

Cognizant Sustainability Report 2016 Policies, Practices & Performance

About this section:

Our sixth annual Sustainability Report documents activities during the year ended December 31, 2016. This section is written according to Global Reporting Initiative (GRI) G3.1 guidelines and the organization of this report mirrors the GRI's structure. This report covers all the GRI elements including: Economic (EC), Environmental (EN), Human Rights (HR), Labor (LA), Society (SO), and Product Responsibility (PR) performance indicators, as well as Disclosures on Management Approach (DMA) to these topics. References are made to Cognizant's Annual Report 2016, including the Annual Report on Form 10-K for the year ended December 31, 2016, and the Sustainability Report 2016 to avoid repetition.

Part I: General Standard Disclosures

Strategy & Analysis

G4-1 Statement from the most senior decision-maker of the organization.

Refer to the Cognizant Sustainability website.

G4-2 Key impacts, risks, and opportunities. (G4-DMA)

As a company whose “product” is information services and consulting advice, our supply chain is knowledge-based. We are a people-intensive company. Thus, our operations are not significant consumers of raw materials, nor do we sell a product that requires packaging or shipping. Our primary impact on society and the environment is the care and wellbeing of our approximately 260,200 employees. Our facilities consume natural resources and energy for the physical premises and systems, and provide employees with proper working conditions. We view our employee base as a significant resource in contributing to society, and have an active program known as Outreach to solicit, coordinate and support volunteer efforts. With respect to our key sustainability priorities, we believe that improving education is one of the most significant ways in which we can have a long-term positive impact on sustainability across the globe. This belief drives our intense commitment to help people gain the education necessary to participate in the global economy. Our support also underlines the critical need among businesses worldwide to meet the increasing demand for highly educated workers. At the same time, we recognize that improved education can bring more people out of poverty and give them the knowledge necessary to solve some of our world's pressing social and environmental challenges. In addition, we are working pragmatically to improve the management of our environmental impact. We are committed to leading our industry in conserving energy, reducing and disposing of waste, and recycling. Cognizant actively supports national and international climate-change policies, protocols and initiatives. Further, we proactively teach our associates best practices for conserving energy and shrinking individual carbon footprints—all in an effort to operate in an environmentally friendly manner and drive sustainable economic growth. Another area in which we have a significant and positive impact is in providing opportunities to our employees. In addition to competitive compensation and benefits, we also provide solid global career opportunities with rapid advancement, primarily because we have always focused on building a global team and accessing top talent from leading universities and other companies in our market. Another vital aspect of our employment practices is the cultivation of a diverse workforce, supported by an increasing emphasis on initiatives such as our Women Empowered, Veteran Hiring and Completely Cognizant programs. We believe that our emphasis on talent, coupled with our unique global culture, rank among our key

differentiators. Also, to the extent that our services enable clients to operate more productively, effectively and cost-efficiently, we may have an indirect positive impact on stimulating growth and economic opportunity, while helping clients reduce their resource consumption. We believe our focus on the Future of Work — with its forces of globalization, virtualization, millennials and technology — puts us at the forefront of the new economy. It is changing the ways in which businesses, consumers, employees and others relate to and interact with each other. It is also driving businesses to be more transparent and more accountable for the positive and negative impacts they have on society. Finally, we strive to be an extremely well-managed company, with strong governance, a high standard of ethics, robust financial performance and a track record of providing rewarding careers to our associates. We believe this commitment has an indirect positive impact on the value and growth prospects of the Company over the long-term. (G4-DMA)

Organizational Profile

G4-3 Name of the organization.

Cognizant Technology Solutions Corporation

G4-4 Primary brands, products, and/or services.

Refer to pages 3 through 6 in the 2016 Annual Report. Additional information can be found on pages 1 to 12 in Form 10-K

G4-5 Location of the organization's headquarters.

Headquartered in Teaneck, New Jersey (U.S.).

G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.

Cognizant is a U.S. corporation incorporated in Delaware and listed on Nasdaq. Its global delivery ecosystem spans more than 100 delivery and operations centers globally and supports customer operations in 60 countries. Operations in the various countries are typically through local subsidiaries.

For more information refer to Form 10-K Exhibit 21.1 (List of subsidiaries of the Company) (G4-DMA)

G4-7 Nature of ownership and legal form.

Publicly held U.S. Corporation.

G4-8 Markets served.

Our primary customers are Global 2000 companies and our business is organized around four vertically-oriented business segments: Financial Services; Healthcare; Manufacturing, Retail and Logistics; and Other, which includes Communications, Information, Media and Entertainment and High Technology.

G4-9 Scale of the organization.

- Revenues: \$13.49 billion for FY2016
- Employees: approximately 260,200 as of December 31, 2016
- For details on global presence, refer to page 41 in 10-K

- Our total equity market capitalization is available daily through Nasdaq
- In 2016, our consulting and technology services revenues increased by 8.6% and represented 57.5% of total 2016 revenues, while our outsourcing services revenues increased by 8.7% and constituted 42.5% of total revenues

G4-10 Total number of employees by employment contract and gender.

Headcount (FTE)					
Region	2016	2015	2014	2013	2012
India	188,000	162,500	157,100	126,800	119,600
North America	47,500	40,800	37,800	31,500	27,300
ROW	13,200	9,800	8,500	6,200	4,500
Europe	11,500	8,600	8,100	6,900	5,300
Total	260,200	221,700	211,500	171,400	156,700

ROW includes APAC/LAM/China/Hungary/Philippines.

G4-11 Percentage of total employees covered by collective bargaining agreements.

