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GHG Inventory Report: Scope 1 and Scope 2

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Reducing Greenhouse Gas Emissions

At Cognosante, we're creating a safer, healthier, more equitable nation for all. The desire to improve people's lives drives everything we do, from our corporate culture to our program delivery. The sustainability of our physical environment promotes the safety, health, and well-being of our employees, our communities, and the people we serve.

We're committed to reducing our greenhouse gas emissions and promoting sustainable practices across our business.

Our targets are:

	Near-term Reduction	Long-term Reduction
Year	2033 (10 years from target set date)	2050 (27 years from target set date)
Type	Absolute reduction of 25% of baseline emissions	Absolute reduction 75% of baseline emissions
Covered	95% Scope 1 & 2 of baseline emissions	95% Scope 1 & 2 of baseline emissions

SBTi aligned: No*

Scope 1 & 2 Summary

Cognosante's Scope 1 & 2 emissions for the period of April 1, 2022 to March 31, 2023 are 387.1 mtCO2e. Scope 1 emissions are calculated to be 9.8 mtCO2e, and Scope 2 emissions are calculated to be 377.3 mtCO2e.

This document outlines the methodology and assumptions used in preparation for the greenhouse gas (GHG) emissions report. These are consistent with the reporting requirements of the GHG Protocol Corporate Accounting and Reporting Standard, Revised Edition (2004). Additionally, the Federal Greenhouse

Gas Accounting and Reporting Guide (2016) and the EPA Simplified GHG Emissions Calculator (SGEC) were utilized as references.

Scope 1	CO^2e	CO^2	CH^4	$N2O$	HFC	PFC	NF^3	SF^6
Stationary Emissions	9.8	9.8	0.0	0.0	-	-	-	-
Mobile Emissions	-	-	-	-	-	-	-	-
Fugitive Emissions	-	-	-	-	-	-	-	-
Scope 1 Total	**9.8**	**9.8**	**0.0**	**0.0**	**-**	**-**	**-**	**-**

Scope 1	CO^2e	CO^2	CH^4	$N2O$	HFC	PFC	NF^3	SF^6
Electricity, Location-Based	366.5	364.6	0.8	1.1	-	-	-	-
Heating, Location-Based	10.7	10.7	0.0	0.0	-	-	-	-
Scope 2 Total	**377.3**	**375.3**	**0.8**	**1.1**	**-**	**-**	**-**	**-**

Scopes 1 & 2 Total	**387.1**	**385.1**	**0.9**	**1.1**	**-**	**-**	**-**	**-**

Baseline Comparison

This GHG Emissions Report shows a significant reduction nearing 30% in our company's greenhouse gas emissions compared to our baseline inventory. This reduction is largely attributed to our strategic shift towards remote-based operations and closure of office space, therefore cutting down on emissions associated with electricity and heating those offices.

Inventory Scope and Organizational Boundary

Reporting period	April 1, 2021 – March 31, 2022
Consolidation Approach	Operational control
Description of the Cognosante	Cognosante is a US-based organization with over 1,700 employees providing health IT consulting, technology solutions, and business process outsourcing services.
Organizational boundary	All offices occupied during the reporting period are considered part of the organizational boundary and their corresponding Scope 1 and 2 emissions are included in this report. No offices were excluded from this report based on size. The majority of locations are based in the Washington, D.C. metro area. Cognosante leased 12 locations during the reporting period with 1 location subleased to another occupant and 3 locations were exited during the year.

Base Year	April 1, 2021 – March 31, 2022 Cognosante is reporting is GHG emissions for the first time. The period selected is based on the most recent available period of actual energy usage. The majority of Cognosante office-based employees have been working remotely since 2020 that may lead to changes in the real estate portfolio size in future years.
Recalculation policy	Cognosante intends to calculate its GHG emissions annually following the guidance of the GHG Protocol Corporate Standard if there are meaningful changes to the base year inventory or material changes to the organizational boundary.

Operational Boundaries

Emission Source	Status	Commentary on data availability and exclusions
Scope 1: Direct emissions from owned/controlled operations	Calculated	Cognosante's Scope 1 emissions include stationary emissions from diesel generators. There are no mobile emissions to account for since Cognosante does not own any vehicles. Fugitive emissions were excluded following an initial screening.
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Calculated	Cognosante's Scope 2 emissions include emissions from electricity consumption and district heating and cooling. Scope 2 emissions are based on electricity and steam purchases. For locations that do not have utility bill or submeter data available, regional estimates for office space were utilized.

