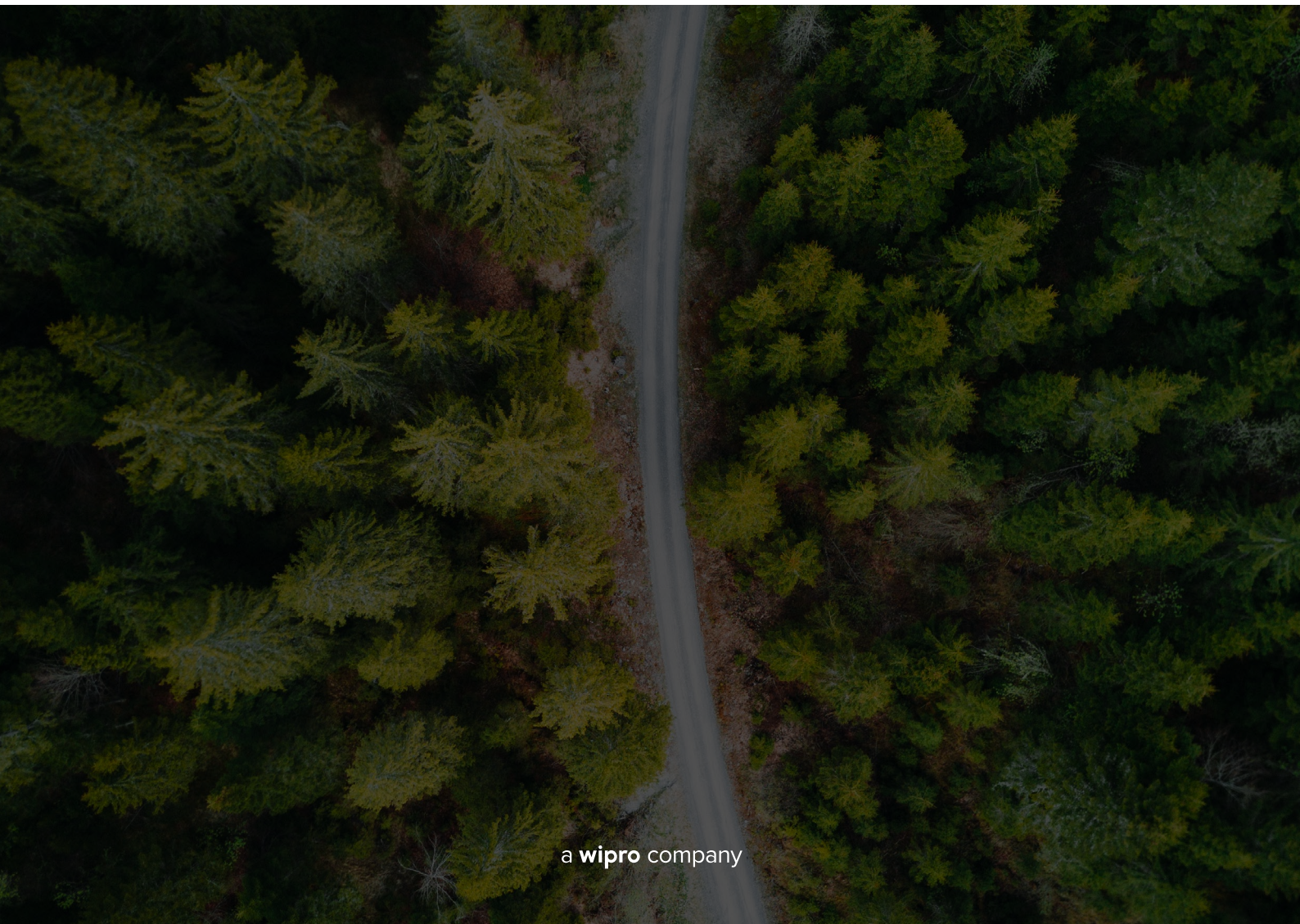


# CAPCO

## ANNUAL SUSTAINABILITY REPORT 2021

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# AN OVERVIEW

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## Capco's Commitment

Capco is committed to incorporating leading-edge environmental practices into our business strategy, services, and operations and to fostering environmental awareness and responsibility among our leaders, employees, clients, suppliers, and other interested parties within the context of our business and services.