In the IT industry in general, and across our Company, collective bargaining is not a common practice, with the exception of Norway, Sweden, France and Spain, where we have collective agreements in place. We recognize employees' freedom of association, in line with the Universal Declaration of Human Rights issued by the United Nations in 1948. As of December 31, 2016, less than 1% of our employees were covered by Collective Bargaining Agreements, primarily in France, the Nordics and Spain.

G4-12 Our supply chain.

Global Procurement is an independent function responsible for acquiring and fulfilling Cognizant's requirement for goods and services, collectively referred to as "Sourcing needs." The Procurement team has the functional authority and responsibility for all Sourcing needs such as the selection of contractors, suppliers, agents and dealers to supply specific goods or services to the Company, together with the negotiation of terms and conditions of a contract; entering into contracts; and administration and supervision of such contracts. The Procurement team is responsible for independent finalization of commercial negotiations with the Supplier. The team is organized by category towers and operations. Business functions raise purchase requests as per their needs along with any sustainability related requirements, which is then negotiated by the Procurement team with suppliers. Global Procurement, Sustainability and Legal collaborate to establish and maintain, as appropriate, global standard contract templates that capture the standard terms and conditions and OHSAS/ EMS requirements into Cognizant Supplier contracts. The responsibility of Contract and Supplier management after execution of the contract resides with Business stakeholders and the Procurement team's role is then limited to escalation management and renewals.

G4-13 Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.

There were no substantial changes, except for ongoing growth in the business, including acquisitions that increased the size of the company.

G4-14 Precautionary approach or principle is addressed by the organization.

We take a precautionary approach as defined by Article 15 of the Rio Principles and have implemented significant programs to reduce our carbon emissions.

G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.

Our policies are based on internationally recognized standards and frameworks from organizations such as the United Nations Global Compact, International Labour Organization (ILO) and the Global Reporting Initiative (GRI). We have implemented an Environment Management System, as defined by ISO 14001 standards, in our India and UK offices, which allows us to identify and control the environmental impact of our activities; continually improve our environmental performance; and implement a systematic approach to setting, achieving and measuring environmental objectives and targets. This system has been certified at eight of our facilities in India.

G4-16 Memberships of associations and advocacy organizations.

We have memberships in the following industry associations and national/international advocacy organizations:

U.S.-based organizations

- US India Business Council (our CEO is on the Leadership Council)

U.S. Chamber of Commerce

- Information Technology Industry Council (one of our Executives sits on the Board of Directors)
- Trans-Atlantic Business Council 47

India-based organizations

- NASSCOM (our Executive Vice Chairman, Cognizant India is the past chairman and our President, Technology Solutions, is on the Executive Council)
- American Chamber of Commerce, India (our Senior Vice President - Marketing is on the national Executive Board)
- Confederation of Indian Industry (our Senior Director of Sustainability serves in the Regional Corporate Sustainability Initiative Forum)

European-based organizations

- Tech UK
- American Chamber of Commerce/European Union
- Swiss-American Chamber of Commerce

G4-17 Entities included in the organization's consolidated financial statements or equivalent documents.

Cognizant is a U.S. corporation incorporated in Delaware and listed on Nasdaq. We utilize a global delivery model, with delivery centers worldwide, to provide high quality services and responsiveness to our customers at competitive rates. We have a four-tiered global architecture for service delivery and operations, consisting of employees co-located at customers' sites, at local or in-country delivery centers, at regional delivery centers and at offshore delivery centers.

For more information refer to Form 10-K Exhibit 21.1 (List of subsidiaries of the Company)

G4-18 The process for defining the report content and the Aspect Boundaries.

To determine this report's content, we formed a Sustainability Reporting Committee. The committee

included executives from the areas that regularly interact with our stakeholders: Investor Relations; Public Policy; Compliance; Finance; Human Resources; Environment; Facilities & Procurement; Marketing; and Social Programs. This committee reviewed all GRI indicators to determine which were most material, based on their interactions with constituent stakeholder groups. This resulted in tagging each indicator as “High,” “Medium,” “Low,” or “No” materiality. As we are a knowledge-based company that provides services rather than products, our greatest assets are our employees and the trust of our clients. Therefore we deemed the following areas as highly important to our stakeholders:

- Governance, ethics and protection of customer privacy and data.
- Overall quality of service delivery and mechanisms for gathering customer feedback.
- Labor practices, including investing in employees through training, measuring employee satisfaction and ensuring a safe and rewarding workplace.
- Our commitment to communities, particularly our global efforts to improve education.
- Our environmental performance, especially initiatives to track and reduce greenhouse gas emissions.

G4-19 Material Aspects identified in the process for defining report content.

Material Aspects	Why is it material to us?
Direct Economic Impact	We generate significant economic value to our customers, shareholders and employees
Indirect Economic Impact	We also generate thousands of direct and indirect jobs in communities we operate in
Energy Consumption	We consume large amounts of electricity to power our operations and data centers
GHG Emissions	We emit GHG due to Purchased Electricity consumption across the world
Occupational Health	We have a large employee base spending time on computers involving long-periods of sitting
Training and Education	With the constant change in the technology landscape, it is essential for us to consistently reskill our employees

G4-20 Aspect Boundary within the organization.

The report covers a global scope, which includes all countries and operating units of the Company, leased and owned facilities, and all functions and business units under operational control. The report covers a global scope, which includes all countries and operating units of the Company, leased and owned facilities, and all functions and business units under operational control. There were no limitations on the boundary of the report.

G4-21 Aspect Boundary outside the organization.

Outsourced operations such as food and beverage operations and transport operations are excluded from this report.

G4-22 The effect of any restatements of information provided in previous reports.

None

G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.

Our last sustainability report was for the year 2015. We have not had any significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. Going forward, we will continue to report on an annual cycle for all our operations.

