

DXC Task Force on Climate-Related Financial Disclosures (TCFD) Report

Table of Contents

Introduction	1
Governance of Climate-Related Risks and Opportunities	3
Board of Directors Oversight of ESG	3
Executive ESG Leadership/GLT	3
ESG Executive Steering Committee	4
ESG Working Group	4
Integration of Climate Issues into Business Strategy	5
Product Offerings as Emissions Solutions	5
Investing in the Sustainability of Our Direct Operations	5
Climate-Related Risks and Opportunities	7
Process to Determine Climate-Related Risks and Opportunities	7
Risk Assessment Process	7
Risks and Opportunities	8
Metrics and Targets	16
Targets	16
tCO ₂ e	16
FY21 Energy Consumption	16
FY21 Renewable Energy	16
Verification	17
Forward Looking Statements	17

Introduction

The impacts of climate change have emerged as a primary topic of interest for capital markets and global stakeholders alike. At DXC Technology, we recognize the need to measure, interpret and analyze climate risks and opportunities to inform our efforts to combat environmental degradation, both internally and for our customers. DXC is committed to reporting annually on our global footprint and the practices we have implemented to positively impact our operating environment. Our efforts are guided by the Task Force on Climate-related Financial Disclosures (TCFD) and other leading environmental, social and governance (ESG) frameworks, such as the Sustainability Accounting Standards Board (SASB) and CDP. This report outlines DXC's analysis of climate risks and opportunities for our business and essential stakeholder groups, and it includes a discussion about climate-related governance, strategy, risk management, and key performance indicators and targets. DXC is committed to complete transparency in disclosing data related to our ESG performance, in alignment with these industry-recognized ESG frameworks and in adherence to their principles. For more information on DXC's practices, as well as reporting from TCFD, CDP and the Global Reporting Initiative (GRI), please see our [ESG website](#).

DXC's ESG strategy reflects our ongoing commitment to being a responsible corporate citizen. We are proud to be part of the global movement to minimize the impacts of climate change, and we are dedicated to driving sustainable growth by setting ambitious, science-based emissions reduction targets in the next 2 years. This commitment is shared by DXC's 130,000-plus colleagues in more than 70 countries, and it is valued by our customers, including many of the world's largest enterprises.

Our resolve to achieve absolute carbon and energy reduction targets aligns with the ethos of the United Nations Sustainable Development Goals and the Paris Agreement to reduce greenhouse gas emissions and provide the foundation for sustainable, low-carbon and resilient development.

This report covers the fiscal year ending March 31, 2021 (April 1, 2020 – March 31, 2021). DXC set ambitious 3-year targets with progress measured against these baseline objectives, with results to be evaluated and reported annually.

	FY19 baseline	FY20	FY21	FY22 target	FY21 progress
Carbon emissions (tCO ₂ e)	982,733	780,289	517,796	20% reduction	47% reduction
Electricity consumption (MWh)*	1,799,678	1,609,412	1,362,826	12% reduction	24% reduction
Renewable energy (MWh)*	523,603	508,542	454,961	30% of electricity consumption	33% of electricity consumption
Water (m3)	2,715,212	2,420,724	1,737,155	15% reduction	36% reduction

* Includes purchased and self-generated electricity

DXC will continually strive to minimize our impact on the environment and improve resource efficiency in the areas of energy consumption, data center management and travel and transportation.

Our conservation efforts will be supported in part by our shift to a virtual-first operating model, which will enable our workforce to be largely remote and will help us reduce greenhouse gas

emissions and overall energy consumption. While the virtual-first model will mainly help reduce the size of our office footprint, we are also pursuing efficiency programs for offices and data centers to reduce energy consumption. We have invested in ISO 50001 energy management system certifications at 22 data centers and ISO 14001 environmental management system certifications at 18 data centers to further support efficient management of facilities.

Our goals in support of carbon reduction extend to our relationships with our suppliers and their indirect suppliers. The DXC Responsible Supply Chain Principles establish our standards for conducting business. In all our procurement activities, we take into careful consideration a set of economic, process-driven and technical criteria as well as essential social, environmental and ethical responsibilities such as human rights, labor conditions, anticorruption concerns and environmental protection. Our goal is to work with our suppliers to ensure full compliance with these principles, as they in turn apply them to their own suppliers with whom they work to deliver goods and services for DXC.

DXC also partners with customers to help them achieve their own climate-related goals. In response to shifting customer demand, we offer a number of products and services that can have a significant impact on our customers' sustainability objectives, delivering climate-related benefits far greater than what we could achieve alone through our internal carbon-reduction efforts. Offerings such as DXC Modern Workplace, cloud migration services and data-driven sustainability services directly reduce carbon emissions for our customers.

Focusing on our customers, colleagues, partners and communities is critical to meeting our commitment to sustainable and responsible business practices that contribute to a better world.