Capco has incorporated energy efficiency measures into the firm's facilities, promotes efficient energy use in all our areas of business activity, and complies with all relevant legislation and regulations in the variety of locations in which we operate and deliver services.

Despite the pandemic we have also managed to host a variety of Sustainability-related campaigns and events in local offices, while also setting annual Sustainability goals and measures, adopting energy-efficient measures in all our offices and complying with all relevant regulations and standards.

## Management Responsibilities

With Sustainability Teams present in 17 countries, Capco works at both a global and local level to reduce the firm's environmental impact and support an ever-changing series of sustainable initiatives. As a member of the UN Global Compact, Capco has committed to adopting and reporting annually on the implementation of the Compact's sustainable and socially responsible policies.

Responsibilities for environmental protection sit with our professional facilities management team who are supported in promoting employee engagement and good practice in this area through the Capco Sustainability Network. Senior management review the firm's environmental performance against our goals annually as part of the preparation of Capco's Sustainability Annual Report.

Wipro undertake an annual audit of Capco's environmental performance, which comprises a written submission and interview.

Capco has strong relations with local environmental standards officers. We are committed to investigating and responding to any legal cases, rulings, fines, and other events should these arise. We did not have any environmental-related breaches or legal cases in 2021.

# 2021 ACHIEVEMENTS

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- **Carbon Audit:** We worked with a leading environmental practitioner, Natural Capital Partners (NCP), on a formal greenhouse gas (GHG) assessment of our global carbon footprint across all of our operations. This will enable us to access a network of independently-verified climate and sustainable development projects across multiple countries and meaningful partnerships that enable us to offset the impact of our carbon footprint and accelerate our path to carbon-neutral operations.
- **Active Sustainability Network:** We supported our Global Sustainability Network, which is made up of teams in 17 countries, all focused on raising Sustainability awareness among our people and advocating better Sustainability practice. Local Sustainability Teams organized a wide range of activities in celebration of Earth Day on April 22. In addition to several local clean-up efforts, in cities where COVID-19 guidelines permitted, our teams produced Sustainability Guides for employees to follow at home, organized competitions, and distributed promotional materials.
- **Capco Sustainability Page and Real-Time Reporting:** We launched a new Sustainability Page on our intranet that contains information on our Sustainability Goals and Activities, with real-time progress reporting for better transparency and education for our employees.
- **Promoting Sustainability in our Supply Chain:** Earlier this year, Capco launched a new Supplier Code of Conduct to promote best practice amongst our suppliers, including Sustainability Standards. Under the Code, all our Tier 1 and 2 suppliers are asked to adhere to the 10 Principles of the UN Global Compact. The Code also supports an electronic vendor assessment to enable Capco to focus on vendors with a progressive approach to the environment and sustainable business.
- **Electronic Recycling:** By partnering with HPE in processing end-of-life assets, Capco has recycled all retired IT products. Capco has a low carbon footprint, but we strive for zero waste. In 2021, we recycled a lot of old equipment internally by repairing, cleaning, upgrading, and reissuing equipment, which meant our uplifts to HPE were considerably lower than last year. Through recycling our equipment with HPE, we have saved 17mt of CO<sub>2</sub>e, 73MWh of energy and saved 0.7mt of waste from landfill (Economy Report 2021 (HPE)).
- **Cloud-based and Follow Me Printing:** Black and white printing is now the default setting across all of our offices and, as we resume office-based working in our different locations, we will accelerate the transfer of print queues to the cloud to achieve more sustainable printing by avoiding unnecessary waste and improving access to printers for those traveling to other Capco offices.
- **Server Room Footprint:** We are actively reducing our server room footprint across Capco by leveraging existing infrastructure for new office fit outs. We are planning to migrate our print servers to cloud across Capco globally using Universal Printing from Microsoft. We have an ongoing project to move on premise file servers to the AWS cloud platform. This has been completed for London, Paris, Belgium, New York, and Houston.
- **'Bring Your Own Mobile':** We launched the Capco Bring Your Own Mobile campaign to allow employees to use their personal mobile devices for business use. Capco supports using a personal device to limit the environmental impact of people having to use multiple devices.