G4-24 Stakeholder groups engaged by the organization.

We engage with:

- Customers
- Stockholders
- Employees
- Governments
- NGOs
- Suppliers

G4-25 Basis for identification and selection of stakeholders with whom to engage.

Since Cognizant was founded in 1994, we have been engaging with multiple stakeholders to address key areas of our business that will impact our long-term growth and success. The stakeholder groups with which we have engaged since that time include customers, stockholders, employees, governments, NGOs and suppliers. Should a new stakeholder group wish to engage with us, our management team assesses the impact the stakeholder group has on our long-term success, the degree to which their priorities intersect with ours, our ability to productively engage with them, and the legitimacy of the stakeholder group in the context of other stakeholders.

G4-26 Organization's approach to stakeholder engagement.**Customers**

While all stakeholder groups are important to Cognizant, we see our customers as the stakeholder group having the greatest impact on our long-term success. We have a customer-focused business model in which our client partners and account managers are typically embedded at the customer location and constantly monitor customer satisfaction and areas for improvement. Many customers also have regular interaction with our top management through structured account reviews every quarter. We also invite our key customers to periodic customer community events where we share ideas and industry best practices, and solicit feedback as to how we can best meet their needs. We conduct an annual independently administered customer satisfaction survey to formally assess how well we are meeting their needs. Finally, we participate in regular customer-initiated surveys and reviews of our performance across multiple dimensions of sustainability. Often, in these reviews, our customers will ask to see our public disclosures on sustainability, and in response, we provide a copy of this report. Of primary interest to our customers is our ability to solve their business and technology problems, scale our business to meet their future needs, and maintain competitive pricing. Additionally, they expect us to operate in a highly ethical manner, minimize our impact on the environment, and uphold the highest standards for labor practices and human rights. Our customers also expect us to ensure that our suppliers conform to similarly high standards, and as a result of engagement on this topic we have invested in improving our supplier sustainability processes and reporting. (G4-DMA)

Stockholders

As a publicly-traded company, our stockholders are our owners and therefore constitute another

extremely important stakeholder group. We formally engage with our stockholders every year in our annual stockholder meeting. We also brief stockholders through public conference calls every quarter on our performance and business outlook. Meetings and calls with stockholders are held regularly to explain our performance and plans and to solicit feedback. Our investors are primarily concerned about revenue growth, profit margins, business risks, and our overall reputation. These issues are primarily addressed through our financial reporting and disclosures. Our policies with respect to Governance and Ethics also take the interests of our stockholders into account. (G4-DMA)

Employees

As a people-based business, our employees are the key to our success. We have frequent and deep opportunities to engage with them, both formally and informally. Our open and transparent management culture encourages instant and spontaneous feedback on issues that are material to employees by way of blog posts and comments, e-mails, participative committee meetings, and town hall meetings. We also conduct an annual formal independently-administered employee satisfaction survey, using the survey results to create action plans to address any issues identified. Our employees are primarily interested in their professional development and advancement, compensation and benefits, and working conditions. They wish to work for a responsible and ethical company that provides opportunities to give back to the communities in which they live and work. We are extremely proud of the way our employees serve not only our clients, but also our communities. One of the goals of this report is to highlight and recognize the important work our employees do through volunteer programs such as Outreach and Go Green. (G4-DMA)

Governments

Government stakeholders are primarily interested in our compliance with laws and regulations and our ability to provide economic benefit through employment, wages paid to their constituents, and taxes paid to the government. They are also interested in the size and nature of investments we make in local communities, particularly in areas such as education. For example, our US STEM Education program, Making the Future, was developed in part due to our desire to address an important issue to the US Government, namely, increasing the pipeline of US STEM workers. We work directly with policymakers and through industry associations to engage with governments at national and local levels regularly. Government agencies routinely inspect/audit our operations and we also report on our financial, environmental and labor compliance. (G4-DMA)

NGOs

We engage with NGOs to work on issues of mutual interest facing the community, such as access to primary education, STEM education and primary health care access. We work with global NGOs such as the Carbon Disclosure Project and the Global Reporting Initiative that are shaping the emerging issues of sustainability and the triple bottom line. We work with education-oriented NGOs such as Change the Equation and Citizen Schools on US education issues; our Making the Future program, discussed in this report, was developed around our engagement with these two NGOs. The frequency of these engagements varies with each NGO and issue; with some NGOs we engage weekly, whereas with others it may be on an ad hoc or annual basis. (G4-DMA)

Suppliers

Suppliers are another important stakeholder group. Our suppliers are primarily interested in long-term beneficial relationships with Cognizant. We engage with them through regular business meetings and

formal requests for proposal. In 2011, we began surveying our suppliers to understand their perception of our relationship, and also introduced a new Sustainable Procurement Policy that includes Supplier Standards of Conduct and a supplier sustainability survey, as described in the “Supply Chain Integrity” section. Our goal is to engage deeply with our top 50 suppliers. (G4-DMA)

G4-27 Key topics and concerns that have been raised through stakeholder engagement.

See G4-26 above.

Report Profile

G4-28 Reporting period for information provided.

January 1, 2016 to December 31, 2016

G4-29 Date of most recent previous report (if any).

June 2016

G4-30 Reporting cycle (such as annual, biennial).

Annual

G4-31 Contact point for questions regarding the report or its contents.

David Nelson – Vice President, Investor Relations and Treasurer

E-mail: David.Nelson@Cognizant.com or sustainability@cognizant.com

G4-32 The ‘in accordance’ option the organization has chosen.

This report provides detailed information on our responsible business practices across the economic, social and environmental parameters “in accordance” – Core with the Global Reporting Initiative G4 guidelines.

G4-33 External Assurance for the Report.