Governance of Climate-Related Risks and Opportunities

In 2021, DXC enhanced the governance of the ESG program to include a multitiered process involving the Board of Directors, the global leadership team, the ESG Executive Steering Committee and the ESG Working Group. Each of these governing bodies performs a critical role in ensuring our approach incorporates broad perspectives to address our stakeholder needs while delivering on our commitment to sustainable business.



Board of Directors Oversight of ESG

The DXC Board of Directors provides oversight of the ESG program, ensuring we have the governance, long-term strategy and processes to manage ESG outcomes that meet the needs of stakeholders. Within the Board of Directors, the Nominating and Corporate Governance Committee has specific oversight of ESG. The chief operating officer (COO) regularly updates the committee on ESG status and provides an update to the full board annually.

Executive ESG Leadership/GLT

The chief executive officer (CEO) drives the organization's overall business strategy, setting the tone and direction for all ESG matters, including climate-related objectives.

The CEO has delegated the execution of DXC's ESG program to the COO, who is responsible for overseeing initiatives, programs and policies related to the company's ESG and climate strategy. The COO is also responsible for related initiatives that have a significant impact on our overall carbon footprint, DXC's data center optimization program, shifting our colleagues to a largely virtual business model, and advancing our circular economy engagement through optimization of IT asset refurbishment and recycling programs. Together, these programs will reduce DXC's greenhouse gas emissions, overall energy consumption, and dependence on daily work commutes and business travel.

DXC's global leadership team, which comprises members of the C-suite and regional business executives, ensures ESG outcomes are aligned with stakeholder needs. The global leadership team is updated regularly on the broad ESG issues affecting the business. They provide input on the long-term strategy and drive initiatives in the various business areas they oversee.

ESG Executive Steering Committee

DXC's ESG Executive Steering Committee is the primary governance body guiding DXC's cross-functional ESG strategy. Committee members include the COO, chief human resources officer, chief financial officer, general counsel, regional presidents and service offering presidents. The committee meets quarterly to discuss ESG commitments, strategy and goals. Responsibilities include:

- Supporting DXC's on-going commitment to ESG matters
- Promoting ESG alignment with business processes and decisions
- Assisting in the development of ESG strategy and goals
- Monitoring and anticipating evolving ESG requirements and appropriate responses
- Providing disclosure guidance

ESG Working Group

The ESG Working Group includes senior leaders from Human Resources, Real Estate, Ethics and Compliance, Investor Relations, Supply Chain, Marketing and Communications, Legal, Finance, Operations, Information Security and Data Privacy. The group meets every other month and has the following responsibilities:

- Implementing the ESG strategy
- Leading functional actions to achieve ESG goals
- Highlighting issues and decisions affecting ESG goals and objectives
- Providing input to the ESG strategy, goals and reporting requirements

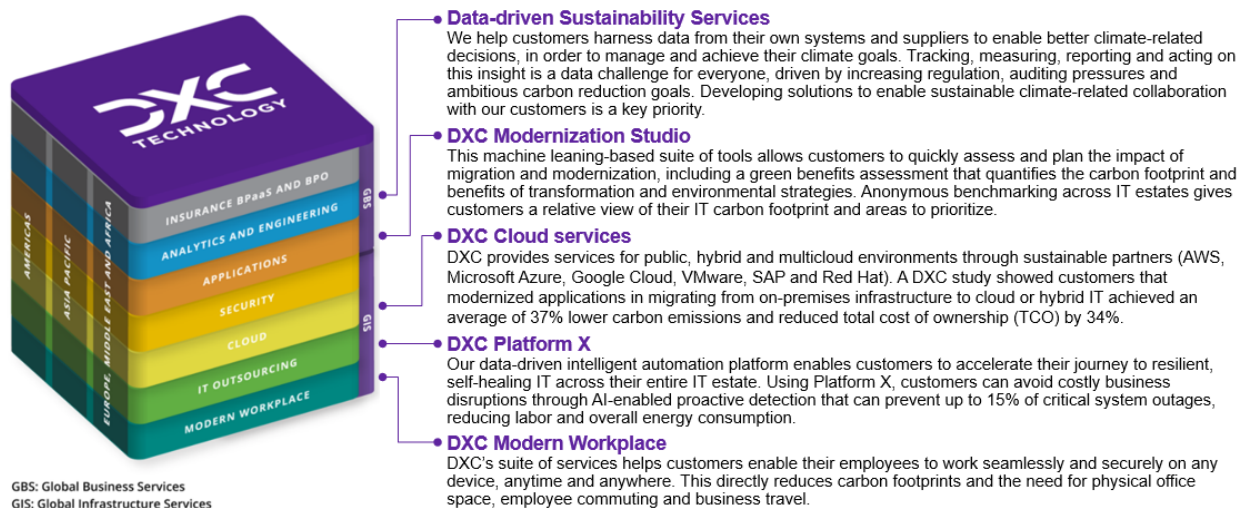
Integration of Climate Issues into Business Strategy

As a global IT services leader, DXC has both an opportunity and a duty to provide our customers, colleagues and communities with solutions that address the global climate crisis. We are stewards of the world we live in and strive to create a livable legacy for generations to come. We see technology as a tool for enabling the lasting change and radical transformation needed to create a climate-secure future.