General Methodology

General Formula Used to Calculate Cognosante's Emissions

Cognosante's GHG calculations follow the general formula below:

Activity x Emission Factor x Global Warming Potential = CO2 Equivalent Emissions

Where:

- Activity is a quantitative measure of a level of activity (e.g. kWh purchased, vehicle-miles traveled, etc.) that results in GHG emissions.
- Emission factor converts the activity into GHG emissions (e.g. kg CO_2 emitted per kWh of electricity purchased, kg CH_4 emitted per mile traveled by transport mode, etc.).
- CO_2 equivalent (CO_2e) obtained by multiplying the emissions of a given GHG by its GWP.

The general formula above is adjusted according to the type of activity and the most recent emission factors are used. The emission factors used for each category and emission source are listed below.

Global Warming Potentials Used to Calculate Cognosante's Emissions

Global Warming Potentials Used in This Inventory

Greenhouse Gas	GWP (100-years)	Source
CO_2	1 CO_2e	Intergovernmental Panel on Climate Change, Fifth Assessment Report (2014)
CH_4	25 CO_2e	
N_2O	298 CO_2e	
HFC-134a	1300 CO_2e	High-GWP Refrigerants, California Air Resources Board

Calculation Updates

This report includes information on energy consumption and emissions factors used to calculate emissions associated with each category. To ensure accuracy and consistency, we have reviewed the values used for previous reporting periods and identified which ones we have updated since then. All changes are listed below:

- *Average Natural Gas Use intensity for Commercial Buildings across US Regions*
- *Average Fuel Oil Consumption for Commercial Buildings across US Regions*
- *Average Electricity Intensity for Commercial Buildings across US Regions*
- *Average Steam Intensity for Commercial Buildings across US Regions*
- *Average Electricity Intensity for Residential Buildings US Regions*
- *Emission Factors for District Heat (Steam)*
- *Emission Factors for Transport Modes*

Scope 1 Methodology

Scope 1 includes direct GHG emissions from office operations leased by Cognosante. Only stationary emissions from space heating and cooling are considered. There are no mobile emissions as Cognosante does not own a vehicle fleet. Fugitive emissions would have made up less than 1% of scope 1 & 2 combined and were therefore ruled out of this report in accordance with the GHG Protocol screening method and its definitions of materiality and significance.

Approach For Stationary Emissions From Diesel Generators

Methodology	Description
Activity data	Activity data consists of gallons of diesel fuel combusted. Cognosante utilizes five generators used during electricity outages. Two generators are owned by Cognosante. Records of fuel purchases are used to estimate fuel consumed. In cases for which no records exist and/or building managers have not provided activity data, estimates were based on the U.S. Energy Information Administration's (EIA) 2012 Commercial Buildings Energy Consumption Survey (CBECS).
Methodology	Calculated emissions from fuel combusted by diesel generators follow the general formula. Activity data is multiplied by an emission factor and GHG GWP. Estimations Where actual data is not available, annual fuel consumption was estimated by multiplying the fuel expenditure intensity benchmark for office buildings found by Cognosante's square-footage occupancy across its office portfolio.
Limitations	The CBECS is conducted periodically by the EIA. The most recent consumption and expenditure data available is from their 2018 CBECS. Estimations are not as accurate as submetering Cognosante's operations would be. However, submetering would not account for common space energy use in commercial buildings with multiple tenants. Our Scope 1 calculations include Cognosante's common areas share based on a pro-rata basis. These should not be accounted for in Scope 3, category 8 on upstream leased assets to avoid double counting. . Actual fuel purchases (e.g. 400 gallons of diesel purchased for our 34,746 sf leased in McAllen, TX) were used to compare against benchmark

	calculations and found to be close to the information made available by the EIA.

Emission Factors For Diesel Generators

Greenhouse Gas	Emission Factor	Units	Source
CO_2	10.21000	kg CO2/gal	EPA Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources (2020)
CH_4	0.41000	g CH4/gal	
N_2O	0.08000	g N20/gal	