At this point in time, we have not chosen to pursue third-party assurance of our sustainability report. Governance, Commitments, and Engagement

G4-34 Governance structure including committees of the highest governance body.

Our Board of Directors includes an independent non-executive chairman and nine of our eleven directors are “independent” under rules of The NASDAQ Stock Market, where Cognizant is listed. Directors are required to complete an extensive annual survey to guard against conflicts of interest that could interfere with the exercise of independent judgment. The tenure of our independent directors ensures a balanced mix of extensive Company and industry knowledge and experience and fresh perspective, with four independent directors having served less than five years, two independent directors having served between five and ten years, and three independent directors having served more than 10 years. Our Audit Committee, whose members are in regular communication with, among others, the Chief Financial Officer (CFO), Controller, Chief Legal Officer, Chief Compliance Officer and Head of Internal Audit, consists of six independent directors and two of which qualify as an “audit committee financial expert,” under the Item 407(d)(5)(ii) of Regulation S-K promulgated by the U.S. Securities and Exchange Commission. Our nominating and corporate governance committee develops and recommends corporate governance policies and oversees the evaluation of the board’s effectiveness. Sustainability performance is reviewed at the Board level. Cognizant’s Senior Director of

Sustainability leads a global committee that is responsible for developing and driving implementation of the corporate responsibility and sustainability strategy and targets guided by our global policy, described previously. Cognizant's President is responsible for reviewing the committee's performance against this policy on an annual basis and reporting the results of this review to our Board of Directors or a Committee of the Board of Directors.

G4-56 The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.

As a global business, Cognizant is committed to complying with the laws of the countries in which we operate. We make this pledge not just because it is the right thing to do, but also because it is an integral part of our commitment to excellence and exceeding client expectations, as well as our dedication to being a good corporate citizen and improving our communities.

Cognizant treats reports of misconduct seriously. All reports are reviewed by the Chief Compliance Officer, who appoints a responsible person as appropriate to conduct an informal inquiry or a formal investigation. If a violation of our Standards has occurred, appropriate disciplinary action will be taken against individuals involved as permitted by local laws. Additional steps will be taken if an alleged violation involves an Executive Officer or Board Member.

Today's dynamic global marketplace demands that we achieve the highest standards of behavior. It is therefore critical that all of us at Cognizant make business decisions that align with our ethical principles. This means, in part, that we comply with all applicable anti-corruption laws, rules, and regulations wherever we conduct business.

(G4-DMA) Cognizant believes in being a responsible corporate citizen that places high value on respect for individuals and sustainability. As such, we uphold human rights in all of our global operations, in line with the United Nations Global Compact and the principles set out by the International Labour Organization. All Cognizant Associates around the world are entitled to fair wages and hours, consistent with local laws, and are entitled to work in an environment free from discrimination. Our Company does not make use of child (i.e., a person under the minimum age provisions of applicable laws and regulations) or forced labor (i.e., prison labor, indentured labor, bonded labor, military labor, slave labor or any form of human trafficking), and will not work with third parties who do so.

Cognizant is committed to providing quality services with a strong customer focus that is consistent with our Values. Therefore all of our services must meet stringent requirements for the safety and satisfaction of our valued customers. To achieve this high performance and maintain our reputation for quality, all Cognizant associates must comply with quality control standards and follow contract specifications at all times. As Cognizant Associates, we must be familiar with the standards and specifications that apply to the projects we work on, and raise any potential issues immediately.

We uphold the same strict standards for quality when working under our client contracts. As Cognizant Associates, we are each responsible for knowing and complying with the exact requirements of a contract at all times. We must take steps to ensure that we never deviate from contract specifications without prior authorization.

PART II: Specific Standard Disclosures

ECONOMIC

Goals and Performance:

As a US publicly traded company, Cognizant is committed to providing maximum long-term returns to its stockholders. Cognizant's economic goals and financial performance are extensively documented in our annual report and other regulatory filings which can be found on our investor relations website at www.investors.cognizant.com. Our industry-leading performance provides substantial financial reward to our investors. Our approximately 260,200 employees, as of December 31, 2016, benefit by having high-paying knowledge-worker jobs, with excellent working conditions, interesting and rewarding work, and ample career growth. We seek to build a strong and positive market presence in the communities in which we work. We hire a vast majority of our employees in the local geography and provide highly competitive compensation. We work to use suppliers based in the local community to the extent possible. (G4-DMA)

Aspect: Economic Performance

G4-EC1 Direct economic value generated and distributed

(in millions, except per share data)

	2016	2015	2014
Revenues	\$13,487	\$12,416	\$10,263
Cost of Revenues	8,108	7,440	6,141
Selling, general and administrative expenses	2,731	2,509	2,037
Depreciation and amortization expense	359	325	200
Income from operations	2,289	2,142	1,885
Other income (expense), net	68	22	39
Income before provision for income taxes	2,357	2,164	1,924
Provision for income taxes	-805	-540	-485
Income from equity method investment	1	-	-
Net income	\$1,553	\$1,624	\$1,439
Diluted earnings per share	\$2.55	\$2.65	\$2.35

For details, refer to page 39 of 10-K

G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change

We recognize that climate change may pose operational risk to our facilities located in coastal cities around the world. It could also cause disruptions to our operations if severe weather caused by climate change impacts goods and services in our supplier chain. Unchecked growth in the consumption of

resources could also lead to escalating electricity and transportation costs or uncertainty of supply, which could also impact our business. At the same time, concern over climate change has provided an opportunity to reassess our energy dependence and energy productivity. We have identified opportunities to conserve energy through disciplined energy management practices, improved facilities design and re-engineered business processes. The result is not only enhanced energy efficiency and productivity, but also the potential for significant cost savings. For details, refer to the risk factors section of 10-K.