Product Offerings as Emissions Solutions

At each level of the Enterprise Technology Stack, DXC offers products and services with climate-related benefits and collaborates with customers on solutions that optimize our offerings to meet their needs and objectives.

Climate-related benefits in offerings across the Enterprise Technology Stack



Investing in the Sustainability of Our Direct Operations

While we see reduction of customer-oriented carbon emissions as the most effective way DXC can address climate change, we are also addressing our own carbon footprint. As a services company, DXC has a Scope 1 and 2 emissions footprint that is limited to office facilities and data centers, and we are constantly evaluating opportunities to improve our cost and operating efficiency. Globally, we own approximately 9 million square feet and lease approximately 14 million square feet in general office facilities, global security operations centers, strategic delivery centers and data centers, with more than 500 locations around the world. We are motivated to reduce and optimize to the most efficient footprint to support our operations. Our innovative virtual-first business model will enable the majority of our colleagues to work from anywhere, reducing commutes and business travel while enabling better work-life balance. We expect this model to have a significant impact on our facility footprint and lower our carbon emissions in the coming years.

Our data centers are core to our strategy and comprise approximately 70% of our operational carbon emissions. Our data center optimization program, currently underway, consists of a blend of energy efficiency actions and consolidations to reduce our operating costs and carbon

footprint without sacrificing operational performance. Together, the virtual-first program and the data center optimization program will yield long-term benefits that help us meet our climate-related objectives.

DXC's environmental sustainability ethos is simple: to robustly manage our material environmental impacts, leverage environmental management to enhance customer delivery and stakeholder value, improve our profitability, maintain compliance and ensure integration with our supply chain.

Climate-Related Risks and Opportunities

Process to Determine Climate-Related Risks and Opportunities

Climate-related risks and opportunities are evaluated based on the current operational environment and anticipated future business changes. Climate change issues are identified from the UNFCCC reports and Sixth Assessment Report of the UN IPCC, which spotlight the current themes and emerging locational issues. These reports outline relevant climate-related risks and help DXC focus on the regions where these will have the greatest impact on the business and where the organization has the greatest potential to effect positive, lasting change in the fight against environmental degradation.

These resources are the foundation of DXC's ability to profile, analyze and manage risks, and to discover where regional opportunities exist for the organization, particularly in relation to our products and operations.

Risk Assessment Process

DXC's global Enterprise Risk Management (ERM) program sets the standards, work program and practices for holistic and standardized, company-wide ERM. The ERM program provides a framework for identifying, assessing and managing risk within acceptable levels to achieve the organization's strategy and objectives. Climate-related risks are identified, rated and reviewed alongside other risks identified during the enterprise risk assessment process.

In line with our ERM program, we define risk time horizons as follows:

- Short term: 0 – 2 years
- Medium term: 2 – 5 years
- Long term: 5 – 15 years

Current climate risk to the company is recognized in both short-term and long-term time horizons.

Climate risk assessments are updated every 6 months. These updates help us identify changes in risks and methods for preventing or reducing their effects on DXC facilities, operations and business objectives.

After identification, risks are evaluated based on their likelihood of occurrence and their potential impact. Risks are rated on a scale of 1 to 5 (5 being the most severe or having the highest likelihood of occurrence) according to the following definitions:

- 1: Insignificant impact (<\$5M), or chance of occurrence is rare (<1%)
- 2: Minor impact (\$5M – \$20M), or chance of occurrence is remote (2% – 10%)
- 3: Significant impact (\$20M – \$50M), or chance of occurrence is moderate (11% – 50%)
- 4: Major impact (\$50M – \$100M), or chance of occurrence is likely (51% – 90%)
- 5: Critical impact (>\$100M), or chance of occurrence is frequent (91%+)

Risks that are determined by the global leadership team to meet the threshold of enterprise level impact are reported to the Board of Directors. Mitigation plans, including key performance indicators and key risk indicators, are developed and monitored for each enterprise-level risk.

Risks and Opportunities

As context to our identified risks and opportunities, DXC's Scope 1, 2 and 3 emissions consist of office, data center, business travel and fleet vehicle activities. This limited nature provides fewer opportunities for climate-related impact than can be attained through management of Scope 3 emissions and development of products and services to help customers reduce their own emissions. The following risks and opportunities have been identified with this in mind.