Visit us: [Sustainability@Capco](mailto:Sustainability@Capco)

# 3-YEAR SUSTAINABILITY PLAN: PROGRESS TO DATE

PRIORITY	GOAL	METRIC AND TIMELINE	PROGRESS
<b>Waste</b>	No waste streams from a Capco office go to landfill. Materials are diverted to other uses	<i>Annual 30% reduction in landfill waste 2019-22</i>  <i>Annual deployment of multiple recycling points / food waste bins on each floor</i>	<ul style="list-style-type: none"> <li>Recycling bins in every office</li> <li>Reusable cutlery, glassware and mugs instead of plastics</li> <li>Use event and meeting vendors with reduced packaging options</li> <li>Education of staff in recycling and waste management</li> <li>Zero Waste to Landfill in the UK (since 2020)</li> </ul>
<b>Energy</b>	A reduction in energy use in all Capco offices by energy-saving initiatives including moving to renewable energy suppliers, reducing AC / heating use, smart appliances, printer default settings	<i>5% annual energy saving 2019-22</i>	<ul style="list-style-type: none"> <li>Energy tracking in all offices</li> <li>Regulator EED / ESOS audits in the UK and Germany</li> <li>100% renewable energy in the UK and Germany</li> <li>A/C monitoring for non-working days and after hours</li> <li>Motion sensor lighting in new offices</li> </ul>
<b>Lighting</b>	LED motion sensors in all Capco offices	<i>100% compliance across all offices by 2022</i>	<ul style="list-style-type: none"> <li>Sensors are in place in Capco's UK, France, Bratislava, and India offices</li> </ul>
<b>Appliances</b>	Energy-efficient appliances (fridges, IT equipment) in place in all Capco offices	<i>100% compliance across all offices by 2022</i>	<ul style="list-style-type: none"> <li>New appliances meet standards (A+ minimum in the UK)</li> </ul>
<b>Water</b>	Water-saving devices in toilets and showers in all Capco offices	<i>100% compliance across all offices by 2022</i>	<ul style="list-style-type: none"> <li>Met goal of energy-saving devices installed at Capco owned offices</li> </ul>
<b>Plastics</b>	Eradicate single-use plastics (cutlery, glasses, cups) in all Capco offices	<i>Annual 30% reduction in single-use plastics 2019-22</i>	<ul style="list-style-type: none"> <li>Single-use bottles removed in UK, Bratislava, Germany, Canada, and US</li> <li>Replaced plastic with biodegradable cutlery or stainless steel</li> </ul>
<b>IT / Printing</b>	Range of measures to improve sustainability in IT /printing, including: <ul style="list-style-type: none"> <li>Adoption of eco-mode printers</li> <li>The default setting for B/W printing and double-sided printing</li> <li>Responsible sourcing of print cartridges</li> <li>Clear "Think Before You Print" messages on documents</li> <li>Environ search engine default setting</li> <li>Sustainable printing</li> </ul>	<i>Annual 30% reduction in landfill waste 2019-22</i>	<ul style="list-style-type: none"> <li>All offices have printers set to low-energy setting, automatic B/W &amp; double-sided printing</li> <li>Email signature blocks contain "Think before you Print" messaging</li> </ul>
<b>Events</b>	All Capco events hosted at venues with sustainable resourcing and waste management provisions	<i>25% of all Capco events hosted at venues with sustainable resourcing and waste management provision by 2019 (50% by 2020 and 100% by 2021)</i>  <i>On-premise events to implement Capco environmental standards and waste targets</i>	<ul style="list-style-type: none"> <li>On-premise events are using vendors with sustainable behavior for food and materials in New York and London</li> <li>External events hosted at venues with sustainable options at least 25% of the time</li> </ul>
<b>Vendors</b>	Adopt sustainability standards / compliance as a key criterion for new / renewed vendors (energy / materials waste minimization, reducing the impact of deliveries, e-invoicing, maximizing use of local sources)	<i>Conduct an environmental audit of vendors in 2020 and ensure 30% of vendors have ISSA 4001/5001 accreditation or a formal, long-term Sustainability Plan with measurable goals for compliance and standards (60% 2021, 100% by 2022)</i>	<ul style="list-style-type: none"> <li>E-invoicing implemented with vendors</li> <li>Review of vendors for sustainable behavior and substitutes completed in Germany / UK</li> </ul>
<b>Office Supplies Branded Material</b>	All Capco offices to implement sustainable products (100% recycled materials: photocopy paper, branded stationery, business cards, marketing material, etc.)	<i>30% reduction from 2019-22</i>	<ul style="list-style-type: none"> <li>Business card policy has been updated, and ordering reduced by 92%</li> <li>Sourcing recycled paper for printing and marketing materials</li> </ul>



# OUR FIRST CARBON AUDIT

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In 2021, Capco commissioned a leading environmental practitioner, Natural Capital Partners (NCP), to conduct the first Green House Gas (GHG) assessment of our global carbon footprint (between 2019-2020) across all operations.