G4-EC3 Coverage of the organization’s defined benefit plan obligations

Refer to Note 14 (Employee Benefits) in the Company’s Annual Report on page F-36 of Form 10-K for the year ended December 31, 2016.

G4-EC4 Financial assistance received from government

Refer to Note 9 to the Financial Statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

Aspect: Indirect Economic Impacts

G4-EC6 Proportion of senior management hired from the local community at significant locations of operation

Region	Local Hires	Transfers	Total	Local %
India	1521	35	1556	97.8%
North America	1412	584	1996	70.7%
Europe	519	177	696	74.6%
ROW	131	69	200	65.5%
Grand Total	3583	865	4448	80.6%

G4-EC7 Development and impact of infrastructure investments and services supported

Project Outreach is one of the world’s largest corporate volunteer efforts, with a focus on alleviating disparities in educational access around the world. *Outreach* volunteers have logged over 1.75 million volunteer hours supporting learning, mentoring, career counseling and talent development activities since the program began in 2007. The program is entirely led by our associates, who are organized into Outreach Councils that set the tone for volunteer activities, encourage participation, and solicit employees’ suggestions as to programs and initiatives, with support from Cognizant as appropriate.

In addition, The Cognizant Foundation is an independent entity launched in 2005 to support corporate social responsibility initiatives, with the primary objective of improving the lives and opportunities of economically and socially disadvantaged sections of society in India. Programs are centered around educational programs, healthcare initiatives, livelihood programs and rebuilding communities.

Additional information can be found within our Sustainability website.

G4-EC8 Significant indirect economic impacts, including the extent of impacts

Several of our social programs, including our *Making the Future*, *Outreach*, and *Cognizant Foundation* programs, are covered under “Creating Opportunities through Education” in the Program Highlights section the Sustainability Report.

ENVIRONMENT

Goals and Performance:

(G4-DMA) Cognizant is committed to leading our industry in energy conservation, waste reduction and recycling. Taking a responsible stance with respect to the environment is a business imperative. We have set organization-wide goals with respect to energy and carbon emissions. Our goal was to reduce energy consumption and emissions by 40% per capita by 2015 versus our 2008 baseline. We achieved our goal ahead of time. We have focused on energy conservation, energy efficiency and energy productivity, which included reducing energy waste, improving energy efficiency, and generating higher productivity from a unit of energy, all of which helped us reduce per capita energy consumption by 53%.

We believe in reducing our impact on the environment by managing our waste in an efficient and sustainable manner. In order to help our associates contribute towards this organizational objective, we took a first step of installing e-waste recycling bins across our facilities in India and we encourage associates to dispose their e-waste responsibly. E-waste is then recycled through Cognizant authorized recycling partners.

Policy

We have a series of policies that govern our environmental impact. Our Sustainability Policy outlines our overall commitment to “Complying with all applicable environmental laws, regulations and standards, and tracking and reducing negative environmental impact.” Additionally, we have an Environmental Policy which further guides our actions in this area.

Organizational Responsibility

We have a Sustainability Committee, who oversees performance across all aspects of sustainability. We also have a Senior Director of Sustainability who oversees our “Go Green” team which focuses specifically on our environment, health and safety performance. This team manages our annual Carbon Disclosure Project data gathering and reporting, our ISO 14001 and OHSAS 18001 certification processes, works with facilities management on energy efficiency and water conservation programs, and also organizes our “Green Brigades” across the globe, which are grass-roots groups of employees who wish to become involved in projects to benefit the environment in the communities in which they live and work.

Training and Awareness

The Go Green team provides frequent Company-wide communications on topics ranging from energy and resource conservation to personal conservation. We provide environmental training via e-learning and specific training with resources, such as our Energy Handbook, to our facilities management teams to ensure they are trained in best practices around energy management and conservation. As part of our ISO 14001 certification process, we provide facility management teams 52 with information about hazardous materials and proper disposal procedures. We leverage social media tools such as Facebook, Twitter and internal blogging tools.

Monitoring and Follow-Up

The Go Green team gathers data on both a monthly and annual basis. We follow industry standard protocols to gather and report environmental performance information, such as the Greenhouse Gas Protocol. In key areas such as energy use, we produce a monthly dashboard on energy consumption, and use Six Sigma and lean techniques to work with managers at under-performing facilities to learn from the best practices employed by the top-performing facilities. Other areas are monitored on a quarterly or annual basis. As outlined in our Sustainability Policy, we conduct annual sustainability reviews with our President, who then reports the results to our Board of Directors or a Committee of the Board.

G4-EN3 Energy consumption within the organization

Energy	2016	2015	2014	2013
Total direct energy consumption in joules or multiples by renewable primary source (in MU)	120,996,946	77,286,823	92,152,461	85,100,691
Direct energy consumption by non-renewable primary energy source (in MU)	116,881,906	86,476,673	50,593,925	85,309,200
Indirect energy consumption by primary source (in MU)	4,961,061	918,445,425	940,916,546	762,213,600
Total energy consumption in joules or multiples (in MU)	242,839,913	1,082,208,921	1,083,662,932	932,623,491

- Standards, Methodologies and assumptions used: As per ISO 14064
- Source of the conversion factors used: For US geography we used CBECS factor

G4-EN4 Energy consumption outside of the organization

We are an IT services company and hence upstream and downstream energy consumption is not relevant to us. We do not track this.

