

CAPCO

CAPCO COMMUNICATION ON PROGRESS 2020

UN GLOBAL COMPACT

February 2021

WHO WE ARE

- Capco is a global management and technology consultancy dedicated to the financial services and energy industries. Our professionals combine innovative thinking, with unrivalled industry and capability expertise to offer clients consulting expertise, complex technology and package integration, transformation delivery and managed services to move their organizations forward.
- Through our collaborative and efficient approach, we help our clients successfully innovate, increase revenues, manage risk and regulatory change, reduce costs and enhance controls. We specialize primarily in banking, capital markets, wealth and investment management, finance, risk & compliance and insurance. We serve our clients from offices in leading financial centers across the Americas, Europe and Asia Pacific.
- Capco has a long-standing commitment to conducting business in a socially responsible, ethical and sustainable manner. We continue to expand our global Corporate & Social Responsibility (CSR) efforts and empower our people across the organization to make a positive contribution to the well-being of their local communities and support environmental sustainability.
- In 2020, Capco joined the UN Global Compact, the world's largest corporate sustainability initiative. As a member of the UN Global Compact, Capco reinforces its commitment to operating in a responsible manner in the areas of human rights, labor, environment and non-corruption.

WHO WE ARE

INNOVATORS

We are innovators who combine a disruptive, design-thinking approach with unrivalled, first-hand industry knowledge and technology acumen.

FACILITATORS

We facilitate the handshake between the business and technology organizations to deliver end-to-end consulting services and solutions.

CHANGE AMBASSADORS

We embrace new ways of working, and have a desire to work with our clients to pivot their capabilities and culture.

TRANSFORMATION SPECIALISTS

We help our clients transform and advance their businesses, capitalize on digital opportunities, increase revenue, manage risk and regulatory change.

1998
FOUNDED

32 WORLDWIDE OFFICES
ACROSS 4 CONTINENTS

100⁺ GLOBAL
CLIENTS

20⁺ YEARS
INDUSTRY
EXPERIENCE

5000⁺
EMPLOYEES



DIGITAL
TRANSFORMATION



INNOVATION AND
THOUGHT LEADERSHIP



EXECUTION
EXCELLENCE



UNIQUE
CULTURE



INDUSTRY
EXPERIENCE

A STATEMENT OF CONTINUED SUPPORT FOR THE UN GLOBAL COMPACT BY THE CAPCO CEO



I am pleased to reaffirm Capco's continued support for the Ten Principles of the United Nations Global Compact on the four main issue areas: human rights, labor, the environment, and anti-corruption.

Our first annual Communication on Progress report (COP) demonstrates this support and describes our firm's current and planned efforts to implement the Ten Principles across our business. We fully support public accountability and transparency, and commit to report on our progress annually in line with the UN Global Compact COP policy.

In this report we describe our firm's actions to integrate and embed the Compact and its Principles in all aspects of our business strategy, culture, and daily operations. The report clearly describes the actions, such as policies, procedures, and activities, that we have taken in 2020, as well as those we plan to undertake, to implement the Principles in each of the four main issue areas. I am particularly pleased to highlight these actions:

- A range of measures to ensure the physical and mental wellbeing of our employees throughout the COVID-19 pandemic.
- Our employee handbook, range of employment policies and employee charter – including the Capco 'We Are Listening' mailbox to enable any employee to raise suggestions, concerns or grievances related to any aspect of working at Capco and an employee 'Speak-Up' helpline.
- Further embedding our commitment to creating a diverse and inclusive culture including the appointment of two Diversity and Inclusion Leaders, one at a Global level and one in the US.
- Our first annual report on Sustainability and Scorecard that includes the adoption of 100% renewable energy at most of our offices, including in the US, UK, Germany, and Hong Kong.
- Our provisions on anti-corruption.

This report assesses the progress our actions have had to date and the degree to which targets and performance indicators have been met.

As part of that progress, I confirm Capco's continued commitment to implement and embed the UN Global Compact and its Principles in our business, and to engage in collaborative projects which advance the broader development goals of the UN, particularly the Sustainable Development Goals. Capco has made a clear statement of this commitment to our investors, our people, our clients, and our communities, and we pledge to share this information with our key stakeholders as well as with the broader financial services markets in which we work.