	Risks	Opportunities
Short-term 0 – 2 years	<ol style="list-style-type: none"> 1. Inability to comply with fast-moving regulatory requirements could lead to RFP disqualification and loss of sales as well as unfavorable operating cost impacts. 2. Increasing temperatures resulting from global warming could lead to increasing energy costs and unfavorable operating cost impacts, as well as extreme weather events that could cause loss of power to data centers and service disruptions, resulting in contractual fines or loss of business. 	<ol style="list-style-type: none"> 1. Our virtual-first business model offers the opportunity to significantly downsize physical facilities and reduce our carbon impact. 2. Optimizing our data centers and shifting workloads to the cloud can reduce our carbon impact and water usage. 3. Expanding Scope 3 emissions management to our supply chain will give us better line of sight to the full carbon footprint of our operations and provide additional opportunities to reduce climate-related impacts.
Medium-term 2 – 5 years	<ol style="list-style-type: none"> 3. Introduction of a carbon tax in jurisdictions where DXC operates would result in unfavorable operating cost impacts. 4. Inability to achieve climate-related expectations could result in undesirable investor actions, customer retention and attraction issues, or talent retention and attraction issues. 5. We may experience loss of market share if we are unable to provide competitive products and services that incorporate climate-change mitigations. 	<ol style="list-style-type: none"> 4. Expansion of climate-related offerings such as DXC Modern Workplace, cloud migration services, data-driven sustainability services and electric vehicle ecosystems can help customers achieve climate-related objectives. 5. Continued development and expansion of innovative technologies such as DXC Modernization Studio and DXC Platform X can help accelerate customer carbon-reduction strategies.
Long-term 5 – 15 years	<ol style="list-style-type: none"> 6. If we are unable to achieve and sustain a carbon-neutral business model in a meaningful time frame, we could lose stakeholder confidence, resulting in loss of business and access to financial markets. 	

Risks

1. **Inability to comply with fast-moving regulatory requirements could lead to RFP disqualification and loss of sales as well as unfavorable operating cost impacts.**
(short-term, transition risk)

Since the Paris Agreement was adopted in 2015, citizen pressure on climate action has increased, galvanized by global activists. Corporations are taking action by aligning emissions targets with science-based targets and net-zero commitments. If widely adopted and achieved, these targets will lead to significant progress in global efforts to prevent impending detriments to our environment if we reach a global temperature increase of 1.5°C.

Intergovernmental organizations, capital markets and corporations are being called upon to act, suggesting that government regulation is a likely next step to create impactful and lasting change. If DXC is unprepared for future regulation, there will be significant increases in costs for the business. For example, noncompliance with regulatory mechanisms such as the EU Energy Efficiency Directive (EED) could result in financial penalties estimated at \$60,000 per country. The greater risk, however, is the potential for exclusion from government tender opportunities in the country of noncompliance, an estimated pipeline value of approximately \$1.2 billion.

This risk of new regulation is seen as long term but is coupled with the short-term risk of noncompliance with current regulation. While fines associated with noncompliance are not significant to the global business, the greater risk comes in the form of access to government tenders. Noncompliance could mean that DXC is barred from government contracts in specific regions of noncompliance. This would have a far greater impact, by reducing the DXC sales pipeline.

Risk Management

To manage these risks to the business, DXC combines our energy efficiency, environmental management system, annual reporting and compliance activities into a comprehensive ESG program. DXC's risk management process includes monitoring and reporting on our carbon footprint and using that data to inform how we reduce our energy consumption – in line with global targets and in compliance with regulations.

Noncompliance is a consistent short-term risk, but managing it effectively through our program significantly reduces the residual risk to the business. The risk of new taxation cannot be alleviated, but the impact is managed through DXC's ongoing energy reduction initiatives. There are no current signals that a global price of carbon will manifest in the short term, but the risk is monitored and deemed to be an issue to incrementally address in the short term through emissions mitigation activities.

2. Increasing temperatures resulting from global warming could lead to increasing energy costs and unfavorable operating cost impacts, as well as extreme weather events that could cause loss of power to data centers and service disruptions, resulting in contractual fines or loss of business. (short-term, transition risk)

At DXC, we continuously measure and monitor key environmental issues that affect our operations, notably our global energy consumption. A changing climate at both the acute and chronic level brings the risk of increased costs for DXC owned and operated properties through increased energy consumption, as well as the risk of disruption to DXC services through extreme weather events. For example, longer periods of warming weather in specific regions can negatively impact the energy efficiency of data centers and their power usage effectiveness (PUE) value. Higher temperatures require extra cooling to operate servers and lead to increased maintenance costs. DXC has a network of data centers around the world, including in areas that are experiencing extreme weather conditions, such as in Australia, parts of the United States and Southeast Asia. In Australia, average temperatures are increasing to a point not compatible with running data centers (up to 40°C). A 2% worsening of energy efficiency could increase energy costs by \$1 million, and a 6% worsening could increase energy costs by \$3 million.