G4-EN5 Energy intensity

- Energy intensity ratio: 101 kWh/person/month
- Specific metric (the ratio denominator) chosen to calculate the ratio: Full time associate headcount in the reporting cycle
- Types of energy included in the intensity ratio: Scope 1 and Scope 2
- Ratio uses only energy consumed within the organization

G4-EN6 Reduction of energy consumption

Energy	2016	2015	2014	2013
Energy saved due to conservation and efficiency improvements (in MU)	5,708,145	12,743,662	35,912,932	104,252,400

- Type of energy included in the reduction: Fuel , Electricity, Cooling
- Basis for calculation reductions in energy consumption: Assuming similar energy efficiency ratio as last year

- Standards, Methodologies and Assumptions used: This is reported and tracked for only one geography which is responsible for more than 90% of our overall energy consumption
- 635436 MJ of Energy usage reduction due to operational constraints.

G4-EN7 Reductions in energy requirements of products and services

- The reductions in the energy requirements of sold products and services achieved: 6,343,581 MJ
- Basis for calculating reductions in energy consumption: Assuming similar energy efficiency ratio as last year
- Standards, methodologies, and assumptions used: This is reported and tracked for only one geography which is responsible for more than 90% of our overall energy consumption

Aspect: Water

G4-EN8 Total water withdrawal by source

Water	2016	2015	2014	2013	2012
Total water withdrawal by source (in kilo liters)	1,352,159	1,015,710	1,589,233	1,251,958	1,590,853
Total water withdrawal by source (in kilo liters per associate)	8.05	6.29	9.98	7.30	10.19

As a service business, we do not use water in our supply chain. Accordingly, while we do not see significant opportunity for reducing water use, we do compile and study water usage data and look for opportunities to conserve water. We have measured consumption of water procured from external sources for the majority of our India operations. We chiefly use water for air conditioning, personal hygiene, cleaning, landscaping, drinking and cafeteria operations purchased from third-party vendors. Based on a total consumption of about 1,352,159 kiloliters of utility water, the average associate uses about 671 liters per month at the office. Our operations also harvest rainwater and do not affect any local water body and they effectively recycle at site and reuse the recycled water.

G4-EN9 Water sources significantly affected by withdrawal of water

Water	2016	2015	2014	2013
Water sources significantly affected by withdrawal of water	-	-	-	-

G4-EN10 Percentage and total volume of water recycled and reused

Water	2016	2015	2014	2013
Water sources significantly affected by withdrawal of water	-	-	-	-

Our operations also harvest rainwater and do not affect any local water body and they effectively recycle at site and reuse the recycled water.

Aspect: Emissions

G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)

- Gross direct (Scope 1) GHG emissions: 34385MT
- Gases included in the calculation: All
- Biogenic emissions are not material
- We chose 2008 as base year as we launched a company-wide energy efficiency program from 2009. Base year emissions were 22,981 MT.
- Standards, methodologies, and assumptions used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Source of the emission factors used: IPCC Second Assessment Report (SAR 100 year)
- Chosen consolidation approach for emissions: Operation control

G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)

- Gross indirect (Scope 2) GHG emissions: 220592 MT
- Gases included in the calculation: Not applicable. We chose 2008 as base year as we launched a company-wide energy efficiency program from 2009. Base year emission were 98,784 MT
- Standards, methodologies, and assumptions used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Source of the emission factors used: IPCC Second Assessment Report (SAR 100 year)
- Chosen consolidation approach for emissions: Operation control

G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)

- Gross other indirect (Scope 3) GHG emissions: 143,253 MT
- Gases included in the calculation: Not applicable
- No biogenic emissions reported
- Scope 3 emission reported is from travel related data. Other aspects are not material for us
- We chose 2008 as base year. Base year emission were 35,964 MT.
- Standards, methodologies, and assumptions used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Reference to the GWP source: IPCC Second Assessment Report (SAR 100 year)

G4-EN18 Greenhouse gas (GHG) emissions intensity

- GHG emissions intensity ratio: 0.98 MT per associate
- Specific metric (the ratio denominator) chosen to calculate the ratio: Associate headcount
- Types of GHG emissions included in the intensity ratio: Scope 1 and Scope 2
- Gases included in the calculation: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃,

G4-EN19 Reduction of greenhouse gas (GHG) emissions

- Amount of GHG emissions reductions achieved: Our scope 1 and 2 intensity decreased by 14% from last year due to operational reasons. We are 50% below our baseline intensity.
- Amount of GHG emissions reductions achieved: All
- Chosen base year: We chose 2008 as base year as we launched a companywide energy efficiency program from 2009

- Standards, methodologies, and assumptions used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Our per capita energy consumption continued the downward trend. However in terms of emission intensity ratio , there was an increase in all three parameters

G4-EN20 Emissions of ozone-depleting substances (ODS)

- Production, imports, and exports of ODS: 0.02 of CFC-11 equivalent
- Substances included in the calculation: HFC-134a; R 22
- Standards, methodologies, and assumptions used: Using Ozone depleting potential of each refrigerant
- Source of the emission factors used: Ozone depleting potential of each refrigerant

G4-EN21 NOX, SOX, and other significant air emissions

- Amount of significant air emissions: 75.97 MT
- Standards, methodologies, and assumptions used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Source of the emission factors used: IPCC Second Assessment Report (SAR 100 year)

Aspect: Effluents and Waste

G4-EN22 Total water discharge by quality and destination

- All owned campuses have zero water discharge. The used water is sent to STP which is then used for gardening and flushing. Water is treated in our STP plant through various stages starting with aerobic treatment, clarification, settlement, filtration, UV disinfectant and finally ultra-filtration. Quality, storage and pumping of treated STP water meets the state pollution control board norms for various usages. The water is not reused by another organization.

