climate-related information, commonly referred to as TCFD. These recommendations highlight the actual and potential impacts of climate risks and opportunities on a business.

TCFD recommends scenario analyses to frame the potential business implications of climate-related risks and opportunities.

In this report, we consider the objectives of the TCFD recommendations. This is a key initial step in the development of our ESG disclosures. As a starting point, we have conducted country-level scenario analyses through a high-level consideration of physical and transition (i.e., regulation) climate impacts. We may have more concentrated climate risk exposure in certain countries. We plan to continually refine our methodology, tailoring scenario planning to our activities and operations.

To initiate our climate risk scenario planning activities, Cognizant collaborated with external expert [Business for Social Responsibility \(BSR\)](#).

### Physical risks

Climate change can impact a global business in multiple ways, including through what the TCFD recommendations refer to as physical risk. In the context of these recommendations, physical climate risk can either be event driven (acute) or brought on by a long-term shift in the environment (chronic).

For physical risks, BSR considered three possible global warming scenarios:

1. Low GHG scenario with a rise in temperature of 1.5°C
2. Medium GHG scenario with a rise in temperature of 2°C
3. High GHG scenario with a rise in temperature of 3°C

Each of these scenarios is based on an increase in global temperatures by 2050, compared to pre-industrial levels.

### Physical risk scenario datasets

BSR then used these three scenarios to consolidate country-level climate risk information drawn from well-regarded third party sources.

Third party sources:<sup>1</sup>

Resource	Indicator	Rationale
<b>Notre Dame Global Adaptation Initiative (ND-GAIN) Index</b>	Country Index Score	Robust vulnerability and climate risk readiness data
<b>World Resource Institute (WRI) Aqueduct</b>	Baseline Water Stress	Country baseline water stress
<b>Germanwatch Global Climate Risk Index</b>	Climate Risk 2018	Data on vulnerability, economic loss, and fatalities
	Climate Risk (Historical to 1999)	Historical data on vulnerability, economic loss, and fatalities
<b>World Bank Worldwide Governance Indicators</b>	Government Effectiveness	Robust indicator of governance ability, relevant to implementing policy
<b>United Nations Framework Convention on Climate Change Communications</b>	Nationally Determined Contribution, National Adaptation Plan	Current or pledged policy commitments on adaptation



<sup>1</sup> Sources used to inform these scenarios are maintained and updated by independent, third-party sources and may be subject to regular updates. The information for this analysis was accessed in 2020.



We then used this information to consider country-level risk for the countries in which we have significant facilities.

A country may be ranked as "Very High" risk based on the presence of one or more of the following factors:

- High vulnerability to climate change
- Low readiness to address risks
- Limited government effectiveness
- Limited actionable climate policies
- Historical and recent climate impacts
- High confidence that there will be more frequent and intense natural hazards

A country may be ranked as "Very Low" risk based on the presence of one or more of the following factors:

- Low vulnerability to climate change
- High readiness to address risks
- Moderate to strong government effectiveness
- Moderate to strong actionable climate policies
- Limited historical and recent climate impacts
- Very low confidence that there will be more frequent and intense natural hazards

"High," "Medium," and "Low" risks are defined using the same criteria and with varying levels of risk.

## Results<sup>2</sup>

Based on the inputs above, the analysis helped us identify countries that may face acute and chronic impacts from climate change, such as China, India, Mexico, and the Philippines.

Going forward, Cognizant will seek to undertake its climate risk scenario planning on a more granular level.

## Physical risk and business continuity management (BCM)

While the above scenarios are theoretical, we already have infrastructure in place to help our business consider weather-related challenges. At Cognizant, physical risk is managed by BCM, which reports to our Chief Strategy and Technology Officer. BCM is designed to predict and prepare the business for acute and chronic physical shocks, including hurricanes, floods, heatwaves, and droughts. BCM's tools are also able to consider regional risks such as unusual monsoons and seasonality – which is valuable to our regional leads in locations such as India.

BCM's disaster-recovery planning has one major goal: increase confidence in infrastructure resilience so we can continue doing what we do. In 2020, BCM's resiliency programs worked towards this goal. This work builds on previous experiences, including:

- **Kerala deluge, India, 2018**

In August, the Kerala region of southern India received nearly three times its average monthly rainfall, causing significant flooding and infrastructure damage. To prepare our offices in the city of Kochi, we took quick action by holding regular assessment calls to monitor the situation and prepare for the use of a parallel operation and/or telecommuting to aid business continuity. As a result of our early action, all business-critical services were supported without interruption.

- **Chennai droughts, India, 2019**

With no rain for months, residents of the city of Chennai faced a significant drought. We put in place fast and efficient measures to provide water. By coordinating multi-vendor arrangements, increasing our water-storage facilities, and implementing in-house water-conservation measures, we maintained water access during the period. We also shared our water-conservation ideas with other companies in the region to promote drought preparedness.

<sup>2</sup> The assessment mostly covers country-level risk and, therefore, may overestimate or underestimate Cognizant facility risk.

We follow ISO standard 22301, globally recognized for aiding business continuity management during unexpected disasters. We have already achieved the ISO 22301 certification for our U.S., Canada, India, and Philippines operations. We are evaluating certifications for our operations in the United Kingdom, European Union, Latin America, and Asia Pacific, following a postponement due to COVID-19.

### Transition (regulatory) risk<sup>3</sup>

Climate impact can extend beyond the physical. We also considered climate risk from a regulatory perspective. Starting with carbon pricing, we first considered climate-related policies in place in our selected countries.

We define a country as "Very High" transition risk to Cognizant if it has relevant carbon price regulations in place. These could be countries with a carbon price to incentivize lower emissions, changing fossil fuel subsidies, and ESG compliance and reporting requirements strengthening over time.

We define a country as "Very Low" transition risk to Cognizant if it is making little effort to develop carbon regulations. These could be countries not taxing emissions or implementing a carbon trading scheme. They could have or be expanding policy and economic support for national fossil fuels development. There might be very limited regulatory pressure to move away from fossil fuels or account for carbon taxes.

"High," "Medium," and "Low" risks are defined using the same criteria, but with varying degrees of regulatory risk.

### Results<sup>4</sup>

Based on this analysis, our transition risks vary by region, with the highest-risk ranked countries concentrated in the United Kingdom and European Union. Our lowest-risk ranked countries are concentrated in Latin America and Asia.

As part of our broader ESG strategy, we are considering additional transition impacts, such as changing technology and associate, client, and investor expectations with respect to climate action. In that vein, as discussed above, we are exploring future, public, and time-bound climate goals that include renewable energy.

### Climate and environmental business opportunity

For a purpose-driven technology company like ours, climate change may also present an opportunity. We are assessing market and client needs in the global transition to a low carbon economy.

We already use technology and thought leadership to help solve client problems, including environmental ones. Our artificial intelligence (AI) and analytics, experience-driven software engineering, cloud migration services, and IoT capabilities guide our clients to efficiencies that improve their environmental profiles. We also help clients implement data-management and tracking systems that enable them to better measure, manage, and reduce their own carbon impacts.

Some recent examples of this type of work include:

- Helping clients transition from energy-intensive data centers to public cloud solutions
- Reducing energy and water consumption by using data and analytics for a global pharmaceutical firm
- Improving crop yield and water reduction for a European farming technology company through instrumentation, data management, analytics, and software engineering
- Providing wastewater, groundwater management, and fire safety as a service to reduce energy, water, and emissions for a European manufacturer
- Creating software to help a U.S. healthcare payer enroll its members via a paperless process that eliminates the need for paper documents

<sup>3</sup> This section of the risk assessment focuses on regulatory risks. Unlike regulatory risks that can be easily assessed using databases and indices that are widely available, the other transition risks (specifically, future projections of available technology, reputation, etc.) are not as clear to determine or project.

<sup>4</sup> The assessment mostly covers country-level risk and, therefore, may overestimate or underestimate Cognizant facility risk.