**As a result of this assessment, Capco has now adopted the following formal carbon reduction targets globally:**

- a 55% reduction in our tCO<sub>2</sub>e by 2030, and
- for our firm to be Net Zero before 2040.

**The key levers that will support us in exceeding these targets are:**

- Combining behavioural, technological, managerial and collaborative approaches to reduce our dependence on air travel, business travel, staff commuting, and purchased goods and services
- Improving the energy efficiency of our facilities for a sustained reduction in energy consumption and waste
- Promoting enhanced remote and flexible working to empower our staff to work in more energy efficient locations and avoid more energy dependent travel
- Adopting more Green IT practices starting with our supply of IT assets, and the utilisation of our IT assets in a more sustainable way.

In addition, we will work with our clients, suppliers, staff and the communities in which we operate to roll out, promote and champion a wide range of carbon offset projects to further accelerate our carbon reduction journey.

# 2021 GLOBAL SUSTAINABILITY NETWORK HIGHLIGHTS

Capco's Global Sustainability Network is made up of teams in 17 countries, working at both a local and global level to reduce the firm's environmental impact and support an evolving series of sustainable initiatives. Internally, we have been focusing on raising awareness among our employees and advocating for better Sustainability practices.

## Sustainable Development Goals



- We issued quarterly **Sustainability Educational Bulletins** on specific topics e.g., Earth Day 2021 and the related environmental efforts Capco has undertaken.



- Capco US Sustainability Month 2021** provided interactive and educational outlets via a Zero Waste Photo Challenge and sharing informational pieces across four main areas i.e., Sustainable Eating & Reducing Waste, Sustainable Finance, Sustainable Brands & Businesses, and Reducing Carbon Emissions.

JULY 2021  
Sustainability Month



- Capco Canada** hosted two weeks of Sustainability Challenges including a Step-a-thon, a "Going Sustainable" challenge, a green meal challenge, and a local clean-up challenge.



- Capco UK** hosted a number of activities in alignment with European Green Week 2021, dedicated to "zero pollution".
- Capco Switzerland** increased its recycling initiatives, adopted eco-friendly ventilation and lighting systems, and implemented a preferred suppliers' code based on good sustainability practices.
- Capco APAC** partnered with New Life Psychiatric Rehabilitation Association to host a Coffee Ground **Upcycling workshop** to educate our people on food waste problems and tips on upcycling food waste.
- We ran a **Green Pantry event** in Hong Kong to promote the health and environmental benefit of plant-based meals.



# 2021 GLOBAL SUSTAINABILITY NETWORK HIGHLIGHTS (CONTINUED)

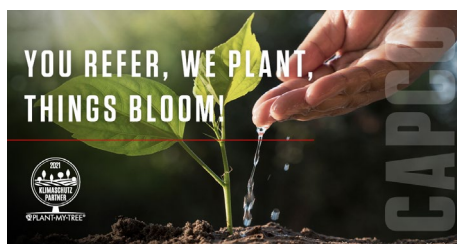
## Sustainable Development Goals



- **Capco Canada** held a **Tree Planting Event** in partnership with Tree Canada, a national non-profit dedicated to planting and nurturing trees in rural and urban areas, where we planted a total of **175** trees at Lakefront Promenade Park.