G4-EN23 Total weight of waste by type and disposal method

Description	Generated		Disposed		Disposal Method
	2016	2015	2016	2015	
Paper Waste (in Kg)	312,630	360,664	306,743	361,193	Paper Recyclers
Per Capita (Kg/person)	1.86	2.23	1.85	2.24	
Food Waste (in Kg)	1,286,211	12,360,409	1,286,211	12,360,409	Waste Composting
Per Capita (Kg/person)	7.65	7.66	7.65	7.66	
Plastic Waste (in Kg)	46,048	45,668	43,672	40,787	Landfill
Per Capita (Kg/person)	0.27	0.28	0.26	0.25	
Metal Waste (in Kg)	60,619	23,404	19,513	20,086	Authorized Recyclers

Per Capita (Kg/person)	0.36	0.14	0.12	0.12
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G4.EN24 Total number and volume of significant spills

- None

G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally

Description	Generated		Disposed	
	2016	2015	2016	2015
E-waste (in Tons)	10,425	6,618	6,306	5,084
Per Capita	0.06	0.04	0.04	0.03
Used oil (in Liters)	37,808	57,759	20,307	25,066
Per Capita	0.23	0.36	0.12	0.16
Waste oil (in Liters)	7,777	4,677	6,719	1,378
Per Capita	0.05	0.03	0.04	0.01
Batteries (in Tons)	29,516	53,254	21,196	92
Per Capita	0.18	0.33	0.13	0.00
Oil filters (in Tons)	171	85	55	450
Per Capita	0.00	0.00	0.00	0.03
Oil soaked cotton (in Tons)	47	84	0.416	0.338

G4-EN26 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff

- None

Aspect: Transport

G4-EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

- As a global company, travel is a major part of our environmental footprint. We have placed a significant corporate emphasis on video conferencing and telepresence facilities, using this technology to reduce travel to meetings and other business-related sessions. To date, with environmental impact in mind, we have deployed over 2,597 telepresence and high-definition video units, reduced our air travel and, in the process, improved our associates' work-life balance and our collaboration with customers. Along with reducing our environmental impact by optimizing our transport commute, we also established bicycle bays for our associates across our facilities and have also launched a share-a-ride app to help associates vehicle pool. To reduce carbon emission Cognizant promotes usage of electric cars and provide charging facility.

SOCIAL

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Aspect: Employment

G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region

The total number of new employee hires in 2016 was approximately 77,400.

Attrition for the year 2016 was 16.0%. (Cognizant calculates attrition as the percentage of workforce exited / Average workforce size for the period. This includes our BPO business.)

G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

Cognizant offers attractive employment packages that include competitive salary and benefits packages tailored to each geography, as well as additional financial incentives and performance rewards. We also reward personal achievement and contribution, financially and through public recognition. Our operations in other countries have compensation and benefit programs that are at or above local statutory requirements and are specifically designed to attract, retain and reward our employees. While Cognizant offers attractive remuneration to temporary employees, the benefits are not available to temporary employees.

G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

In all geographies, Cognizant complies with local norms, employment laws and best practices, including but not limited to regulations that relate to minimum notice periods in relation to operational changes.

Aspect: Occupational Health and Safety

G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

We began pursuing OHSAS 18001 certification of our facilities in 2010 and have achieved certification of thirteen of our largest facilities in India. We have health and safety committees in all our large facilities that focus on areas such as ergonomics, transportation and the cafeteria. The committees meet every month to discuss opportunities for improvement and how to make changes to ensure a healthier and safer workplace. Because we are a knowledge-based industry and do not have a physical manufacturing process, injury rates in our business are extremely low and generally fall into the category of repetitive strain from computer or keyboard use and long sitting hours.

G4-LA7 Workers with high incidence or high risk of diseases related to their occupation

We inform and educate our workforce on safety at the workplace and offer on-line training on Occupational Health & Safety. We have a systematic risk assessment system to identify occupational diseases and implement control measures to mitigate these risks. We also offer counseling to our associates via anonymous helplines. Through our more than 100 development centers, we contribute

to skilled labor markets and stimulate economies in developing nations, particularly India, by helping thousands of clients worldwide grow their businesses and run them efficiently and effectively.

G4-LA8 Health and safety topics covered in formal agreements with trade unions

The most important thing we can do for our associates and their families is to maintain a working environment that promotes safety, health and well-being. We have continually expanded our health and wellness initiatives and strive to foster a culture of wellness among employees across the Company.

In the IT industry in general, and across our Company, collective bargaining is not a common practice, with the exception of Norway, Sweden, France and Spain, where we have collective agreements in place.

Aspect: Training and Education

G4-LA9 Average hours of training per year per employee by gender, and by employee category

Our global Talent Management teams provide extensive training and awareness across all aspects of our business, including topics such as basic human resource management, effective performance appraisals, career development, and training. Over 22 million hours of training were provided in 2016, with the average of 86 hours of training per employee. This includes both campus training and continuous learning.

Grade / Level	Total Training Hours		Average Headcount		Average Training Hours Per Employee	
	2016	2015	2016	2015	2016	2015
Senior Management	59,890	226,223	4,178	77,603	14	14
Middle Management	2,838,981	1,370,907	88,266	1,646,210	32	23
Associates	19,362,656	14,649,673	166,309	21,269,616	116	104
Overall	22,261,527	16,246,804	258,753	22,993,429	86	75

G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

We’re focused on expanding learning and development opportunities for our team members, and we offer a range of professional development programs to strengthen our talent base, cultivate the skills to meet clients’ ever-changing needs, and provide an attractive career path.

G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

Our global Talent Management team gathers information and monitors our internal performance at various intervals throughout the year. Virtually all of our employees are covered under this performance management process. Performance is directly linked to all forms of reward and recognition, both monetary and otherwise.