Lance Levy
Capco CEO

CAPCO COMMUNICATION ON PROGRESS

Our Communication on Progress is structured around the 10 Principles of the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.



Labor Rights

3. Businesses should uphold the freedom of association & effective recognition of the right to collective bargaining;
4. Businesses should uphold the elimination of all forms of forced and compulsory labor;
5. Businesses should uphold the abolition of child labor; and
6. The elimination of discrimination in respect of employment and occupation.



Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Businesses should undertake initiatives to promote greater environmental responsibility; and
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Under each Principle we communicate:

Capco's Commitment | Capco's Achievements in 2020 | Capco's Goals for 2021

HUMAN AND LABOUR RIGHTS

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Labor

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour;
- Principle 5: Businesses should uphold the abolition of child labor; and
- Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

PRINCIPLE 1 – PRINCIPLE 5

Support and respect the protection of internationally proclaimed human and labour rights Capco's Commitment

As a market-leading management and technology consultancy firm, we compete on the capability of our people to create value and devise solutions for the business problems faced by our clients. This means that the quality, retention and progression of talent within our firm is integral to our business success and sustainability.

The firm is keen to position itself as an employer of choice in relevant markets and create an environment and culture in which staff can be highly committed and engaged so they maximise their contribution to the firm, our clients, each other and the communities in which we operate.

As a result of our overriding commitment to our people and fair employment, Capco has a range of firm-wide policies that ensure and promote consistent standards of workers' rights, open communication, empowerment, our commitment to diversity and inclusion, and fair employment and performance management across the firm.

Capco undertakes a variety of measures to implement fair and consistent labour policies, reduce risks, and respond to violations. We regularly benchmark our policies and pay and benefits to ensure that they remain competitive in relevant markets. We have clear channels for staff to raise any issues related to labour rights so these can be properly investigated and reported to senior leaders (monthly) and our investors (annually) along with the outcome of these investigations.

Management Responsibilities and Performance Goals

In Capco, responsibilities for upholding Human Rights in the firm are allocated to all our Partners and to our HR Leaders in all our locations. Each of these individuals will have at least two formal performance goals related to Human Rights issues or extensions underway in the firm, and each is expected to act as a role model for our commitment to Human Rights.

PRINCIPLE 1 – PRINCIPLE 5

Support and respect the protection of internationally proclaimed human and labour rights
Capco's Achievements in 2020

The Capco Employee Charter details the mutual obligations of the firm and our people for upholding Human Rights and Labour Rights at work. The Charter makes specific reference to the ILO Principles and the Right of Association, including the elimination of forced labour, child labour and employment discrimination.

Progressive policies

Capco has a strong record of adopting and adhering to Human Rights and Labour Rights in our range of progressive firm-wide policies and charters on fair recruitment and employment, and of protecting the rights and welfare of employees, clients, suppliers and those in the broader community through:

- The Capco Employee Charter
- Capco Code of Conduct
- Capco Diversity & Inclusion Policy
- Capco Statement on Modern Slavery
- Capco Health & Safety Policy
- Capco Flexible Working Policy
- Capco Maternity and Parental Leave Policies
- Capco Employee Handbooks
- Capco Ethics Hotline Policy
- Capco Respect at Work / Anti-Harassment & Bullying Policy
- Capco Solution Partner Policy (on joint ventures)
- Capco Leave Policy
- Capco Mobility Policy (for international assignments)
- Capco Performance Management Policy

PRINCIPLE 1 – PRINCIPLE 5

Support and respect the protection of internationally proclaimed human and labour rights
Capco's Achievements in 2020