Increases in extreme weather can also bring disruption to DXC services. Extreme weather can include prolonged periods of drought followed by heavy storms and rainfall, which can cause significant damage to building assets and power supplies and bring disruption to services. Disruption of data center and consultancy services leads to contractual breaches and fines. Likewise, consulting staff can be affected by travel constraints or power shortages. These could in turn have an impact on our relationships with customers in the regions affected.

Risk Management

DXC has ISO 50001 certification for several strategic global data centers. This helps us manage the efficiency of our data centers, deal with extreme climate-related events, and mitigate spikes in energy consumption that could occur at certain times of the year. DXC also runs a flexible approach to property management that incorporates environmentally efficient building portfolio standards.

As we shift our operating model to a largely virtual workforce, we are reducing our facility footprint. This strategy will also reduce the impact of increased heating and cooling requirements. It's also worth noting that the cost impacts of extreme weather events are not significant at an enterprise level, as any disruptions will be limited to individual facilities and will not extend across the global real estate of the business. We also maintain business continuity plans, which help to mitigate the impacts of any disruption, and we monitor the cumulative effects from any disruptions to adjust our plans accordingly.

3. Introduction of a carbon tax in jurisdictions where DXC operates would result in unfavorable operating cost impacts. (medium-term, transition risk)

A carbon price, or increased pricing of greenhouse gas emissions, is a favored method for reducing the effects of global climate change. It is a cost applied to carbon pollution to encourage polluters to reduce the amount of greenhouse gases they emit into the atmosphere. It takes the form of either a carbon tax or a requirement to purchase permits to emit, generally known as carbon emissions trading, but also called allowances. A global cost of carbon has been debated for the past 10 years. The Paris Agreement was the first major step forward in global climate action in many years.

Major global regulation would likely come in the form of a global price on carbon. DXC estimates that a global cost of carbon could be as much as \$40 per metric ton. The significant monetary impact per year would be approximately \$21 million, based on DXC's Scope 1 and 2 verified emissions.

There is continued momentum on environmental action, with plastics becoming a global issue alongside the climate change debate. The likelihood of global agreements being adopted in the next 3 – 5 years is increasing as the urgency to take action increases, particularly with the 26th UN Climate Change Conference of the Parties (COP 26) taking place in November 2021.

Risk Management

DXC analyzes global greenhouse gas emissions annually to inform the carbon reduction strategy. This activity identifies year-on-year emissions and helps DXC prepare for shifts and changes to the regulatory framework. Through physical facility footprint reductions and efficiency initiatives, DXC has achieved a 47% reduction in FY21 emissions against an FY19 baseline. Continued facility consolidations, ongoing efficiency projects, and increased procurement of renewable energy will further contribute to mitigating this risk. Additionally, DXC is set to commit to science-based targets within the next 2 years, which will further strengthen our emission reduction goals.

DXC has proactively engaged in a voluntary UK climate change agreement to mitigate the cost of energy. In exchange for setting targets to reduce energy use and carbon emissions, DXC receives a discount on the Climate Change Levy (CCL), a tax added to electricity and fuel bills.

4. Inability to achieve climate-related expectations could result in undesirable investor actions, customer retention and attraction issues, or talent retention and attraction issues. (medium-term, transition risk)

As climate change impacts increasingly become an area of concern for communities across the globe, sovereign nations and intergovernmental organizations are working to make legislative progress on climate regulations. The market dynamics associated with climate change can affect a variety of stakeholders, such as institutional investors, customers, and current or future staff. Awareness of climate change varies considerably within each group of stakeholders. Therefore, the risk associated with each stakeholder also varies considerably.

Climate change affects our stakeholders in different ways:

- **Colleagues:** DXC's positive ESG reputation is likely to affect the decisions of future talent to join DXC. It is also likely to affect our ability to retain top talent through our processes to engage our colleagues and enable them to reduce their individual footprints via remote work plans.
- **Customers:** With new regulations pushing energy efficiency and carbon measurements in corporations, our customers are requiring strong ESG practices and performance from product and services providers to inform and supplement their own ESG reporting. As regulatory requirements increase, customers will likely seek added value in the services we offer to help them monitor or reduce carbon emissions.
- **Investors:** Institutional investors are increasingly recognizing the risk of climate change in their portfolio decisions. Accordingly, they are driving adoption of disclosure frameworks such as SASB and TCFD to be able to understand how to measure and plan for climate risk.
- **Communities:** Increasingly, corporations are viewed as stewards of the communities in which they operate. Visible climate-related leadership can provide a lasting boost to corporate reputation.

These stakeholders are all on a journey, with some further along than others.