Average Fuel Oil Consumption for US Regions

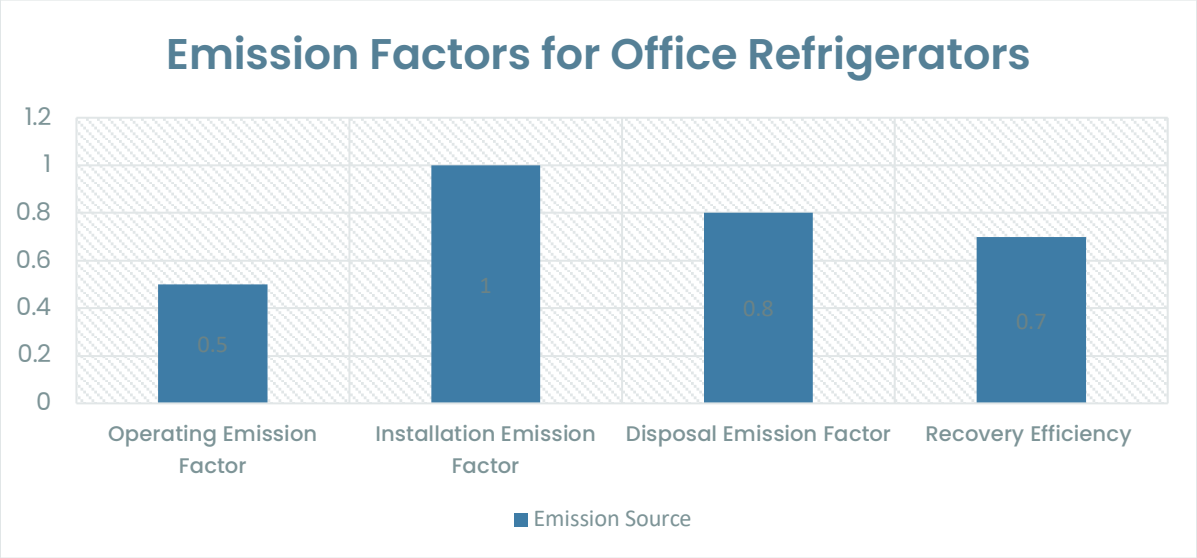
Location	Building Type	Expenditure intensity (gal / sf)	Source
United States	Office	0.02	CBECS (2018) Table C34. Fuel oil consumption and expenditure intensities, 2018

Fugitive emissions would have made up less than 1% of scope 1 & 2 combined and were therefore excluded in accordance to the GHG Protocol screening method and its definitions of materiality and significance. The table below shows the approach used to screen the fugitive emissions from Cognosante's cooling units.

Approach for Office Refrigerators

Methodology	Description
Activity data	Fugitive emissions from Cognosante's refrigerators.
Method	Annual emissions from refrigerants don't follow the general formula outlined at the beginning of this report but ARE Instead calculated using the formula from the Climate Registry's General Reporting Protocol (GRP) v 1.1 (2008) below: $\text{Total Annual Emissions (mt)} \frac{(\text{CN} \times \text{k}) + (\text{C} \times \text{w} \times \text{T}) + [\text{CD} \times \text{y} \times (1 - \text{z})]\ (\text{kg})}{1,000\ (\text{kg mt})}$ C_N = Quantity of refrigerant charged into the new equipment* C = Total full charge (capacity) of the equipment T = Time in years equipment was in use (e.g., 0.5 if used only during half the year and then disposed OF) C_D = Total full charge (capacity) of equipment being disposed of k = Installation emission factor w = Operating emission factor

	y = Refrigerant remaining at the disposal z = Recovery efficiency Our calculations assume an average lifetime of 12 years for every refrigerator, as suggested by the U.S. Department of Energy. The emission factors for office refrigerators are found in the table below. Installation and disposal emissions are distributed across this 12 years of operations. Fugitive emissions from fridges are apportioned based on the percentage of time leases were active during the reporting period
Limitations	Specific refrigeration data is unavailable for offices. Our screening method assumes a model similar to GE® ENERGY STAR® 27.0 Cu. Ft. Refrigerator (Models GNE27JYMFS) for each of Cognosante's offices. This model has a 4.48 oz. capacity charge of its HFC-134a refrigerant.



Source: The Climate Registry (2016)

Scope 2 Methodology

Scope 2 includes indirect GHG emissions from the generation of acquired and consumed electricity, steam, heat, or cooling within the organizational boundaries established for this report. Cognosante's Scope 2 emissions include electricity purchases and steam purchases. Scope 2 guidance requires dual reporting, following emission factor hierarchies.

Location-based Method

The location-based method calculates emissions based on electricity consumption at the location where the energy is used, taking into account the fuel mix used to generate electricity within the locations and periods in which Cognosante operates. Cognosante uses local grid average emission factors to report location-based emissions for all offices included in the inventory scope.