Employee Engagement and Open Dialogue

- In 2020, we launched a range of measures to support our commitment to Human Rights and Labour Rights across the firm, including:
- The Capco **“We Are Listening” mailbox** to enable any employee to raise suggestions, concerns or grievances related to any aspect of working at Capco. Any issue raised via the mailbox will be considered carefully by senior leadership and the sender will receive a written response with details of how the firm intends to respond to the feedback.
- **A 24-hour, seven day a week independent ‘Speak Up’ helpline / website** which enables any employee in the firm to raise any issue of concern, a grievance or a complaint (anonymously, if necessary). The facility is operated independently, and all issues reported on ‘Speak Up’ are recorded and reported to senior leaders (monthly) and our investors (annually) along with the action taken in response to the complaint
- A wide variety of consultative forums / communications initiatives including **regular ‘Town Hall’ and Partner meetings all with a Q&A element**. The firm also undertook specific consultation and communication programs to ensure staff are regularly and properly consulted on change initiatives, restructure proposals, and on our response to the COVID-19 pandemic.
- A new quarterly, **firm-wide ‘Pulse’ survey** to encourage feedback on engagement and satisfaction levels across the firm. Results are reported to senior leadership and our investors. Overall, the scores were very high (80% positive) with the most favorable ratings for Being Informed, Diversity & Inclusion and Pride in Capco. The lowest was for Work Life Balance (which still had a favorable score of 72%).
- Monitoring our employee feedback on **Glassdoor, Fishbowl and other platforms**. Our Glassdoor score improved to 4/5 stars during the year, with an 87% favorable rating for our CEO. The firm responds in writing on Glassdoor to feedback from staff.
- **A new ‘OneCapco’ intranet** that hosts Capco news, information and communications, including policies, and includes ways in which staff can raise questions and / or offer feedback and suggestions.

PRINCIPLE 1 – PRINCIPLE 5

Support and respect the protection of internationally proclaimed human and labour rights Capco's Achievements in 2020

Capco launched a wide range of measures to ensure **the physical and mental wellbeing of staff throughout the COVID-19 pandemic**, including strict compliance with WHO, Government and State guidelines in all locations, strict office access protocols, temperature checks on entry, attendance monitoring to support Track & Trace activities, a seat reservation app to support an optimal level of office occupancy and effective social distancing, flexible worktimes, enhanced office cleaning and deep clean capability, 'one-way' access, clear signage and personal hygiene and sanitation stations on all floors and at entrances.

- The firm also provided education and mental health support for staff working remotely (including 'Resilience' and 'Educating Children at Home' programs, enhanced leadership visibility and engagement and more regular Townhall meetings. We rolled out regular Mental Wellbeing sessions led by a leading professional psychologist and offered Employee Assistance Programs to all staff (including three counselling sessions). We also ran a wide range of virtual social activities during lockdowns including Corporate Social Responsibility activities, coffee chats, game hours etc.
- Capco moved its entire, **firm-wide Learning & Development offering on-line** (for technical, personal and leadership development). We also provided some financial support for equipment required for home working, and a variety of staff gifts to improve morale, including branded clothing, takeaway food vouchers etc.
- We implemented a new supplier management policy that incorporates a regular review of our key suppliers including their Human Rights and Labour Rights provisions and their commitments to Diversity & Inclusion and Sustainable business.

PRINCIPLE 1 – PRINCIPLE 5

Support and respect the protection of internationally proclaimed human and labour rights Capco Goals for 2021

Capco has committed to the following extension of our policies, public commitments and company goals in 2021.

- We will **extend our commitment to the ILO Standards and the Right of Association** with a formal statement in support of the Universal Declaration of Human Rights in the Capco Employee Charter that is distributed to all staff. This will complement the reference in our Capco Employee Charter and our statement on Modern Slavery that are already in place.
- Specific goals related to the continued improvement of engagement and satisfaction levels in our ‘Pulse’ survey and Glassdoor ratings will be incorporated into our HR and Enterprise Risk Scorecards in the coming year.

Health

We will establish effective firm-wide plans for a safe and appropriate return to office working, following the COVID-19 pandemic.

We will launch a firm-wide initiative to ensure we learn the lessons of the pandemic, particularly in relation to flexible working, technology platforms, offices, connectivity and support for staff working temporarily overseas. As a result, we will roll out enhanced firm-wide Flexible Working and Home Working policies.