Risk Management

The risks of not acting are loss of market share, loss of investment in the long term and loss of a talent pool for the future. However, we have taken steps this year to strengthen our ESG framework to guard against this risk. We recognize the change in market dynamics across the different stakeholders and are adapting to it in our reporting approaches and social responsibility program so that we can meet market expectations.

We are investing in emission-reduction actions and renewable energy to lay the groundwork to achieve long-term climate-related objectives. We are also beginning to engage our supply chain in reporting Scope 3 emissions to gain better visibility into other actions we can take. By acting now, we can achieve aggressive long-term goals and prevent negative market outcomes.

At the same time, we are investing in customer-facing capabilities to enhance our ability to support increasing demand in sustainability solutions. We offer services across the Enterprise Technology Stack that can deliver significant carbon-related benefits to our customers. Through ongoing customer collaborations, we are continuing to mature and refine solutions to meet unique customer needs. These actions will in turn give investors confidence that we are part of the solution in transitioning to a low-carbon future.

5. We may experience loss of market share if we are unable to provide competitive products and services that incorporate climate-change mitigations. (medium-term, transition risk)

Climate-related product and service offerings are advancing rapidly in the IT services sector. Companies in this sector are in a unique position to develop tools and services that can enable significant improvements in how other sectors manage their carbon impact. Artificial intelligence and data-driven analytics are becoming more conventional solutions to accelerate management of climate-impacting processes. As momentum in this area increases, awareness of the breadth and depth of impact is becoming more mainstream. DXC has many offerings in this space today, but the speed of change in the competitive market is a constant challenge.

Risk Management

Through ongoing engagement with our largest customers, we are able to aggregate and evaluate important climate-related trends, customer demands, and shifts in end-user priorities. We use this insight to continually assess our offerings and services against market needs and adjust accordingly. In many cases, we offer custom solutions to suit unique customer needs and are able to leverage, translate and iterate solutions from customer to customer. This ability to look across the portfolio gives us a unique perspective and agility to respond to shifting climate-related needs and trends, enabling us to provide our customers with solutions that meet their climate-related requirements.

6. If we are unable to achieve and sustain a carbon-neutral business model in a meaningful time frame, we could lose stakeholder confidence, resulting in loss of business and access to financial markets. (long-term, transition risk)

The pressure to achieve significant carbon-footprint reduction is increasing, and the risk of not achieving a carbon-neutral operating model in a meaningful time frame is very real. We realize that we must act now and throughout the long term to achieve and sustain a carbon-neutral operating model. This risk is complicated by whether global infrastructure will advance quickly enough to provide renewable energy at the pace required and at an affordable cost.

Risk Management

We have made considerable progress in the last two years to reduce our carbon footprint, resulting in a 47% reduction in emissions. Our continued efforts to reduce our footprint and strengthen our ESG framework will help guard against this risk by giving us a clear line of sight to the long-term ESG strategy, goals and performance. These measures, along with adoption of the SASB and TCFD frameworks, will ensure we're guided by industry best practices and materiality considerations to invest resources in the areas most impactful to our strategy. Furthermore, we have integrated ESG priorities, including climate-related issues, into our corporate values, strategy and operating model, which will help institutionalize ESG considerations in all that we do.

Opportunities

1. Our virtual-first business model offers the opportunity to significantly downsize physical facilities and reduce our carbon impact.

DXC's virtual-first program redefines where and how people work by engaging and inspiring them with best-of-breed technology. The model allows most DXC colleagues to work flexibly from home by harnessing intelligent collaboration, which combines enterprise communication tools in a single interface to enable secure, integrated network infrastructures, with rapid

deployment and scalability to fit business need. A personalized approach is focused on people and supporting collaboration from anywhere.

These programs will reduce DXC's greenhouse gas emissions and overall energy consumption as well as the dependence on daily work commutes and business travel in the short and medium term.

2. Optimizing our data centers and shifting workloads to the cloud can reduce our carbon impact and water usage.

In FY21, data centers accounted for approximately 70% of DXC's carbon emissions, and as we decrease office space in our shift to a virtual-first business model, data centers will become our primary source of carbon emissions. To address this, our data center optimization program seeks to implement site efficiency measures and consolidate workloads to reduce energy consumption and IT loads and improve utilization and efficiency.

To give context to this opportunity, since our baseline of FY19, we have achieved a 24% reduction in energy use, exceeding our FY22 target of reducing energy consumption by 12% across our data centers and global office portfolio.

Energy reductions also mean savings are made through lower taxation in countries where regulations apply. While not wholly significant to the global business, they represent efficiency savings for the bottom line and bring reputational benefits.

Managing the operational efficiency of our business assets is an important aspect of our environmental strategy. The opportunity that our energy efficiency management system brings us is substantial cost savings associated with energy spend, along with reductions to various taxation costs directly linked with energy consumption in different regions.