### Looking forward

No company or country can address the impacts of climate change alone. As nations work to forge a global path, at Cognizant we seek to prepare our business for climate change. As a technology-driven company, we continue to consider climate-related tools and platforms to help us toward our objectives. As a dynamic company, we are eager to tackle climate change's uncertain outcomes, and address business opportunities.



As nations work to forge a global path, at Cognizant we seek to prepare our business for climate change. As a technology-driven company, we continue to consider climate-related tools and platforms to accomplish our goals. As a dynamic company, we are eager to tackle climate change's uncertain outcomes, and address business opportunities."

## Our water conservation

As an office-based organization with locations around the world – including in water-stressed regions – we work to consume water responsibly.

### Our approach

While not a major consumer of water relative to companies in other industries, we still focus our attention on this precious natural resource. We source water consciously and implement effective solutions to reduce office water consumption. Historically, we have focused our water conservation efforts on India, where our physical footprint is the most significant and where many of our associates are based, and in regions where there are meaningful limitations on the water supply.

#### Water sourcing initiatives

In India, all of our facilities in owned campuses contain groundwater recharging pits for rainwater harvesting to supplement domestic water use. Additional initiatives include:

- Obtaining water from recirculated air-conditioning units to be reused in cooling towers
- Recycling and reuse of sewage water to reduce use of freshwater top-up

#### Reducing water consumption

Through internal changes to our systems and processes, we are continually reducing both water demand and consumption in India. In 2020, we retrofitted new solutions for our taps and toilet facilities in the country to minimize water usage within our restrooms, cafeterias, and pantries.



# Social

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We leverage our purpose and commitment to social responsibility to attract, develop, and retain the diverse, specialized workforce at the heart of our business. That is why we strive to engage and train talent in the job skills of today and tomorrow.

One of the many ways we engage talent is through our targeted philanthropy and associate volunteering to better the communities and countries where we seek to improve everyday life – as well as our business.

## In this section

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- 22 Building skills for today and tomorrow
- 24 Building skills in the community
- 27 Diversity and inclusion
- 31 Health and safety
- 33 Supply chain management

## Developing our workforce

The gap between what many people can do and what technology jobs expect them to do is widening. The World Economic Forum estimates that approximately 40% of the current workforce requires reskilling. We believe we have an opportunity to ensure these technological transformations contribute to a new age of good work, good jobs, and improved quality of life.

At Cognizant, having the right people with the right skills is vital to fulfilling our purpose of engineering modern businesses to improve everyday life. Training and development play a key role in making sure we meet the needs of our associates and clients, while keeping pace with a rapidly changing world.

We continue to invest in developing the skills of both our workforce and the wider community by:

- Offering pre-employment programs for potential candidates
- Providing learning and development programs for experienced practitioners
- Creating an [inclusive culture](#) to attract and retain diverse talent
- Donating through our Foundations
- Delivering insights through our thought leadership

## Considering our workforce

Listening to associates helps management remain engaged with, and invested in, talent across the world. In 2020, we had 72% participation in our employee engagement survey. The survey revealed that all genders were equally engaged.

The critical nature of workforce development means the topic goes beyond management to include the Board. The Management Development and Compensation Committee oversees our leadership pipeline, and the development and evaluation of our leadership (see p.22). Beyond this, our Governance and Sustainability Committee oversees actions relating to succession planning for our CEO and other senior executives.

## Building skills for today and tomorrow

As a business committed to shaping innovative client solutions across industries, we build people's professional breadth and depth. We invest in training and education and look to find new talent who will bring new perspectives to our business.

### Bridging the skills gap

Cognizant invests in bridging the skills gap in the technology sector. These high-skilled jobs are not only vital to individual and community well-being, but also to our clients in today's fast-paced global ecosystem.

Today, the STEM sector of the U.S. economy, for example, faces a growing skills gap between high-skilled job openings and qualified candidates to fill them. In 2019, it was estimated that 3.5 million STEM jobs would need to be filled by 2025, prompting the U.S. government to release a five-year plan to boost STEM education.

The skills gap challenge is too big for any one company to solve on its own. For our part, Cognizant is tackling this challenge through initiatives that provide diverse and under-represented communities with the opportunity to join and succeed at Cognizant. Our approach addresses:

- Individual associate needs
- Local community gaps
- Key country-specific issues
- Global thought leadership insights

## Developing associate skills

We are a knowledge-based business and we place a high value on continuous learning. In 2020, we hired, acquired, and reskilled talent to build digital capabilities and speed up momentum across key areas – cloud, IoT, artificial intelligence, and experience-driven software engineering – while helping our people grow professionally. Our talent development approach has been recognized by leading learning and development organizations, such as the Association for Talent Development, the Brandon Hall Group, and the Learning and Performance Institute.

### Cognizant Academy and Global Leadership Development

From campus hire training for entry-level workers to providing learning and development programs for experienced practitioners, Cognizant offers a learning ecosystem for associates at all levels. This includes [Cognizant Academy](#), our in-house learning and development organization, access-from-anywhere learning platforms, and content curation partnerships. In addition, we give entry-level associates multi-month post-onboarding training in skills tailored to their role. Our Global Talent organization strives to provide our associates with Global Leadership Development programs to build the skills they need throughout the leadership pipeline, readying them for the future. We have trained over 198,000 associates across digital battleground skills in 2020. Together, our Global Talent organization and Cognizant Academy equip our associates and leaders with the technical, professional, and leadership skills they need to gain client trust, lead them to a digital future, and contribute directly to Cognizant's vision of becoming the preeminent technology services partner to the Global 2000 C-suite.

### How we collaborate for success

Developing the expertise of our associates is vital to our collective success, which is why we work with some of the most trusted names in technology to promote cross-industry collaboration and skills sharing.

This includes partnerships with Adobe, AWS, Google Cloud, Microsoft, Oracle, Salesforce, SAP, and ServiceNow, among others. In 2020, approximately 22,800 associates were certified through various alliances (13,000 in 2019).

### Pre-employment programs

In addition to Cognizant Academy, which provides learning opportunities to digitally skill our existing associates, we also offer pre-employment programs that train potential candidates in high-demand skills at no cost. Our programs partner with local community organizations across the United States, including in Texas, Iowa, and New York. In 2021, we initiated discussions on expanding our pre-employment programs to India and plan to report on these efforts in the future.

### Attracting the leaders of tomorrow

We are passionate about recruiting fresh talent – and we run several programs globally to attract tomorrow's leaders, including our Career Accelerator pilot program, aimed at attracting non-STEM majors on U.S. campuses and training qualified students through a 14-week technology program.

In 2020, our India operations provided more than 5,300 internships to promising prospective associates, including one-on-one mentoring and skills-development. In 2021, we plan to double our internship program.

### Sourcing the workforce we need today

We maintain that fair immigration policies are vital to U.S. economic competitiveness, to us, and to our clients. Foreign-born, high-skilled professionals contribute directly to American job creation and economic growth. Study after study consistently shows that hiring high-skilled foreign workers increases both employment opportunities and wages for local workers. It also helps harness innovation and entrepreneurship for the U.S. overall.

## Building skills in the community

We focus our industry-leading expertise on, and provide financial support to, organizations that make a positive change in the world. We support skill-building and workforce programs, and improve the operations of non-governmental organizations (NGOs) around the world.

### Our community impact strategy

We encourage associates to share their insights, expertise, and knowledge with their community. We leverage internal programs such as our Cognizant Outreach volunteering program, and our Foundations, to provide both knowledge and financial support.

In 2020, we began building toward a unified, global, philanthropic platform to bring together our multiple successful efforts in the space. Subsequently in 2021, we announced a new, five-year, \$250 million initiative including new funding and in-kind contributions to help build stronger, healthier, and more inclusive communities worldwide.