Supplier Engagement

- We will complement the new regular reviews of key suppliers with a formal Supplier Code of Conduct (including a series of minimum standards).
- We will require key suppliers to adopt progressive policies on Human Rights, Labour Rights, Diversity and Inclusion and the Environment.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation

Our Commitment

Capco believes strongly that all of our staff have the right to be themselves at work and that diversity and inclusion (D&I) is critical to our business success. We see D&I and Respect at Work as a crucial component of a culture that attracts, engages, and retains the best people in the market, and fosters a culture of innovation and excellence. A commitment to D&I is equally important to building deep and sustainable relations with our clients, reflecting their own commitment to diversity in the composition of our teams and deploying the broadest range of capabilities to address their challenges and create value.

Capco is committed to promoting D&I among all our staff, applicants, clients and suppliers, and to creating a working environment and culture in which all decisions are based on fairness and merit so everyone in the firm can 'Be Themselves At Work' and maximize their contribution to Capco, free from discrimination and/or harassment.

Management Responsibilities

- In 2020, Capco established a **Diversity & Inclusion Steering Committee (DISC) of senior leaders** charged with delivering a step-change in our global D&I agenda. The DISC oversaw the agreement of a 5-point priority plan to further improve the diversity of our workforce and enhance our inclusive culture, so we continue to attract and retain more than our fair share of talent, in an increasingly competitive market. For the first time, Capco agreed and published, internally and externally, formal diversity targets for our workforce composition and senior leadership in 2020.
- The firm has appointed **its first global D&I leader and first US D&I leader** who are charged with leading, embedding and expanding the firm's commitment to D&I.
- For the first time our **Regional Leaders are accountable** for their performance against our diversity targets.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation

Capco's Achievement in 2020

The Capco DISC launched a 5-point priority plan to deliver a step-change in D&I in 2020.

1. **Appointment of a Global and US D&I Leader** to drive our D&I agenda.
2. **A clear statement of our commitment on D&I from our CEO and a new 'Speak-Up' helpline and website** to encourage staff to report any concerns and issues, anonymously if necessary. Ongoing monitoring and reporting of issues.
3. **Firm-wide Diversity Targets on workforce composition and leadership** underpinned with Regional Action Plans to achieve these targets (for which Regional Leads are accountable).
4. **Pilot for firm-wide Leadership Anti-Discrimination and Diversity Training** and design of a new Capco **Talent Program** to accelerate the progression of under-represented groups to Partnership.
5. **A series of Global Affinity Groups** were launched – Women in Capco, Pride@Capco, Ability@Capco to complement the broader range of affinity groups in the business.

We also launched two other supportive measures

- **A new Diversity and Inclusion website** (<https://www.capco.com/about-us/diversity-and-inclusion>) that speaks directly to our re-energized D&I agenda and introduced our 'We Believe' marketing campaign. The site also profiles some of our D&I Champions, industry awards and associations, and contains information about our affinity groups.
- The firm published a **gender pay gap report** and produced an action plan to narrow pay inequity in 2021.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation

Capco Goals in 2021

The firm will continue to focus on the 5 priority areas we have identified to further improve D&I in Capco in 2021.

1. Our Global and US D&I Leads are charged with developing a **D&I strategic plan** to improve D&I in 2021 and beyond.
2. We will launch a marketing campaign around the **'Speak-Up' helpline and website** to encourage staff to report concerns and highlight the policy of 'no tolerance' in relation to our support for Diversity and Inclusion in Capco.
3. We will monitor on a quarterly basis the **Action Plans** in place in each region to achieve our firm-wide diversity targets and ensure that leaders are fully accountable for the performance of their business against these targets and subsequent D&I targets (see below).
4. We will roll out **Leadership Anti-Discrimination and Diversity Training to all Partners, Directors and Senior Managers in the firm** and embed the new Capco **Talent Program** focused on under-represented groups. We will also design and run some mandatory diversity training in areas including unconscious bias and micro-aggression for all staff.
5. We will develop action plans in conjunction with each of the new **Global Affinity Groups**. These plans will outline the approach for setting a broader range of formal diversity targets in their respective areas, arrangements for regular communication with stakeholders, support for the firm's recruitment activities, relevant awards and standards that Capco will focus on in 2021 to enhance our diversity credentials.

We will also monitor levels of engagement with the new diversity website, drive an agenda of ongoing improvement and look to implement the action plan on the gender pay gap in the firm's annual review. We will also look to expand our activities on pay equity to ethnic groups as well as women.