Improving the resilience of our business assets to acute climate risk, such as extreme weather events, also helps us improve our reputation with our customers by offering a secure service with lower risk of disruption. The extra resilience, along with potential bottom-line cost savings, gives DXC competitive advantage as a reliable supplier.

3. Expanding Scope 3 emissions management to our supply chain will give us better line of sight to the full carbon footprint of our operations and provide additional opportunities to reduce climate-related impacts.

To more accurately define our total climate-related impacts from operations, we expect to begin gathering the Scope 3 emissions of our supply chain in FY22. Our strategic suppliers, representing about one third of our third-party expenditures, have all set aggressive climate-related targets and are making considerable progress toward reducing carbon emissions. Through partnerships with these suppliers and others we can collectively identify pathways to accelerate the reduction of climate-induced risk across our supply chain.

4. Expansion of climate-related offerings such as DXC Modern Workplace, cloud migration services, data-driven sustainability services and electric vehicle ecosystems can help customers achieve climate-related objectives.

Customer demand is increasing for products that help monitor or reduce climate-related impacts. DXC has multiple offerings that can help customers with their carbon reduction objectives, including DXC Modern Workplace, cloud migration services, data-driven sustainability services and electric vehicle ecosystems.

DXC Modern Workplace

DXC's Modern Workplace solution empowers employees to connect, collaborate and work seamlessly and securely on any device, anytime and anywhere. The ability to enable work from anywhere will reduce the need for employee commutes, enabling a direct carbon footprint reduction. Additionally, we are working with our partners to provide sustainable devices as a service capability by extending the PC lifecycle and helping to recycle and reuse devices to meet ESG metrics.

Cloud Migration

DXC helps enterprises modernize their IT estates to meet business demands with services for public, hybrid and multicloud environments and cloud platforms. DXC partners with AWS, Microsoft Azure, Google Cloud and VMware for cloud infrastructure and with SAP and Red Hat for cloud platforms. Collaborating with partners and enabling customer movements from on-premises solutions to the cloud is more efficient because less cooling is required. Cloud also requires fewer servers, which allows for greater energy reductions. DXC's cloud partners have all begun their decarbonization journeys. For example, Microsoft has committed to be carbon negative by 2030 and to support data centers with 100% renewable energy by 2025. This reduces customers' direct emissions by transferring them to efficient partner data centers, enabling lower Scope 3 emissions. Coupled with carbon savings, moving to the cloud typically produces 30% – 35% cost reductions for customers. By working with partners that offer decarbonization pathways, DXC is able to provide additional value to customers beyond price reductions by aligning with their decarbonization goals and ensuring that the carbon reductions associated with DXC's offerings and services are factored into decision making.

Data-Driven Sustainability Services

DXC's data-driven sustainability services help customers manage and achieve their climate goals by harnessing data from their own systems to enable better carbon-related decisions, as well as by developing solutions to enable better carbon reduction collaboration between their customers.

Electric Vehicle Ecosystems

DXC Luxoft is the world's leader in electric vehicle (EV) ecosystems, enabling large-scale EV charging infrastructures around the world. DXC Luxoft's fully customizable, charging-point software platform improves the driver experience by standardizing the entire process. The platform's straightforward interface and flexible settings allow charging point operators (CPOs) to create an EV charging network, define the process and develop financial aspects to provide drivers with electricity. The platform integrates a payment system with charging point management, an effective method of charging electric cars and keeping independent CPOs profitable.

This new system is establishing the digital foundation for a robust EV charging network. Greater flexibility, plus cost and time savings on network maintenance, standardizes CPO operations and increases profitability. Charging point features are designed around driver needs (e.g., advance booking features and charging time calculations for specific EVs), encouraging EV adoption. When this system was implemented in Ukraine, EV registration grew by 58% in the first 6 months of 2019.

- 5. Continued development and expansion of innovative technologies such as DXC Modernization Studio and DXC Platform X can help accelerate customer carbon-reduction strategies.**

DXC Modernization Studio is a suite of tools that allows customers to quickly assess and plan the impacts of migration and modernization of their IT estates. This includes a green benefits assessment, which quantifies the carbon footprint of their IT estates and potential benefits of transformation strategies. Based on a streamlined questionnaire, the tool assesses agility, governance, technology simplicity, business speed, estimated carbon reductions that could be achieved through modernization, organizational capacity for change, ease of integration and server over-provisioning. The tool offers insights to assist in developing a roadmap for modernization and carbon footprint reduction by easily identifying blockers, gaps and performance relative to industry benchmarks. The tool was developed in collaboration with Oxford environmental professors and industry financial leaders to ensure accurate and calibrated metrics. Its simplicity offers customers a quick and holistic way to assess their carbon footprints and size their roadmaps to accommodate their climate ambitions, affordability and organizational bandwidth.