### Cognizant Outreach

The Cognizant Outreach program mobilizes our associates' expertise and enthusiasm through volunteer work. From 2015 to 2020, approximately 166,200 associates were involved in Cognizant Outreach. In 2020, over 31,000 volunteers in 40 locations globally invested over 221,000 volunteering hours. We believe our community work is a key value proposition for our associates. As well as benefiting those around us, our Outreach volunteers are historically 9% more likely to stay with us.

To make an impact in the areas that are strategically aligned to our business, we focus on:

## 1 Supporting inclusion in tech

We support community projects that help advance technology education, training, and inclusion.

Examples include:

- **Sharing basic skills**

We support underserved students with their future career prospects by helping them with reading and basic arithmetic skills. For example, in **India**, our associates helped assess and coach nearly 13,000 students across 164 learning institutions, significantly improving learning outcomes.

- **Engaging youth in tech**

Engaging young people in technology early is key to equipping youth with skills for the future. For example, in the **United States**, we partnered with [TechGirlz](#) to teach middle-school girls hands-on technology projects.

- **Enabling tech career paths**

The career path to a job in technology can be challenging, especially for those with no clear sense of where to start. For example, volunteers in **Singapore** contributed to webinars and hands-on workshops intended to improve technology industry inclusion. Run in collaboration with the Smart Nation and Digital Government Office, the initiative teaches individuals how to find work in the industry.

- **Supporting STEM skills projects**

Our [Making the Future](#) program offers grants to organizations that can inspire young learners to pursue STEM disciplines through hands-on technology. For example, in the **United States**, Girlstart offers a year-round suite of programs, as well as summer camps, to encourage female engagement in technology.

## 2 Increasing the use of technology for good

We utilize technology to deliver improved social, economic, and environmental outcomes.

Areas of work include:

- **Building technology solutions**

We provide much-needed support to NGOs, charities, and initiatives around the world by offering technology solutions that improve their efficiency, reach, and impact. For example, we developed Cognizant Assist – an open-source application that enables organizers to assign tasks to volunteers.

In addition, through our partnership with [UNICEF](#), we helped reach 446 million people globally on a campaign seeking to raise awareness and fight xenophobia against child refugees. Our work involved support on the digital marketing, business intelligence and analytics strategy, and tooling set-up.

- **Building technology to combat COVID-19**

We harness the power of technology to provide effective solutions. In response to COVID-19, Cognizant, Oxford University's Blavatnik School of Government, and [XPRIZE](#) launched the Pandemic Response Challenge, a four-month competition with a \$500,000 prize. Our aim was to accelerate the use of AI to reduce coronavirus infection cases and the economic cost of lockdown.

Further, we used [Evolutionary AI](#) and the publicly available Oxford COVID-19 government response tracker to map the potential impacts of social distancing measures during the pandemic. The result is a publicly available dashboard that seeks to use predictive mapping at a regional and national level to shape social distancing strategies and action.

- **Thought leadership**

We have the ability to synthesize key technology and industry trends into digestible and actionable [insights](#). Cognizant's [Center for the Future of Work](#) explores the impact of technology on future work trends and dynamics, publically sharing valuable research. These insights enable our clients, policymakers, and others to envision and adapt to the evolving needs of the workforce, their communities, and stakeholders.

## Providing financial support

In addition to expertise, many projects need financial support to help achieve their ambitions. Cognizant recognizes the important role corporate foundations can play in providing strategic grants and thought leadership to change mindsets and improve outcomes.

### Cognizant Foundation (India)

Cognizant Foundation, launched in 2005, partners with not-for-profit organizations across India, and implements projects to enable access to quality education, healthcare, and improved livelihoods.

- **Healthcare**

Cognizant Foundation enables access to quality healthcare for the underprivileged, focusing on preventing avoidable blindness and promoting woman and child health. In 2020, our COVID-19 relief efforts were focused on protecting frontline workers and strengthening healthcare systems across India.

- **Education**

Cognizant Foundation focuses on enabling access to quality education for students from underserved communities through scholarships for higher education, digital learning, STEM, and vocational-technical education.

- **Livelihood**

Cognizant Foundation's initiatives in livelihood empower and enable disadvantaged youth, women, and the differently abled for gainful employment through short-term skills training programs.



## Cognizant U.S. Foundation

Founded in 2018 with an initial \$100 million investment from Cognizant, the Cognizant U.S. Foundation supports organizations working to inspire, educate, and prepare people of all ages to succeed in the workforce today and tomorrow.

To date, the Cognizant U.S. Foundation has committed more than \$50 million to nearly 40 organizations to advance technology education, workforce development, research, and thought leadership designed to ensure all communities have an equal opportunity to thrive in the digital economy.

In 2020, the Cognizant U.S. Foundation investments helped expand K-12 computer science education in districts across the country, deliver a range of technology workforce training programs for under-represented populations, and develop original research to support education and workforce modernization efforts.

Through its grant making, the Cognizant U.S. Foundation works alongside educators, employers, policymakers, and thought leaders to identify workforce needs and develop actionable solutions to close the technical skills gap – ensuring all can succeed in 21st-century jobs.

Select Cognizant U.S. Foundation grantees to date include Break Through Tech, Code Nation, CodePath, Connecticut Science Center, Goodwill Industries of Southern Piedmont (North Carolina), Opportunity@Work, The Aspen Institute's Future of Work Initiative, Teach For America, Turing School of Software & Design, and the Wounded Warrior Project.

## COVID-19 response

The Cognizant U.S. Foundation announced 2020 commitments to COVID-19 response efforts, including a \$5 million commitment to communities of color, a continuation of its longstanding efforts to advance education, training, and career pathways in technology for communities across the United States.

In April 2020, Cognizant and its Foundations announced a \$10 million philanthropic commitment to support communities around the globe in addressing the immediate and long-term impacts of COVID-19. Cognizant and its Foundations provided critical resources to strengthen public health systems, education and workforce institutions, and the economic outlook of communities worldwide. Funds were allocated to support:

- Global response efforts, including healthcare and humanitarian relief through the World Health Organization's COVID-19 Solidarity Response Fund and GlobalGiving's Coronavirus Relief Fund
- Critical healthcare infrastructure, including resources for hospitals and frontline healthcare workers, and investments in equipment and diagnostic tools
- Education and workforce efforts, including research to advance online learning models, and funding to support education, training, and reskilling programs for vulnerable populations impacted by COVID-19

See the [Message from our CEO](#) for more details on our COVID-19 response efforts.



The Cognizant U.S. Foundation announced 2020 commitments to **COVID-19 response efforts**, including a **\$5 million commitment to communities of color.**"

## Diversity and inclusion (D&I)

As a global enterprise spanning many regions and cultures, diversity and inclusion are vital to our success, as is understanding that diversity has different meanings in different countries. We recognize these differences by enabling and investing in those around us. We seek to embrace and celebrate associates of every age, gender, sexual orientation, disability, race, ethnicity, origin, or religion.

### Completely Cognizant

To excel in today's global economy, we believe organizations must attract and retain a diverse workforce that sparks new questions, challenges old practices, and offers innovative ways to fuel performance.

In line with our [Equal Employment Opportunity Policy](#) in the United States and the Cognizant Agenda, we are committed to supercharging our talent by building a diverse and inclusive team that drives a high-performance culture. This includes equipping our associates with advanced leadership capabilities and cultivating continuous [learning and development opportunities](#).