Aspect: Diversity and Equal Opportunity

G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

Women represented 33.3% of the Company’s employees overall, and 18.5% of management, as of December 31, 2016. Women represented 36.7 % of our global hires for the year for the year 2016.

% of Women by Level and Geography					
Level	2016	2015	2014	2013	2012
Management	18.5%	18.0%	18.0%	17.0%	16.0%
Associate	41.7%	41.0%	40.0%	40.0%	39.0%
Grand Total	33.3%	33.0%	32.0%	32.0%	32.0%

*Equinox, Frontica, Adaptra, KIS, Mirabeau, Brilliant, Odecee and TMG acquisitions are not reflected above.

SUB-CATEGORY: HUMAN RIGHTS

Aspect: Investment

G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

All associates are required to complete annual ethics training, and vice presidents and above must certify their compliance with the Code’s provisions annually. We have made an effort to deliver live ethics and compliance training to supplement electronic courses and respond the needs of associates who work in high-security locations behind client firewalls.

Aspect: Child Labor

G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

Cognizant recognizes the critical importance of fundamental human rights, such as the prohibition of child labor. Cognizant does not use child labor in any of our operations. As a technology services company, such issues are not a significant risk factor in our business operations.

Aspect: Forced or Compulsory Labor

G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

Cognizant recognizes the critical importance of fundamental human rights, such as the prohibition of forced labor. Cognizant does not use forced labor or bonded labor in any of our operations. As a technology services company, such issues are not a significant risk factor in our business operations.

Aspect: Security Practices

G4-HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations

80% to 95% of our security personnel in India have received formal training in the organization's human rights policies or specific procedures and their application to security.

Aspect: Indigenous Rights

G4-HR8 Total number of incidents of violations involving rights of indigenous peoples and actions taken

There were no incidents reported involving rights of indigenous peoples during 2016.

SUB-CATEGORY: SOCIETY

Aspect: Anti-corruption

G4-S03 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

Because we provide services to customers throughout the world, we are subject to numerous, and sometimes conflicting, legal rules on matters as diverse as import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, government affairs, internal and disclosure control obligations, data privacy and labor relations. Violations of these laws or regulations in the conduct of our business could result in fines, criminal sanctions against us or our officers, prohibitions on doing business, damage to our reputation and other unintended consequences such as liability for monetary damages, fines and/or criminal prosecution, unfavorable publicity, restrictions on our ability to process information and allegations by our customers that we have not performed our contractual obligations. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws might be insufficient to protect our rights. Our failure to comply with applicable legal and regulatory requirements could have a material adverse effect on our business, results of operations and financial condition.

Among other anti-corruption laws and regulations, we are subject to the FCPA, which prohibits improper payments or offers of improper payments to foreign officials to obtain business or any other benefit, and the U.K. Bribery Act. Violations of these laws or regulations could subject us to criminal or civil enforcement actions, including fines and suspension or disqualification from government contracting or contracting with private entities in certain highly regulated industries, any of which could have a material adverse effect on our business, results of operations and financial condition.

We are conducting an internal investigation focused on whether certain payments relating to Company-owned facilities in India were made improperly and in possible violation of the FCPA and other applicable laws. In September 2016, we voluntarily notified the DOJ and SEC, and are cooperating fully with both agencies. The investigation is being conducted under the oversight of the Audit Committee, with the assistance of outside counsel. To date, the investigation has identified a total of approximately \$6 million in payments made between 2010 and 2015 that may have been improper. Based on the results of the investigation to date, no material adjustments, restatements or other revisions to our previously issued financial statements are required.

G4-SO4 Communication and training on anti-corruption policies and procedures

In December 2016, we updated our Code of Ethics (the “Code”) to reaffirm our Core Values and emphasize the standards of conduct that we expect from associates. The Code instills trust and confidence in the minds of our clients, shareholders, partners and associates, and supports our empowered, “client-first” culture.

All associates are required to complete annual ethics training, and vice presidents and above must certify their compliance with the Code’s provisions annually. We have made an effort to deliver live ethics and compliance training to supplement electronic courses and respond the needs of associates who work in high-security locations behind client firewalls.

Additionally, our Enterprise Risk Management group conducts annual risk analysis surveys covering all business units and corporate functions to assess the likelihood of various risks including corruption.

G4-SO5 Confirmed incidents of corruption and actions taken

We are conducting an internal investigation focused on whether certain payments relating to Company-owned facilities in India were made improperly and in possible violation of the FCPA and other applicable laws. In September 2016, we voluntarily notified the DOJ and SEC, and are cooperating fully with both agencies. The investigation is being conducted under the oversight of the Audit Committee, with the assistance of outside counsel. To date, the investigation has identified a total of approximately \$6 million in payments made between 2010 and 2015 that may have been improper. Based on the results of the investigation to date, no material adjustments, restatements or other revisions to our previously issued financial statements are required.

Aspect: Anti-Competitive Behavior

G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

We have had no legal actions for anticompetitive behavior, anti-trust, or monopoly practices.

Aspect: Compliance

G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

There were no incidents reported in 2016.

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Aspect: Product and Service Labeling

G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

There were no incidents reported in 2016.

G4-PR5 Results of surveys measuring customer satisfaction

We put our commitment to client satisfaction to the test by soliciting regular client feedback. Since customer satisfaction is one measure of an organization's sensitivity to its customers' needs, from an organizational perspective, it is essential for long-term success. Every year, we conduct a customer-satisfaction study, employing both quantitative and qualitative methodologies. Customers within client organizations are nominated for inclusion in the study and vetted by the client organizations. A minimum of 47% of the nominees participate in the quantitative portion.

Aspect: Marketing Communications

G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

None.

Aspect: Compliance

G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

We have not had any significant claims against us regarding the use of our products or services.