DXC Platform X™ is our data-driven intelligent automation platform that enables customers to accelerate the journey to resilient, self-healing IT across their entire IT estates. The platform empowers IT teams to detect and resolve issues quickly and automatically predict and prevent problems before they happen. Systems achieve a state of “silent operation,” meaning environments do not fail. This helps improve efficiency and makes DXC a trusted partner to run mission-critical systems. Investments in our technology help us to simplify our operations, giving us the opportunity to unlock value and reduce overhead costs.

Using the platform, customers can avoid costly business disruptions through AI-enabled proactive detection that can prevent up to 15% of critical system outages. A reduction in outages and increase of proactive automated remediation results in a reduction in human labor, reducing overall energy consumption. This is particularly evident with our field services workforce where location consolidation and labor efficiencies from new technology may reduce travel and result in fewer vehicles on the road.

Achieving greater operational resiliency for our customers also drives less reactive and costly human “fire drill” behavior, which provides additional energy efficiencies and enables DXC and our customers to focus on their business. Our customers have more resources (e.g., time, funding) to apply to their own environmental emissions reductions and zero-carbon plans. In addition, DXC Platform X provides a modern AI-enabled dashboarding application for our customers and DXC with point-and-click visualizations and a searchable and customizable interface. This dynamic portal will likely influence users to avoid printing and reduce paper consumption.

Metrics and Targets

Targets

	FY19 baseline	FY20	FY21	FY22 target
Carbon emissions (tCO ₂ e)	982,733	780,289	517,796	786,186
Electricity consumption (MWh)	1,799,678	1,609,412	1,362,826	1,583,717
Renewable energy (MWh)	523,603	508,542	454,961	475,115
Water (m ³)	2,715,212	2,420,724	1,737,155	2,307,930

Annual Emissions (tCO₂e)

		FY19	FY20	FY21
Scope 1 emissions (tCO ₂ e)		70,222	41,423	33,707
Scope 2 emissions (tCO ₂ e)	Location Based	806,180	668,750	481,740
	Market Based	609,839	490,530	347,174
Scope 3 emissions (tCO ₂ e)	Business Travel	106,331	70,116	2,349
Total emissions		982,733	780,289	517,796

FY21 Energy Consumption

	MWh from renewable sources	MWh from nonrenewable sources	Total (renewable and nonrenewable) MWh
Consumption of fuel (excluding feedstock)	0	94,954	94,954
Consumption of purchased or acquired electricity	453,702	907,865	1,361,567
Consumption of purchased or acquired steam	0	6,329	6,329
Consumption of purchased or acquired cooling	0	1,960	1,960
Consumption of self-generated non-fuel renewable energy	1,259	-	1,259
Total energy consumption	454,961	1,011,108	1,466,069

FY21 Renewable Energy

	MWh
Wind	270,164
Low-carbon energy mix	181,192
Hydropower	2,346
Solar	1,259
Total renewable energy	454,961

Verification

DXC's greenhouse gas reporting is aligned to the requirements of the Greenhouse Gas Protocol and is externally assured in accordance with ISO 14064-3:2019. Limited Assurance has been provided by Carbon Intelligence Energy Services Ltd for FY21 greenhouse gas emissions. In FY19 and FY20 limited assurance of greenhouse gas emissions was provided by Lloyd's Register.

Forward Looking Statements

All statements in this document that do not directly and exclusively relate to historical facts constitute "forward-looking statements." These statements represent current expectations and beliefs, and no assurance can be given that the results described in such statements will be achieved. Such statements are subject to numerous assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those described in such statements, many of which are outside of our control. Furthermore, many of these risks and uncertainties are currently amplified by and may continue to be amplified by or may, in the future, be amplified by, the coronavirus disease 2019 pandemic and the impact of varying private and governmental responses that affect our customers, employees, vendors and the economies and communities where they operate. For a written description of these factors, see the section titled "Risk Factors" in DXC's Annual Report on Form 10-K for the fiscal year ended March 31, 2021, and any updating information in subsequent SEC filings, including DXC's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021.

No assurance can be given that any goal or plan set forth in any forward-looking statement can or will be achieved, and readers are cautioned not to place undue reliance on such statements which speak only as of the date they are made. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date of this report or to reflect the occurrence of unanticipated events except as required by law.



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About DXC Technology

DXC Technology (NYSE: DXC) helps global companies run their mission critical systems and operations while modernizing IT, optimizing data architectures, and ensuring security and scalability across public, private and hybrid clouds. The world's largest companies and public sector organizations trust DXC to deploy services across the Enterprise Technology Stack to drive new levels of performance, competitiveness, and customer experience. Learn more about how we deliver excellence for our customers and colleagues at **DXC.com**.

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