Our D&I strategy – Completely Cognizant – is our long-term commitment to creating a culture of belonging. Belonging fosters a better workplace and workforce, helping deliver real results for our clients. In addition to helping build a respectful culture in which our associates can thrive, Completely Cognizant is intended to be oriented around client-centric goals, which we are working toward over time, such as:

- **New market opportunities** generated by multi-ethnic, multi-generational, and multi-talented teams that challenge convention
- **Higher performance and growth** through diverse ideas and perspectives from all associates, including often under-represented talent pools
- **Modern digital solutions** that aim to avoid biases, such as AI and analytics, machine learning, data science, and digital transformation strategies

We look to deliver Completely Cognizant through our focus on the following key areas:

### Building a diverse and inclusive workforce

We seek to create a welcoming and inclusive work environment that is multi-cultural, multi-generational, and multi-talented to keep our business at the forefront of innovation. To achieve this, we:

- **Promote affinity groups to attract, retain, and create equal opportunities for all associates**  
This includes dedicated affinity groups that promote racial and cultural inclusion, such as the Cognizant African American and Latinx Group (AALG) and the Cognizant Pan-Asian Group.
- **Reach out to traditionally under-represented and underserved talent pools**  
Our recruiting strategy formally partners with organizations like Forté, MBA Veterans Network, and Jopwell to improve diversity. We also attend virtual and in-person hiring events, and we work to enable diversity within our hiring panels. This includes utilizing tools, such as [Textio](#), to write gender-neutral job descriptions in our recruitment process.
- **Conduct outreach work to include under-represented and underserved areas**  
Our volunteer [efforts](#) pave the way for children to be the first in their families to obtain higher education qualifications.
- **Partner to promote diversity**  
We maintain and grow relationships with important organizations throughout the world, such as historically black colleges and universities, the National Association of Software and Service Companies, the National Black MBA Association, the Hispanic IT Executive Council, and many more.

## Cognizant Women Empowered

We are working to enhance our gender diversity. Through our Women Empowered (WE) affinity group, we have made progress in setting and committing to gender goals that invest in women through training, mentorship, and professional development. In 2020, women accounted for 36% of our workforce and 40% of all new hires globally.

### MAKERS pledges

Cognizant has sponsored MAKERS, a women's movement organization, for several years. In line with MAKERS' ambition to accelerate the women's movement through action, we have helped make positive strides toward improving gender equality within our industry:

- **Our 2019 MAKERS Pledge**  
To employ 100,000 women around the world by 2020, a milestone we reached ahead of time.
- **Our 2020 MAKERS Pledge**  
With a sharpened focus on global gender diversity in our leadership pipeline, Cognizant pledged to put 1,000 high-performing women in leadership levels through Propel – our signature women's global leadership development initiative – by the end of 2021.

### Investing in women

Diversity, equity, and inclusion are central to the Cognizant U.S. Foundation's investment strategy. The Cognizant U.S. Foundation supports initiatives that promote the inclusion of women in the technology industry, including:

- In 2019, the Cognizant U.S. Foundation invested \$5.2 million to enable Break Through Tech to expand its operations across the United States and increase the number of women who graduate with computer science degrees and enter technology careers.
- In 2020, the Cognizant U.S. Foundation committed \$1.5 million to help double the number of Black, Latinx, and Native American women earning computing degrees by 2025.

## Embedding diversity at a leadership level

At Cognizant, we are committed to building diverse leadership teams that embed the imperative of inclusive management in their work, and drive positive change throughout the business.

### Global Talent and Transformation (GTT)

Our GTT organization works toward a strategic, data-driven focus on talent to build a high-performing and inclusive culture with visionary leadership. Advancing diversity and inclusion sits at the core and underpins all phases of the talent lifecycle.

### Driven from the top

We consider diversity at the highest levels of our organization, including at the Board level. In 2020, Cognizant's Board of Directors was 36% female and 36% ethnically diverse (45% diverse overall).

At the management level, Cognizant's senior leaders have specific goals to hire and retain women in leadership positions. Each director and above level is given a target relative to their business area for hiring and retaining women. Our Human Resources department monitors progress and communicates it back to the organization through managerial quarterly business reviews and annual performance reviews.

Additionally, our Executive Committee is implementing a program to drive greater diversity within our recruiting channels. This is now occurring through our diversity candidate pipeline program, which is focused on the North America Sales Organization and leadership roles across our practice areas and operating segments. In 2020, we also piloted our diversity pipeline program in other areas of the business, including our Global Growth Markets and corporate functions. The Executive Committee reviews Vice-President and above roles and diversity pipeline progress, driving diverse interview slates.

## Affinity groups

Our affinity groups celebrate inclusion and advance diversity for key populations within our workforce. The senior leaders who engage with our affinity groups help shape the strategy and direction of each group, and ally participation is encouraged.

These global affinity groups are vital to our Completely Cognizant strategy. Each is organized to:

- **Attract:** recruit top talent by participating in a variety of recruiting activities
- **Develop:** offer personal and professional development opportunities, including seminars and workshops
- **Retain:** engage diverse talent to make Cognizant a desirable place to build a career
- **Network:** connect throughout Cognizant as well as with client-based and other third party affinity networks

A list of our affinity groups and their areas of focus are on our [D&I website](#). Notable examples include:

- **Cognizant African American and Latinx Group (AALG)**  
 Innovative and creative ideas that attract, retain, and promote our African American and Latinx associates.
- **Cognizant Embrace (LGBTQ+)**  
 A positive working environment for our lesbian, gay, bisexual, transgender, and queer colleagues to be their authentic selves at work.
- **Cognizant Pan-Asian Group**  
 Resources for career growth and networking for our Pan-Asian associates.

- **Cognizant Unite**  
 Supporting associates with different abilities and their caregivers to be able to do their best work.
- **Cognizant Veterans Network**  
 Supporting veterans who have transitioned from military service to jobs in corporate settings.
- **Cognizant Women Empowered (WE)**  
 Elevating the experience of work for women by recruiting women for positions at all levels, providing career growth and leadership development opportunities, and building a strong female-led community within the technology industry.
- **Cognizant Working Parent Group**  
 A place to share experiences, resources, and voice support for all types of families.

## Millennial Council

Our Millennial Council brings together a select group of high-performing, young professionals from across the business and from different countries to generate new perspectives, insights, and business strategies. Launched in 2018, the Council’s mission is to foster collaboration and provide seamless integration between thought leaders and decision makers across generations. In 2020, the Millennial Council was recognized with the Brandon Hall Group HCM Excellence Award, receiving Gold for Best Use of Social/ Collaborative Learning.



## Thought leadership and events

We partner with leading D&I experts and industry partners to conduct and publish industry-leading and thought-provoking research, such as [What It Means to Belong at Work](#) in 2020. From the study: “building a workplace that is warm, welcoming, and inclusive takes careful forethought, conscious planning, and effective execution.” The research identified six key insights into what matters most to associates when it comes to creating a professional culture of belonging.

Additionally, we work to enrich client collaborations with events featuring leading thinkers and renowned

speakers. These events, such as our Pan-India Diversity Summit and our Diversity in Tech series, share insights into fostering diversity, inclusion, and belonging.

## Progress on diversity

At Cognizant, we believe diversity and inclusion are part of our ability to execute successfully and consistently over the long-term. As such, diversity is a critical business issue and stakeholders are increasingly interested in diversity data. While our current representation does not achieve the balance we would like, as this report (and the below awards) show, we are proactively addressing our global diversity outlook.

### Gender representation of global associates

(%)<sup>5</sup>

	Female	Male
Executive <sup>6</sup>	11.8%	88.2%
Non-Executive Associates	36.4%	63.6%

### Racial/ethnic group representation of U.S. associates

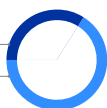
(%)<sup>7</sup>

	Asian	African American	Hispanic or Latinx	White	Other <sup>8</sup>
Total	68%	4%	3%	23%	2%

## Highlights

**2020 gender split**  
%

Women (36%)  
Men (64%)



**Number of female associates 2020**  
total

**approximately 104,300**

**New hires in 2020**  
% of total

**40% women**

**Board diversity – gender, race, and ethnicity**  
% total

**45% diverse**

## Recognition for D&I

[America's Best Employers for Diversity Forbes List](#)

[America's Best Employers for Women Forbes List](#)

[Top 15 Best Companies for Women in India](#)  
by Avtar (India)

[Inclusive Top 50 UK Employers](#)

[Military Friendly® Employer](#)  
(United States)

[Employer of Choice for Gender Equality](#)  
(Australia)

[Great Place to Work for Women](#)  
(Brazil)

[Best Women's Workplace](#)  
(Hungary)

[Best Employers for New Grads Forbes List](#)

[#WomenInTech Company Initiative of the Year](#)  
(Ireland)

[Great Place to Work for People with Disabilities](#)  
(Brazil)

[Great Place to Work for LGBTQI+](#)  
(Brazil)

[Best Maternity Program at World HRD Congress](#)  
(India)

<sup>5</sup> Data is representative of the employee population as of 12/31/2020. Percentages have been rounded to the nearest tenth.