THE ENVIRONMENT

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility; and
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

PRINCIPLE 7 - 9

Businesses should support a precautionary approach to environmental challenges; and undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies

Capco's commitment

Responding proactively to the growing environmental challenges and climate emergency is an important consideration for Capco. As well as looking to apply leading environmental practices for the effective and efficient management of our firm, environmental standards are an increasingly important consideration for our investors, staff, applicants, clients and the communities in which we operate.

To continue to grow the firm and attract talent and clients to Capco it is increasingly important that we have a compelling proposition in relation to environmental standards and we are authentic in responding and monitoring our performance in relation to these.

As the firm rents most of the premises from which we operate, our activities focus primarily on effective energy management and the adoption of good environmental practices in our management of operations and by staff.

Management Responsibilities

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 annual Sustainability report

Our investors 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 2020.

PRINCIPLE 7 - 9

Businesses should support a precautionary approach to environmental challenges; and undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies

Capco Achievements in 2020

Capco has a firm-wide Sustainability Policy that sets out our approach to effective environmental management and standards, including the identification and management of environmental risks. The Policy sets out our expectations of both leaders and staff, clients, and suppliers as well as our broad approach to energy and emissions, natural resources, printing and stationery, travel, waste, and water. During 2020 we launched the following in support of our Policy:

- **The Capco Sustainability network** undertakes an ongoing programme of promoting awareness and training on environmental standards and organizes regular local activities to reinforce and extend good practice in the business.
- **Our first Annual Report on Sustainability** set out the firm's three-year plan (including targets, metrics, and timelines) for improving energy efficiency, waste management and good environmental practice in our operations. The plan (see Appendix) is formulated around ten priority areas and we are committed to reporting annually on performance against these standards. All Capco local offices also have a formal improvement plan to drive progress against these targets.
- Staff will now be eligible for **recognition in our annual performance management** review for achievements and contribution in environmental management and training.
- Details of Sustainability in Capco and our targets in this area were added to **our new joiner induction training**.
- In addition to their plans for meeting the firm's Sustainability targets, **each region had to agree an Environmental improvement plan** (covering educational initiatives, local events and campaigns, communications and reporting).
- Prior to the COVID-19 pandemic, we introduced a **program of 'Travel Tracking'** and carbon offsetting or reduction.

PRINCIPLE 7 - 9

Businesses should support a precautionary approach to environmental challenges; and undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies

Capco Achievements in 2020 (Continued)

- **Capco introduced recycling at all offices** and moved to non-disposable cutlery, crockery and glassware at all offices and events. All staff were issued with reusable water bottles. A major campaign was launched to educate and engage employees on alternatives to plastics.
- We announced we will only partner with **event and meeting vendors that have adopted robust Sustainability practices**.
- **We introduced energy tracking capability at all offices and undertook** formal EED and ESOS energy audits in our offices in the UK and Germany. We adopted 100% renewable energy at most offices, including in the US, UK, Germany and Hong Kong.
- We implemented air conditioning monitoring and significantly usage at weekends and in the evenings.
- We adopted **motion sensor lighting in all offices** and discouraged all hard copy printing.
- We have been recognized with four formal **building certificates** (2 Leed Gold, 1 Breeam, 1 Energy Star). All new offices will now require official environmental accreditation.
- We supported a **firm-wide electronic waste recycling campaign** in partnership with our vendor, HP.

PRINCIPLE 7 - 9

Businesses should support a precautionary approach to environmental challenges; and undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies

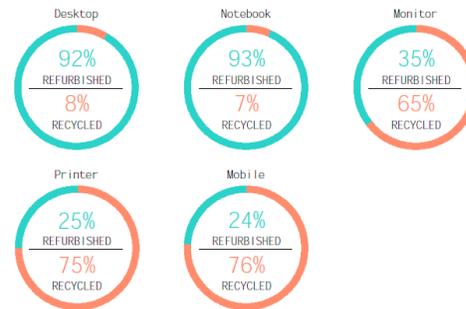
Capco Achievements in 2020

- As a professional consultancy focusing on technology and innovation, our business generates a comparatively low carbon footprint, but we still strive for zero waste in our business.
- By partnering with Hewlett Packard Enterprise in processing end-of-life assets, we were able to retire Capco's assets in a sustainable manner by refurbishing and recycling **all retired IT products**. This enabled us to meet Sustainability goals.
- The benefits were significantly reduced CO2 emissions, with 1.2 Megawatts of energy saved and 8.3 Metric tons of waste avoided (Circular Economy Report 2020 (HP))