Approach for Electricity Purchased

Methodology	Description
Activity data	Activity data consists of electricity consumption in megawatt hours (MWh). Cognosante maintains records of electricity bills for its leased and sub-leased offices. In cases for which no records exist and/or building managers have not provided activity data, estimates were based on the U.S. Energy Information Administration's (EIA) 2018 Commercial Buildings Energy Consumption Survey (CBECS).
Method	Calculated emissions from electricity consumption use follow the general formula. Activity data is multiplied by an emission factor and GHG GWP. The location-based emissions factors particular to electricity usage based on each office's corresponding regional grid are included in the table below. Estimations Where actual data is not available, annual electricity expenditure was estimated by multiplying a regional electricity consumption intensity benchmark factor by Cognosante's square-footage occupancy across its office portfolio.
Limitations	The CBECS is conducted periodically by the EIA. The most recent consumption and expenditure data available is from their 2018 CBECS. Estimations are not as accurate as submetering Cognosante's own operations would be. However, submetering would not account for common space energy use in commercial buildings with multiple tenants. Our Scope 1 calculations include Cognosante's common areas share based on a pro-rata basis. These should not be accounted for in Scope 3, category 8 on upstream leased assets to avoid double counting. A comparison of Cognosante's actual electricity purchases to EIA's consumption intensity factors further confirmed our estimation method.

Electricity Emission Factors for Location-based Method

eGrid Region	Emission Factor			Grid Gross Loss	Source
	CO_2 (lb/MWh)	CH_4 (lb/MWh)	N_2O (lb/MWh)		
ERCT (ERCOT All)	868.600	0.057	0.008	5.20%	Egrid2019, February 2021
FRCC (FRCC All)	861.000	0.055	0.007	5.30%	
MROW (MRO West)	1,098.400	0.119	0.017	5.30%	
RFCE (RFC East)	695.000	0.053	0.007	5.30%	
RFCW (RFC West)	1,067.700	0.099	0.014	5.30%	
SRTV (SERC Tennessee Valley)	949.700	0.087	0.013	5.30%	
SRVC (SERC Virginia/Carolina)	675.400	0.058	0.008	5.30%	

Average Energy Intensity for US Regions

Location	Building Type	Expenditure intensity kWh / sf)	Source
United States	Office	13.60	CBECS (2018) Table C14. Electricity consumption and expenditure intensities, 2018
Mid-Atlantic	Office	14.10	CBECS (2018) Table C17-C19. Electricity consumption and conditional energy intensity by Census division, 2018
West South Central	Office	13.70	
Mountains	Office	12.20	
East South Central	Office	18.40	

Location-based Approach for District Heat

Methodology	Description
Activity data	Activity data consists of district heat purchased (mmBtus). Cognosante does not maintain records of district heat purchases for its leased and sub-leased offices. In cases for which no records exist and/or building managers have not provided activity data, estimates were based on the U.S. Energy Information Administration's (EIA) 2018 Commercial Buildings Energy Consumption Survey (CBECS).
Method	Calculated emissions from district heat use follow the general formula. Activity data is multiplied by an emission factor and GHG GWP. The location-based emissions factors particular to district heat, assuming natural gas was combusted at the source are included in table below. <u>Estimations</u> Where actual data is not available, annual district heat consumption was estimated by multiplying a regional district heat consumption intensity

	benchmark factor by Cognosante's square-footage occupancy across its office portfolio.
Limitations	The CBECS is conducted periodically by the EIA. The most recent consumption and expenditure data available is from their 2018 CBECS. Estimations are not as accurate as submetering Cognosante's own operations would be. However, submetering would not account for common space energy use in commercial buildings with multiple tenants. Our Scope 1 calculations include Cognosante's common areas share based on a pro-rata basis. These should not be accounted for in Scope 3, category 8 on upstream leased assets to avoid double counting. A comparison of Cognosante's actual electricity purchases to EIA's consumption intensity factors further confirmed our estimation method.

District Heat Emission Factors for Location-based Method

	Emission Factor			
District Heat Source	CO_2 (lb/MWh)	CH_4 (lb/MWh)	N_2O (lb/MWh)	Source
Natural Gas*	66.33	1.25	0.125	EPA, "Emission Factors for Greenhouse Gas Inventories," Table 7 Steam and Heat, September, 15 2021 (https://www.epa.gov/sites/default/files/2021-04/documents/emission-factors_apr2021.pdf).

** These factors assume natural gas fuel is used to generate steam or heat at 80 percent thermal efficiency.*

Average Steam Intensity for US Regions

Location	Building Type	Intensity (kWh / sf)	Source
United States	All buildings	45,200	CBECS (2018) Table C37. District heat consumption and expenditure intensities, 2018
United States	Office	30,700	
Mid-Atlantic	All Buildings	47,000	
West South Central	All Buildings	52,300	
Mountains	All Buildings	29,100	
East South Central	All Buildings	21,000	

Market-based Method

Our methodology does not include a market-based method based on contractual emissions and defaults to the location-based method as Cognosante does not have direct agreements with its energy suppliers.