<sup>6</sup> Executive is defined as Senior Vice-President and above.

<sup>7</sup> Data is representative of the employee population as of 12/31/2020.

<sup>8</sup> Other = American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, and Two or More Races.

## Health and safety (H&S)

As a global organization, we seek to build a culture in which people are safe, secure, and healthy.

### Management approach

#### Our Environmental, Health, and Safety (EHS) management system

Cognizant's approach to EHS incorporates ISO standards 45001:2018 for occupational H&S management systems and ISO 14001:2015 for environmental management systems. We plan to have our global operations certified to ISO 14001 and ISO 45001 by 2023.

As of 2020, nearly 60% of our workforce were located in facilities covered by our EHS management system. We plan to implement this through policies, programs, and certification by 2023.<sup>9</sup>

### Our efforts and activities

#### Defining key risks and identifying hazards

We take proactive steps to prevent accidents and occupational illnesses at work.

We document all injuries, illnesses, and hazards systematically, and assess them as part of the Hazard Identification and Risk Assessment program. This procedure seeks to cover all potential scenarios, including with respect to Cognizant associates, vendors, and visitors to Cognizant facilities in leased/ multi-tenanted or owned property.

For every safety-related incident or observation, regardless of whether an injury occurred, we carry out a comprehensive incident investigation – the results of which help us learn and improve our practices. Our investigation process starts with the identification of the incident or observation. We then focus on the root cause and precursors to the incident.

#### Associate participation, consultation, and communication on H&S

Our Standard Operating Procedure sets out our approach to communicating our H&S initiatives

and processes to our associates. In addition, we consult associates on H&S through our engagement surveys.

Our H&S Committees oversee communication and are responsible for identifying potential hazards, identifying risks, recommending corrective actions, and following up on implemented recommendations. We encourage associate ideas for improvements, which they can raise through regular meetings and workplace inspections.

The H&S Committees are also responsible for overseeing H&S training, including online and face-to-face approaches. In 2020, we continued to train select associates on basic safety, fire safety, first aid, and safe rescue mechanisms across our India locations.

#### Promoting health initiatives

As well as considering associates' day-to-day health and safety, we look to promote general well-being.

In 2020, we introduced a new corporate partnership with a third party digital wellness platform in India, HealthifyMe, which allows associates to set daily goals to achieve their health objectives. More than 50,000 associates registered on the platform and participated in activities such as the Clash of the Locations, Battle of the Business-units, and more, with competing teams and families working together to achieve health objectives. For this program, we received several industry accolades, including being recognized by the Federation of Indian Chambers of Commerce and Industry in the "Best in Health and Wellness in IT/IT Enabled Services" category.

Beyond this, our Master Health Check-up, a company-sponsored benefit, is available to associates across most of our operations, with a focus on physical wellness, mental health, and work-life balance. Our Employee Assistance Program also offers confidential in-person counseling sessions for all of our associates across the globe.

<sup>9</sup> The activities detailed below are currently in place in our Indian operations unless otherwise stated.

## Keeping our associates safe during COVID-19

Associate safety continues to be a priority during the COVID-19 outbreak. Following the March 2020 World Health Organization announcement that the COVID-19 outbreak was a pandemic, we took immediate action to cancel non-essential travel plans and close office use, while allowing some operations to proceed in exceptional cases with appropriate safety precautions.

To continue working without interruption, we established a remote working model, amending policies to help transition our workforce to work from home effectively. In addition to equipping our associates for virtual working, we instituted a paid leave program for those affected by COVID-19, and rewarded bonuses to a large portion of our associates in India and the Philippines to support families and enable delivery operations to continue uninterrupted.

At a country-level, we adhere to federal, state, and local health authority guidance, including from the World Health Organization, U.S. Centers for Disease Control and Prevention, UK Ministry of Health, and others to guide our actions. This includes following local social distancing guidelines, enhancing cleaning protocols, using hand-sanitizer stations, and requesting the use of face coverings within our offices.

A third party assisted with the assessment and verification of the COVID-19 measures taken in India, and submitted the report to the Cognizant Workplace Services management.

Regional crisis management teams and executive representatives also evaluate any requests to return to the office for due consideration.



## Supply chain management

ESG extends to how a company thinks about its supply chain. Our supply chain management includes:

- Our Supplier Diversity Statement sets out Cognizant's commitment to working with historically under-represented and diverse businesses such as minority-, women-, disabled-, LGBTQ+-, or veteran-owned companies. By cultivating an array of relationships, we provide business opportunities to various enterprises, while enabling our long-term success. We seek to verify supplier self-declarations from third party certified diversity supplier databases. We use third party sources to identify diverse suppliers and our related spend with them in the United States.
- Our [Supplier Standards of Conduct](#) set out the principles by which all of Cognizant's third party representatives, suppliers, vendors, and subcontractors and their parent, subsidiary, and affiliated entities are expected to abide by.

- Our [Human Rights Policy](#) outlines our commitment to respect the basic principles of human rights and sets the expectation that our suppliers, business partners, and clients adopt similar policies within their own businesses.

Pursuant to the UK's Modern Slavery Act 2015, we also issue an annual [modern slavery statement](#) and recognize the need to remain vigilant in the fight against this horrific practice.

As part of our ongoing ESG development efforts, we are also considering ESG in our supply chain in new ways, including:

- A materiality assessment to identify the ESG matters considered relevant to Cognizant's supply chain
- A gap analysis to assess opportunities at Cognizant, best practices, and workshops for further insights
- A three-year roadmap to implement the recommendations from our review







# Governance

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We strive to be a trusted partner to our clients, demonstrating good governance throughout our business practice. We seek to operate with integrity, transparency, and security to reduce risk and build trust.

## **In this section**

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## Ethics and compliance

We expect our associates to uphold the highest standards of ethical conduct. Doing the right thing, the right way is the cornerstone of our approach, and is fundamental to our collective success.

### Leadership

#### Oversight

Our commitment to ethics and compliance is driven from the highest levels of the organization. Our Board of Directors and CEO set the “Tone at the Top.” Our Chief Ethics and Compliance Officer, reporting to our General Counsel, and under the direct oversight of our Audit Committee of the Board of Directors, is responsible for the operation of the Ethics and Compliance organization program. We also have several key management-level committees and functions that support our compliance program, including our Global Compliance and Ethics Committee, as well as Ethics and Compliance Committees across our operating segments.

The Ethics and Compliance organization is responsible for all elements of an effective ethics and compliance program, including, but not limited to:

- Training and communication
- Code of Ethics, policies, and procedures
- Monitoring and investigation
- Discipline and incentives
- Risk assessments and external enforcement
- Remediation, response, and prevention

The organization utilizes a variety of policies and processes to embed ethical behavior in all we do. Internal tools such as the Ethics and Compliance Corporate Metrics Dashboard, Leader Toolkit, and “Tone at the Top” mandatory leadership email cascade, also enable senior leadership to consistently monitor progress and take action as part of their day-to-day responsibilities.

#### Ethics and leadership

All Cognizant leaders are responsible for driving ethical behavior throughout the organization. In 2020, we formally embedded ethics and compliance goals into annual metrics for all members of our Executive Leadership Team (ELT). ELT members are required to share ethics and compliance messaging with their respective teams every quarter, and track mandatory training completion with the goal that 99% of each organization timely complete the annual ethics training.