HPE Financial Services

Your recovered items Workplace (units)

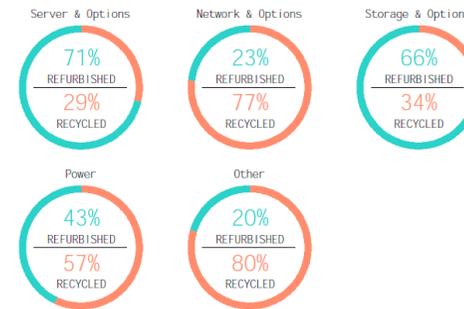
A summary of the items you returned and their final status as refurbished or recycled materials.



Workplace (units)	REFURBISHED	RECYCLED	TOTAL
Desktop	33	3	36
Notebook	2,295	164	2,459
Monitor	57	104	161
Printer	2	6	8
Mobility	6	19	25
TOTAL	2,393	296	2,689

Your recovered items Enterprise (units)

A summary of the items you returned and their final status as refurbished or recycled materials.



Enterprise (units)	REFURBISHED	RECYCLED	TOTAL
Server & Options	151	61	212
Network & Options	100	332	432
Storage & Options	200	105	305
Power	30	40	70
Other	48	190	238
TOTAL	529	728	1,257

Savings

By refurbishing and recycling IT products with HPE Financial Services, you enhance productivity, capture new value from retired assets, and additionally, reduce environmental impact. The impact and savings you have achieved using our IT Asset Lifecycle solutions can be seen below.



Recycling¹

The rapid pace of innovation in electronic products and growing impacts of a "take, make, dispose" production and consumption cycle, are increasing the need for a circular economy. Below you can see representations depicting the recoverable raw material contained in the products you returned.



¹ Not all recoverable materials will necessarily be actually recovered through recycling for a given end-of-life product; our estimates are based on the likely proportion of materials that would stem from a flow of IT equipment waste material sent to recycling, using modeled assumptions about the material that will likely be returned into commerce instead of landfilled or otherwise disposed of.

PRINCIPLE 7 - 9

Businesses should support a precautionary approach to environmental challenges; and undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies

Capco Goals in 2021

The firm will publish our second annual Capco Sustainability Report in 2021 and we intend to include progress on the following:

- Our performance against the seven formal Capco Sustainability targets and metrics in 2020, as part of our 3-year Sustainability Plan.
- Monitoring and promoting effective Sustainability practices in our suppliers and vendors by conducting a review of vendor sustainability goals and practices, including the launch of an electronic vendor sustainability evaluation tool that will guide our selection of new vendors.
- Promotion of a series of Regional initiatives and campaigns.
- A new Sustainability intranet and real-time reporting facility as part of our OneCapco intranet.
- A new 'Bring Your Own Mobile' campaign to discourage staff from adopting duplicate devices.
- The transfer of print queues to the cloud and the adoption of 'Follow Me Printing' that will enable us to ensure black and white printing will be our standard default globally, in all offices.
- Details of the new formal target for reduced carbon emission in 2021

ANTI-CORRUPTION

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery

Capco's commitment

- The way we interact with our clients and each other at Capco is founded on our core values of Respect, Integrity, Commitment, Excellence, and Knowledge.
- Our values are the essence of who we are, and they define how we work and how we conduct ourselves at work.
- Capco is committed to conducting business ethically and in full compliance with all applicable laws and our Code of Conduct.

Management Responsibilities

- Responsibility for implementing our policies and procedures on Anti-Bribery and Corruption and enforcing compliance sit with the Enterprise Risk Team. They act as a second line of defence to our staff, contractors and clients, and perform oversight of the firm's Anti-bribery and corruption controls in different business areas and cycles.
- Our Chief Risk Officer is responsible for providing leadership and management oversight on the compliance with our anti-bribery and corruption controls. Our other C-Suites leaders regularly review anti-corruption-related key risk indicators and metrics.
- First line of defence responsibility is allocated to everyone in our business. They are charged with ensuring the proper guidelines and controls are always followed and reported in all business transactions.