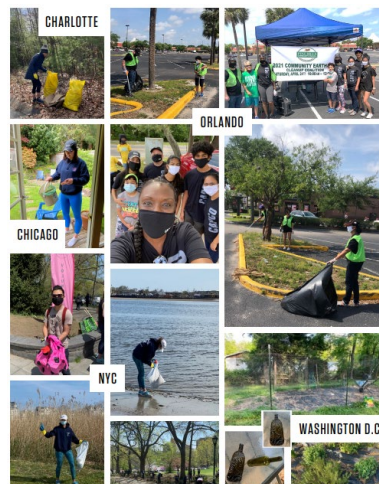
- **Capco Germany** partnered with **Plant-my-tree** to support a reforestation project in Germany by planting trees for each employee referral we receive. So far, we have planted **518** trees.



- **Capco Brazil** developed a digital inclusive app called **CATA MAIS APP** to help recycling cooperatives to schedule collection of recyclable materials. This tool connects residents, recyclables collectors, and cooperatives.



- For **Earth Day 2021**, **Capco US** contributed to **Community Clean-up events**, across seven cities in North America.

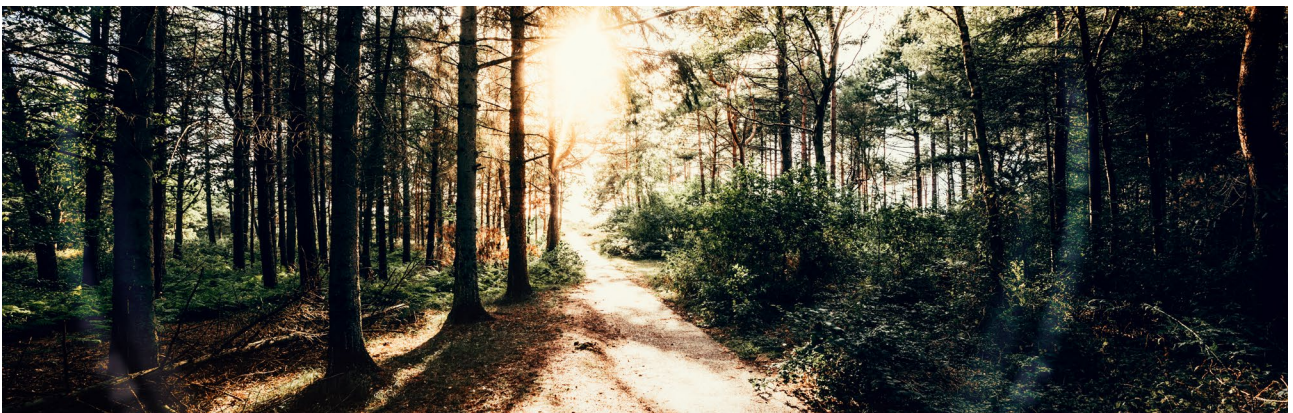


# 2022 GOALS

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Capco's Global Sustainability Network is set to maintain its momentum into 2022, focused on delivering another year of real progress on our Sustainability Agenda, via initiatives including:

- **Capco Staff Commuting Audit:** We will collect data on the carbon footprint from staff travel via our first staff survey on commuting.
- **Carbon Off-Setting Strategy:** We will set a formal, firm-wide carbon target and look to offset Capco's carbon footprint.
- **Automated Reporting:** We will implement automated quarterly carbon emissions data reporting for all locations, via our reporting platform.
- **Firm Sustainability Partnership:** We will develop a strong partnership with a leading green practitioner on our carbon off-setting investment and other activities and campaigns.
- **'One Firm' Events:** Launch a calendar of cross-firm Sustainability Events (i.e., Earth Day, Sustainability Week, etc.).
- **'Plant a Tree':** Launch a campaign to plant a tree for each new hire in 2022.
- **Car Policy Review:** Lead a review of our car policy to see if we can make Sustainability-related improvements such as replacing diesel vehicles with electric cars.
- **Relaunch Sustainability Days:** Promote an annual eight-hour allowance for individuals to dedicate time to participate in approved Green projects.