### Policies and processes

#### Code of Conduct

Our [Code of Ethics](#) outlines our standards of conduct. It requires our associates to uphold our core value of ethics, including complying with the laws of the countries in which we operate. Not only is this the right thing to do, but it is also an integral part of our commitment to excellence.

All new associates are required to complete our Code of Ethics e-learning course within 30 days of joining Cognizant (see [Ethics Training](#)).

#### Our values

In 2020, we launched the Cognizant Agenda, which includes our values. These values establish relevant expectations and standards for associates. We are proud of our values. We share them here to demonstrate the focus we placed on them in 2020.

#### How we work

##### Start with a point of view

I apply my expertise to gain trust, and to lead our clients forward.

##### Seek data, build knowledge

I use facts to guide my actions and decisions.

##### Always strive, never settle

I act with agility and creativity, determined to stay one step ahead.

##### Work as one

I deliver solutions that draw upon the full power and scale of Cognizant.

##### Create conditions for everyone to thrive

I include, enable, and invest in everyone around me.

##### Do the right thing, the right way

I always make the ethical choice.

### Anti-Corruption Policy

Our [Anti-Corruption Policy](#) outlines our zero-tolerance approach to bribery and corruption in all forms. Accessible on our corporate website and available in eight languages, the document details our commitment to operate ethically, in compliance with all relevant anti-corruption laws across the regions in which we operate.

### Human Rights Policy

Our [Human Rights Policy](#) outlines our commitment to respecting the basic principles of human rights in line with the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

### Whistleblower and Non-Retaliation Policy

Our [Whistleblower and Non-Retaliation Policy](#) encourages people to speak up when they witness or anticipate any instances of unethical behavior in or outside of our organization. In line with our mission to facilitate an open and transparent culture, we want our associates to be open with us when they see something that is not right, without fear of retaliation (see [Speaking up](#) for more).

## Performance

### Ethics training

We educate and inform our associates on all aspects of our Ethics and Compliance program to deliver an ethics- and values-based culture. As well as global training, we offer ad hoc support to various functions relating to the unique risks faced by each.

### Speaking up

Cognizant has several publicly available ways for associates to report grievances and speak up if they have questions or concerns. Our Compliance Helpline, for example, is available to all associates, clients, vendors, and others to anonymously report any suspected violations of law, our Code of Ethics, or policies (see [Code of Conduct](#)).

The helpline can be reached by email, telephone, on our intranet and external website, and through various internal communications. Any reports of suspected improper or unethical activity through these channels are investigated and treated with confidentiality in compliance with local laws.

## Data security

The Cognizant Corporate Security Office functions with the dual mission of protecting our business while enabling the enterprise. Our data security strategy strives to safeguard information through cybersecurity principles, policies, and procedures. The program is designed to protect the data we manage, our systems, and compute environments from cyber intrusions and disruptions.

### Our program

#### Our strategy

Our data security strategy aims to protect Cognizant's associates, data systems, and delivery while differentiating us in the market.

Our approach is a risk-based framework that meets ISO 27001 standards. Our approach adheres to third party standards, such as the National Institute of Standards and Technology's Cybersecurity Framework.

By adhering to a clearly defined series of principles, our data security strategy covers the full lifecycle of identification, prevention, detection, response, and recovery across all stakeholders and environments. This responsive stance enables us to work quickly and effectively to identify cyber threats, educate our associates, and implement effective client solutions.

### Security program guiding principles



Our framework is supported by our Cyber Fusion Center, which remains vigilant through continuous vulnerability management, security operations monitoring, and incident response. Additionally, we invest in education and awareness training to support and educate our associates on the importance of cybersecurity. We offer regular insights through key communication channels to keep our clients and associates vigilant and secure.

In April 2020, Cognizant faced a ransomware attack that impacted our internal networks and systems, and disrupted some of our operations. We moved swiftly to contain and remediate the attack, with a focus on communicating transparently to clients and shareholders throughout the process. Additional programs have been put in place to remediate and modernize our IT security controls to reduce the risk and potential impact of such an attack in the future. Cybersecurity remains a top priority for our management and the Board.

### Governance

Our Chief Security Officer reports periodically to the Audit Committee of the Board of Directors, the full Board of Directors, and the Executive Committee on matters related to data protection and our corporate security program.

The Audit Committee and the Board of Directors also receive periodic reports on our data protection and corporate security program from third parties who have done testing, validation, and assessments on our program, as well as by our Internal Audit function that undertakes risk-based audits of our program.

Within our corporate security program, our Business Information Security Officers (BISOs) work closely with the risk owners during their day-to-day delivery in order to facilitate adherence and establish that the risk owners understand and apply our corporate security policies and processes. In addition to our BISOs, we also utilize corporate information risk management resources to perform due diligence over our internal corporate functions.

### Security policies and procedures

Our Global Security and Acceptable Use Policies set out the responsibility of our associates to follow security controls and requirements.

We continue to refine our risk-assessment processes to support security-by-design principles in the design and implementation of new services, products, and processes. Through the oversight of our Corporate Security Office and our business leaders, Cognizant promotes compliance with these policies.

### Training and awareness

Security training and awareness supports the company’s security program by helping associates understand security obligations and acceptable information use. Associates are required to comply with Cognizant’s security and data-protection policies, as well as undergo mandatory trainings. Trainings include fundamental data-security concepts, risks, and controls; and appropriate handling and protection of the confidential information that associates may encounter in the course of their responsibilities.

## Data privacy

Cognizant collects and processes a wide range of personal information on behalf of our associates, our clients, and third parties every day. In a changing regulatory landscape, we are committed to driving and improving technologies and processes that protect data ethically and lawfully.

### Governance

#### Management approach

The Cognizant Privacy organization is responsible for maintaining our global program to enable us to comply with privacy requirements through policies, procedures, training, and tools. Our global team of privacy professionals provides advice and guidance to all of Cognizant's business groups and functions. This team works with key stakeholders, including our Corporate Security function, to assess risks and support the implementation of our privacy policies and compliance programs across the organization.

Accountability for privacy compliance sits at the highest level of our organization. The Cognizant Privacy organization oversees periodic reporting on the privacy program to the executive leadership through the Global Ethics and Compliance Committee, and to the Board of Directors.

#### Compliance review

Our Internal Audit team uses a risk-based approach to determine the timing and the scope by which they assess our privacy program. If determined necessary, Internal Audit undertakes a review of the program against Cognizant's policies and procedures to determine compliance.

### Our performance

Privacy is a critical component of our overall Ethics and Compliance program, and it remains top of mind for many of our clients. Our program aims to demonstrate privacy compliance and safeguarding of the personal information entrusted to us.

#### Privacy policies and procedures

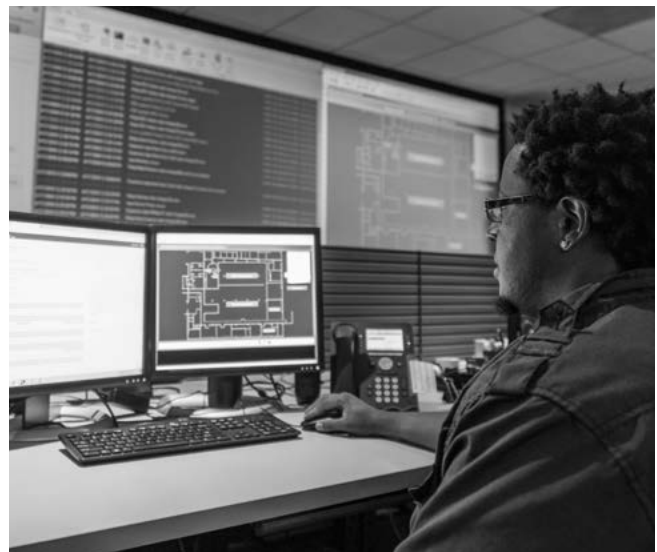
Our global privacy policy sets out the responsibility for all of our associates to meet privacy controls. Our policies and notices explain how we collect, use, transfer, and safeguard personal information, and enable individuals to exercise their rights concerning personal information.