CAPCO ACHIEVEMENTS IN 2020

Firm-wide Policy

- Capco has a formal, firm-wide policy on Anti-Corruption. Anti-corruption is also formally referenced in the firm's Code of Conduct on which all staff undertake mandatory training on joining the firm and annually thereafter. The **Code of Conduct** and firm-wide Policy make specific reference to compliance with all relevant laws, including anti-corruption laws and other relevant international and regional legal obligations, such as the UN Convention against Corruption. Our Policy states clearly that the firm adopts a policy of **zero-tolerance** in relation to any corruption.
- The **ABC Policy** is intended to set out for our people the standards of behaviors required to comply with relevant Anti-Corruption Laws and align with the company values. This includes our standards of Engagement of Third-Party Agents and our standards for Giving and Receiving Gifts.
- Our **Conflict of Interest Policy** requires all staff to declare any potential or actual conflict of interest, either in work or outside employment.
- Our **Background Check Policy** defines the background check requirements for new hires, vendors and potential clients. We formally assess bribery risk before we engage any new customers, vendors and recruitment agencies. We perform a Dun & Bradstreet credit report check and conduct a media search on business partners to make sure they do not have any existing or potential bribery incidents. We require vendors to complete a vendor questionnaire as part of their supplier management review.
- We outline clear due diligence responsibilities in our key revenue cycle under the **Billing and Collection Policy** and we include sanction and bribery controls. In 2020 we rolled out our first global **Fraud Policy**.

All our policies and standards apply to Capco's employees, contractors, subcontractors, officers, Directors, joint ventures and any other agents that interact with third parties on behalf of the firm.

In 2020 we engaged a legal consultancy to conduct a review of our Anti-Bribery & Corruption policies and procedures.

CAPCO ACHIEVEMENTS IN 2020

Internal Compliance

The firm continues to have no recorded cases of corruption in 2020. Capco adopted the following actions to enforce anti-corruption policies, reduce anti-corruption risks and respond to incidents during the year.

- Reviewed the **risk assessment procedures that examine potential areas of corruption in business functions and country Risk Reviews**. Our Logicgate Risk Management platform enables all Capco staff to self report suspected risks associated with corruption.
- Enforced **minimum control frameworks** that outline the key financial controls for our business cycles. This serves as our internal check and balance to ensure compliance with our anti-corruption provisions
- Audited Capco's **anti-corruption controls in key business processes**. This is done annually as part of the SOC2 accreditation and our external financial audit.
- Established a Gift Registry to record gifts of \$75 plus awarded to any employee. This is monitored on an ongoing basis.
- Improved procurement due diligence of suppliers and enhanced our Supplier Management Policy for ongoing management of our suppliers.
- Revamped **the ethics reporting channel**. As well as the ethics hotline and reporting website, we have introduced an app to help staff report issues to an independent company, anonymously if necessary. The firm has robust provisions in place for monitoring and reporting any violation of our anti-corruption policies or standards. Enterprise Risk monitors the key risk indicators in relation to anti-corruption and oversees any suspected cases.
- Capco's **disciplinary procedures** make specific reference to anti-corruption and the application of disciplinary action for any corruption.

CAPCO ACHIEVEMENTS IN 2020 (CONTINUED)

Internal Compliance

Our banking clients require strict compliance with current and upcoming regulations. Our Finance, Risk & Compliance strategies, operational experience and RegTech expertise help our client's manage complexity and deliver in line with the expectations of their stakeholders.

Capco has built a strong capability across all aspects of our operating model, program management, delivery, implementation and remediation. Our expertise spans the full range of financial crime prevention, most notably anti-money laundering (AML), sanctions transaction monitoring, know your client (KYC), transaction monitoring alert analysis and review, suspicious activity report (SAR) drafting, customer due diligence (CDD), enhanced due diligence (EDD), OFAC testing and fraud.

We have proven experience in delivering global and domestic programs and supporting our clients in meeting regulatory requirements and combatting corruption.