# SUPPORTING OUR CLIENTS' LOW-CARBON TRANSITION JOURNEY

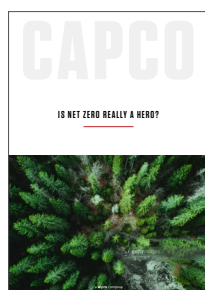
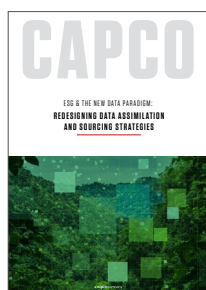
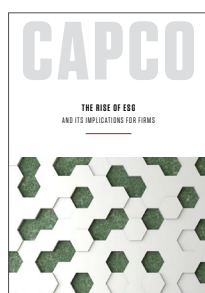
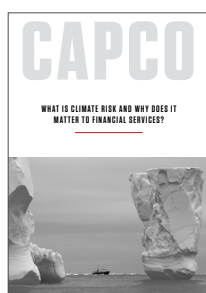
## The Business Problem of Climate Change

Financial institutions (FIs) such as banks, asset managers, and insurance companies are facing mounting pressure from regulators, customers, and industry peers to integrate ESG considerations and climate change in their corporate strategy.

In the short-run, FIs need to address immediate challenges to ensure operational compliance, as new regulations, such as Taxonomy Regulation and SFDR, come into force. Moving forward, alignment with emerging ESG standards will be a critical differentiator for long-term business success. As demand for sustainable financing soars across manufacturing and service sectors, in turn financial services will act as a key change and facilitator agent to the future of sustainable economics.

## Thought Leaders

Capco is at the forefront of FS ESG thinking with thought-provoking white papers, seminars, and events.



## Our ESG Consulting Capabilities and Insights

We have been building our ESG capacity and delivering ESG consulting services to our clients in 16 locations across Europe, APAC, and the Americas, revolving around four key areas:

- **STRATEGY AND GOVERNANCE**  
Develop governance structures and roadmaps for implementation of sustainability / Net Zero goals and targets.
- **RISK MANAGEMENT**  
Integrate ESG in risk management frameworks at enterprise level and in different business areas, such as corporate lending and asset management.
- **REPORTING AND DISCLOSURE**  
Develop frameworks and digital tools to track and communicate ESG targets and metrics, including financed emissions.
- **ESG DATA**  
Enhance ESG data governance, database, data model, and architecture to address the increasing risk management needs and reporting requirements.

## Global ESG Leadership, Teams and Practices



AGS



APAC



BE,FR,CH



BRAZIL, CANADA



POLAND



UK



USA

# A BROAD RANGE OF ESG ACTIVITIES

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Capco supports and drives contemporary ESG change across the full financial services value chain, across all functions and domains. In the last five years, Capco has delivered ESG and wider sustainability initiatives in mega-cap universal banks down to niche fund managers and everything in between. Within this wide mandate, we focus on the on the areas below.

## ESG and Sustainable Finance Integration

Review existing portfolio, product and risk management strategies and define ESG goals, materiality, success factors, and internal systems.

### RISK MANAGEMENT



ESG/ climate risk integration in Enterprise Risk Management (ERM) system



Credit/ investment policy & procedure review and implementation



Decarbonization pathway, climate stress testing and target-setting

## Digital Transformation

Develop Target Operating Model (TOM) to make ESG data more timely, consistent, and all-in-one place to enhance analytics and the client.

### ESG DATA



ESG data sourcing, mapping and architecture



Solution identification, design, development and implementation



Process optimization and automation

## Integrated Reporting

Harmonizing the standards, indicators, and processes to articulate ESG risks, opportunities, and impacts and regulatory and client reporting.

### DISCLOSURE



TCFD/ taxonomy alignment review



Corporate-level regulatory reporting framework and tools



Portfolio/ Product-level ESG performance and impact reporting tools

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## ABOUT CAPCO

Capco, a Wipro company, is a global technology and management consultancy specializing in driving digital transformation in the financial services industry. With a growing client portfolio comprising of over 100 global organizations, Capco operates at the intersection of business and technology by combining innovative thinking with unrivalled industry knowledge to deliver end-to-end data-driven solutions and fast-track digital initiatives for banking and payments, capital markets, wealth and asset management, insurance, and the energy sector. Capco's cutting-edge ingenuity is brought to life through its Innovation Labs and award-winning Be Yourself At Work culture and diverse talent.

To learn more, visit [www.capco.com](http://www.capco.com) or follow us on Twitter, Facebook, YouTube, LinkedIn Instagram, and Xing.

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Bangkok  
Gurgaon  
Hong Kong  
Kuala Lumpur  
Mumbai  
Pune  
Singapore

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Brussels  
Dusseldorf  
Edinburgh  
Frankfurt  
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