#### Training and awareness

Privacy training and awareness has been designed to support the company's privacy compliance program, and to make sure all associates understand their obligations around privacy.

#### External engagement

We collaborate with our Government Affairs and Regulatory teams to identify issues and engage in discussion on the development of privacy regulations and effective information-governance systems, including through membership in organizations such as the Information Technology Industry Council.



# Appendix

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## **In this section**

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# Indices to major reporting standards

ESG reporting should be transparent and clear. Our report considers these standards.

## SASB

The SASB provides industry standards that identify financially material topics and their associated metrics for different organizations.

### SASB Standard – Software & IT Services

#### *Sustainability Disclosure Topics & Accounting Metrics*

Topic	Accounting metric	Category	Unit of measure	Code	Cognizant section and page reference
<b>Environmental Footprint of Hardware Infrastructure</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SI-130a.1	Climate and energy (p.14)
<b>Data Privacy &amp; Freedom of Expression</b>	Description of policies and practices relating to behavioral advertising and user privacy	Discussion and analysis	n/a	TC-SI-220a.1	Data privacy (p.38)
	Number of users whose information is used for secondary purposes	Quantitative	Number	TC-SI-220a.2	Data privacy (p.38)
<b>Data Security</b>	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and analysis	n/a	TC-SI-230a.2	Data security (p.36)
<b>Recruiting &amp; Managing a Global, Diverse Skilled Workforce</b>	Employee engagement as a percentage	Quantitative	Percentage (%)	TC-SI-330a.2	Developing our workforce (p.22)
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	TC-SI-330a.3	Diversity and inclusion (p.27)
<b>Managing Systemic Risks from Technology Disruptions</b>	Description of business continuity risks related to disruptions of operations	Discussion and analysis	n/a	TC-SI-520a.2	Climate and energy (p.14)

## TCFD

The TCFD framework seeks to enhance corporate disclosure of climate-related financial information to improve the comparability and accessibility of information for stakeholders.

<b>Recommended disclosure</b>	<b>Cognizant section and page reference</b>
<b>Governance</b>	
Describe the board's oversight of climate-related risks and opportunities.	Climate and energy (p.14)
Describe management's role in assessing and managing climate-related risks and opportunities.	Climate and energy (p.14)
<b>Strategy</b>	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate and energy (p.14)
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate and energy (p.14)
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate and energy (p.14)
<b>Risk management</b>	
Describe the organization's processes for identifying and assessing climate-related risks.	Climate and energy (p.14)
Describe the organization's processes for managing climate-related risks.	Climate and energy (p.14)
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate and energy (p.14)
<b>Metrics and targets</b>	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate and energy (p.14)
Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks.	Climate and energy (p.14)
Describe the targets used by the organization to manage climate-related risks, opportunities, and performance against targets.	Climate and energy (p.14)



## GRI

The GRI allows companies and organizations to report their economic, environmental, social, and governance performance, giving stakeholders enhanced transparency and reportees increased accountability.

### General Disclosures

Standard	Disclosure	Description	Location of information
<b>Organization Profile</b>	102-1	Name of the organization	Cognizant
	102-2	Activities, brands, products, and services	<a href="#">2020 10-K</a>
	102-3	Location of headquarters	Teaneck, New Jersey (U.S)
	102-4	Location of operations	<a href="#">2020 Annual Report</a>
	102-5	Ownership and legal form	Cognizant Technology Solutions Corp is listed on the London Stock Exchange
	102-6	Markets served	<a href="#">2020 10-K</a>
	102-7	Scale of the organization	<a href="#">2020 10-K</a>
	102-8	Information on employees and other workers	2020 ESG Report: Our global business (p.7)
	102-9	Supply chain	<a href="#">2020 Annual Report</a> 2020 ESG Report: Supply chain management (p.33)
	102-10	Significant changes to the organization and its supply chain	<a href="#">2020 Annual Report</a> 2020 ESG Report: Supply chain management (p.33)
	102-11	Precautionary principle or approach	<a href="#">2020 Annual Report</a>
<b>Strategy</b>	102-14	Statement from senior decision-maker	2020 ESG Report: Message from our Chief Executive Officer (p.2-5)
<b>Ethics and Integrity</b>	102-16	Values, principles, standards, and norms of behavior	2020 ESG Report: Ethics and compliance (p.35-36)
<b>Governance</b>	102-18	Governance structure	<a href="#">2020 Annual Report</a> 2020 ESG Report: Our ESG oversight (p.11-12)

**General Disclosures**

Standard	Disclosure	Description	Location of information
<b>Stakeholder Engagement</b>	102-40	List of stakeholder groups	<a href="#">2020 Annual Report</a> 2020 ESG Report: Message from our Chief Executive Officer (p.2-5)
	102-41	Collective bargaining agreements	<a href="#">2020 Annual Report</a>
	102-43	Approach to stakeholder engagement	<a href="#">2020 Annual Report</a> 2020 ESG Report: Developing our workforce (p.22)
	102-44	Key topics and concerns raised	<a href="#">2020 Annual Report</a> 2020 ESG Report: About this report (p.6) 2020 ESG Report: Our core focus areas (p.10)
<b>Reporting Practice</b>	102-45	Entities included in the consolidated financial statements	<a href="#">2020 Annual Report</a>
	102-46	Defining report content and topic boundaries	2020 ESG Report: About this report (p.6)
	102-47	List of material topics	2020 ESG Report: Materiality (p.47)
	102-50	Reporting period	Fiscal Year 2020
	102-51	Date of most recent report	<a href="#">2020 Annual Report</a>
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions regarding the report	<a href="https://www.cognizant.com/contact-us">https://www.cognizant.com/contact-us</a>
	102-54	Claims of reporting in accordance with the GRI Standards	This report references the GRI standards.
	102-55	GRI content index	This document
	102-56	External assurance	2020 ESG Report: Data privacy (p.38) <a href="#">Report of Independent Accountants</a> on select GHG emissions and total energy consumption metrics.

**Economic**

Standard	Disclosure	Name	Location of information
<b>GRI 201: ECONOMIC PERFORMANCE</b>	201-2	Financial implications and other risks and opportunities due to climate change	2020 ESG Report: Our climate response (p.16–20)

**Environmental**

Standard	Disclosure	Name	Location of information
<b>GRI 302: Energy</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our core focus areas (p.10) 2020 ESG Report: Our energy and emissions (p.14–15)
	103-2	The management approach and its components	2020 ESG Report: Our energy and emissions (p.14–15)
	103-3	Evaluation of the management approach	2020 ESG Report: Our energy and emissions (p.14–15)
	302-1	Energy consumption within the organization	2020 ESG Report: Our energy and emissions (p.14–15)
	302-4	Reduction of energy consumption	2020 ESG Report: Our energy and emissions (p.14–15)
<b>GRI 305: Emissions</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our energy and emissions (p.14–15)
	103-2	The management approach and its components	2020 ESG Report: Our energy and emissions (p.14–15)
	103-3	Evaluation of the management approach	2020 ESG Report: Our energy and emissions (p.14–15)
	305-1	Direct (scope 1) GHG emissions	2020 ESG Report: Our energy and emissions (p.14–15)
	305-2	Energy indirect (scope 2) GHG emissions	2020 ESG Report: Our energy and emissions (p.14–15)
	305-3	Other indirect (scope 3) GHG emissions	2020 ESG Report: Our energy and emissions (p.14–15)