Capco Goals for 2021

We will continue to strengthen our policy implementation in all aspects of our business operations to combat corruption, including conducting regular investigations into the application of our billing and collection policy, fraud and Gift Registry.

We will continue to perform ongoing supplier management reviews to minimize our bribery risk exposure from our business partners and vendors.

APPENDICES

CAPCO SUSTAINABILITY GOALS AND PROGRESS REPORT 2019-2022

PRIORITY	GOAL	METRIC AND TIMELINE	PROGRESS (as of 2020)
Waste	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 Annual deployment of multiple recycling points/food waste bin on each floor</i>	<ul style="list-style-type: none"> • Recycling bins in every office • Reusable cutlery, glassware and mugs instead of plastics • Use event and meeting vendors with reduced packaging options • Education of staff in recycling and waste management
Energy	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>	<p>Energy tracking in all offices.</p> <ul style="list-style-type: none"> • Regulator EED/ESOS audits in the UK and Germany • 100% renewable energy in the UK and Germany • A/C monitoring for non-working days and after hours • Motion sensor lighting in new offices
Lighting	LED motion sensors in all Capco offices	<i>100% compliance across all offices by 2022</i>	<ul style="list-style-type: none"> • Sensors are in place in Capco's UK, France, Bratislava and India offices
Appliances	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"> • New appliances meet standards
Water	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"> • Met goal of energy saving devices installed at Capco owned offices
Plastics	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"> • Single-use bottles removed in UK, Bratislava, Germany, Canada and US • Replaced plastic with bio-degradable cutlery or stainless steel

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Overarching Goals for 2019-2022

PRIORITY	GOAL	METRIC AND TIMELINE	PROGRESS (as of 2020)
IT / Printing	<p>Range of measures to improve sustainability in IT /printing, including:</p> <ul style="list-style-type: none"> • Adoption of eco-mode printers • The default setting for B/W printing and double-sided printing • Responsible sourcing of print cartridges • Clear ‘Think Before You Print’ messages on documents • Environ search engine default setting • Sustainable printing 	<p><i>Annual 30% reduction in landfill waste 2019-22</i> <i>Annual deployment of multiple recycling points/food waste bin on each floor</i></p>	<ul style="list-style-type: none"> • All offices have printers set to low-energy setting and b/w printing • Email signature blocks contain ‘Think before you Print’ messaging
Events	<p>All Capco events hosted at venues with sustainable resourcing and waste management provisions</p>	<p><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></p>	<ul style="list-style-type: none"> • On-premise events are using vendors with sustainable behavior for food and materials in New York and London • External events hosted at venues with sustainable options at least 25% of the time
Vendors	<p>Adopt sustainability standards/ compliance as a key criterion for new / renewed vendors (energy/ materials waste minimalization, reducing the impact of deliveries, e-invoicing, maximizing use of local sources)</p>	<p><i>Conduct an environmental audit of vendors in 2020 and ensure 30% of vendors have ISSA 4001/5001 accreditation or formal, long-term Sustainability Plan with measurable goals for compliance and standards (60% 2021, 100% by 2022)</i></p>	<ul style="list-style-type: none"> • E-invoicing implemented with vendors • Review of vendors for sustainable behavior and substitutes completed in Germany
Office Supplies Branded Material	<p>All Capco offices to implement sustainable products (100% recycled materials: photocopy paper, branded stationery, business cards, marketing material, etc.)</p>	<p><i>30% reduction from 2019-22</i></p>	<ul style="list-style-type: none"> • Business card policy has been updated, and ordering reduced by 92% • Sourcing recycled paper for printing and marketing

ABOUT CAPCO

Capco is a global technology and management consultancy dedicated to the financial services industry. Our professionals combine innovative thinking with unrivalled industry knowledge to offer our clients consulting expertise, complex technology and package integration, transformation delivery, and managed services, to move their organizations forward.

Through our collaborative and efficient approach, we help our clients successfully innovate, increase revenue, manage risk and regulatory change, reduce costs, and enhance controls. We specialize primarily in banking, capital markets, wealth and investment management, finance, risk & compliance and insurance. We also have an energy consulting practice in the US. We serve our clients from offices in leading financial centers across the Americas, Europe, and Asia Pacific.

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