**Social**

<b>Standard</b>	<b>Disclosure</b>	<b>Description</b>	<b>Location of information</b>
<b>GRI 403: Occupational Health and Safety</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our core focus areas (p.10) 2020 ESG Report: Health and safety (p.31–32)
	103-2	The management approach and its components	2020 ESG Report: Health and safety (p.31–32)
	103-3	Evaluation of the management approach	2020 ESG Report: Health and safety (p.31–32)
	403-9	Work-related injuries	2020 ESG Report: Health and safety (p.31–32)
<b>GRI 404: Training and Education</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our core focus areas (p.10) 2020 ESG Report: Developing our workforce (p.22) 2020 ESG Report: Building skills for today and tomorrow (p.22–23)
	103-2	The management approach and its components	2020 ESG Report: Developing our workforce (p.22) 2020 ESG Report: Building skills for today and tomorrow (p.22–23)
	103-3	Evaluation of the management approach	2020 ESG Report: Developing our workforce (p.22) 2020 ESG Report: Building skills for today and tomorrow (p.22–23)
	404-2	Programs for upgrading employee skills and transition assistance programs	2020 ESG Report: Building skills for today and tomorrow (p.22–23)
<b>GRI 405: Diversity and Equal Opportunity</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our core focus areas (p.10) 2020 ESG Report: Diversity and inclusion (p.27)
	103-2	The management approach and its components	2020 ESG Report: Diversity and inclusion (p.27)
	103-3	Evaluation of the management approach	2020 ESG Report: Diversity and inclusion (p.27)
	405-1	Diversity of governance bodies and employees	2020 ESG Report: Diversity and inclusion (p.27)
<b>GRI 412: Human Rights Assessment</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our core focus areas (p.10) 2020 ESG Report: Ethics and compliance (p.35–36)
	103-2	The management approach and its components	2020 ESG Report: Ethics and compliance (p.35–36)
	103-3	Evaluation of the management approach	2020 ESG Report: Ethics and compliance (p.35–36)
	412-2	Employee training on human rights policies or procedures	2020 ESG Report: Ethics and compliance (p.35–36)

**Social**

<b>Standard</b>	<b>Disclosure</b>	<b>Description</b>	<b>Location of information</b>
<b>GRI 414: Supplier Social Assessment</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our core focus areas (p.10) 2020 ESG Report: Supply chain management (p.33)
	103-2	The management approach and its components	2020 ESG Report: Supply chain management (p.33)
	103-3	Evaluation of the management approach	2020 ESG Report: Supply chain management (p.33)
	414-1	New suppliers that were screened using social criteria	2020 ESG Report: Supply chain management (p.33)
	414-2	Negative social impacts in the supply chain and actions taken	2020 ESG Report: Supply chain management (p.33)
<b>GRI 418: Customer Privacy</b>	103-1	Explanation of the material topic and its boundaries	2020 ESG Report: Our core focus areas (p.10) 2020 ESG Report: Data privacy (p.38)
	103-2	The management approach and its components	2020 ESG Report: Data privacy (p.38)
	103-3	Evaluation of the management approach	2020 ESG Report: Data privacy (p.38)
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2020 ESG Report: Data privacy (p.38)

# Materiality

Through a third party, we periodically identify areas of significance to business leaders within Cognizant and external stakeholders. We use this assessment to provide us with an understanding of the perception of ESG issues. Our latest assessment identified the following priority issues:

- Energy and climate commitments
- Workforce development
- Diversity and inclusion
- Employee health, safety, well-being
- Human rights
- Ethical business practices
- Data privacy
- Data security

# Endnotes

## GHG emissions disclosure coverage

Cognizant's GHG emissions apply to calendar year 2020. Emissions are calculated using a variety of emission factor sets:

- **Scope 1 and 3 emission factors**

United Kingdom Government GHG Conversion factors for Company Reporting (2020).

- **Scope 2 emissions factors**

- Location-based factors:
  - India: Central Electricity Authority (2018) CO<sub>2</sub> baseline database for the Indian Power Sector.
  - United States: eGrid 2019 factors by sub-region.
  - Other: The International Energy Agency CO<sub>2</sub> emissions – fuel combustion for electricity (2020). (Also used for scope 3).
- Market-based factors:
  - Solar and wind energy purchased through power purchase agreements or energy contracts or through the property owner are treated as zero emissions (select India sites only). In all other cases the emission factors used for calculating market-based emissions roll back to the location-based factors.

## Scope 1 and 2 emissions

- Scope 1 stationary fuels includes diesel fuel used for backup generators on Cognizant sites, natural gas, and liquid petroleum gas used onsite. Countries covered include India, the Philippines, the United States, and Canada. Stationary diesel is adjusted for stockpiling. Where diesel volumes are not available, Cognizant estimated diesel consumption using the intensity method (liters/square foot) based on comparable sites.

- Select U.S. and Canadian sites consume natural gas. Cognizant used invoice data where available to measure natural gas consumption. For others, Cognizant estimated natural gas consumption using the intensity method (usage/square foot) based on comparable Cognizant sites.
- Scope 1 mobile fuels include diesel fuel used for the Cognizant fleet located in India. Cognizant used invoice data to measure diesel fuel used in the fleet.
- Scope 1 emissions from refrigerants apply to Kyoto Protocol refrigerants used in India and Philippines operations.
- Energy associated with on-site solar (not connected to a third party grid) is generated and consumed on-site. Cognizant categorized it under scope 1 (direct) energy source with zero emissions.
- Scope 2 purchased electricity applies to electricity used at Cognizant sites and purchased a) from the grid, including some renewable power or b) from the property owner for Cognizant's direct use onsite.
- Cognizant has captured electricity usage for all sites in India and the Philippines (covering 85% of global portfolio by area) using invoice data. For all other sites, Cognizant estimated electricity using the intensity method (kWh/square foot) based on comparable Cognizant sites.
- In the case of the United States, Cognizant used the 2012 Commercial Buildings Energy Consumption Survey intensity factors for United States offices.
- Electricity purchased from a property owner and generated through captive diesel generators in India and the Philippines is based on invoice data and categorized under scope 2 as purchased electricity. The associated emissions are calculated using United Kingdom Government emission factors for diesel.

- In some countries, Cognizant has sites that house onsite data centers. Electricity used for these data centers is included in our scope 2 reporting.

## Scope 3 emissions

- Scope 3 emissions relate to fuel and energy-related activities, business travel, employee commuting, and common areas in leased assets.
- Fuel and energy-related activities: relate to generation, transmission, and distribution losses (for electricity) and well-to-tank (WTT) emissions (for all sources of electricity and fuel). WTT accounts for indirect GHG emissions released from the production, processing, and delivery of fuels/energy and is included for all scope 1 and 2 emission sources.
- Business travel includes air and rail travel. The data used in the calculation of business travel GHG emissions is obtained from reports provided by a third party commercial travel manager, which includes distance for business travel booked:
  - Air travel covers domestic and international travel by Cognizant employees globally. Cognizant uses the United Kingdom Government emission factors including Radiative Forcing.
  - Rail travel covers commuter train, national rail, and international rail by Cognizant employees globally.
- Employee commuting includes company-provided transportation in India for employees between their homes and their worksites, including cars, buses, and mini-buses. Employee commuting trips logged manually due to automated system downtime are excluded from reporting.

## Notable exclusions

- Emissions associated with the following sites are not reported: those under construction, not operational, on short-term leases, co-working sites, or associated with non-integrated companies (those in process of being or recently acquired).
- Scope 3 notable exclusions comprise emissions from water, waste, teleworking, co-working sites, and offsite data centers. Cognizant is considering inclusion of emissions from offsite data centers for future reporting.



# Forward-looking statements

This report includes statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. These statements include, but are not limited to, express or implied forward-looking statements relating to our expectations regarding the impact of our ESG and climate efforts, and offerings on our business, our future financial results, and our communities. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these

forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, the impact of the COVID-19 pandemic, changes in the regulatory environment, including with respect to immigration and taxes, legal, reputational and financial risks resulting from cyberattacks, the effectiveness of business continuity plans, and the other factors discussed in our most recent Annual Report on Form 10-K, as updated by our most recent Quarterly Report on Form 10-Q, and other filings with the Securities and Exchange Commission. Cognizant undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.