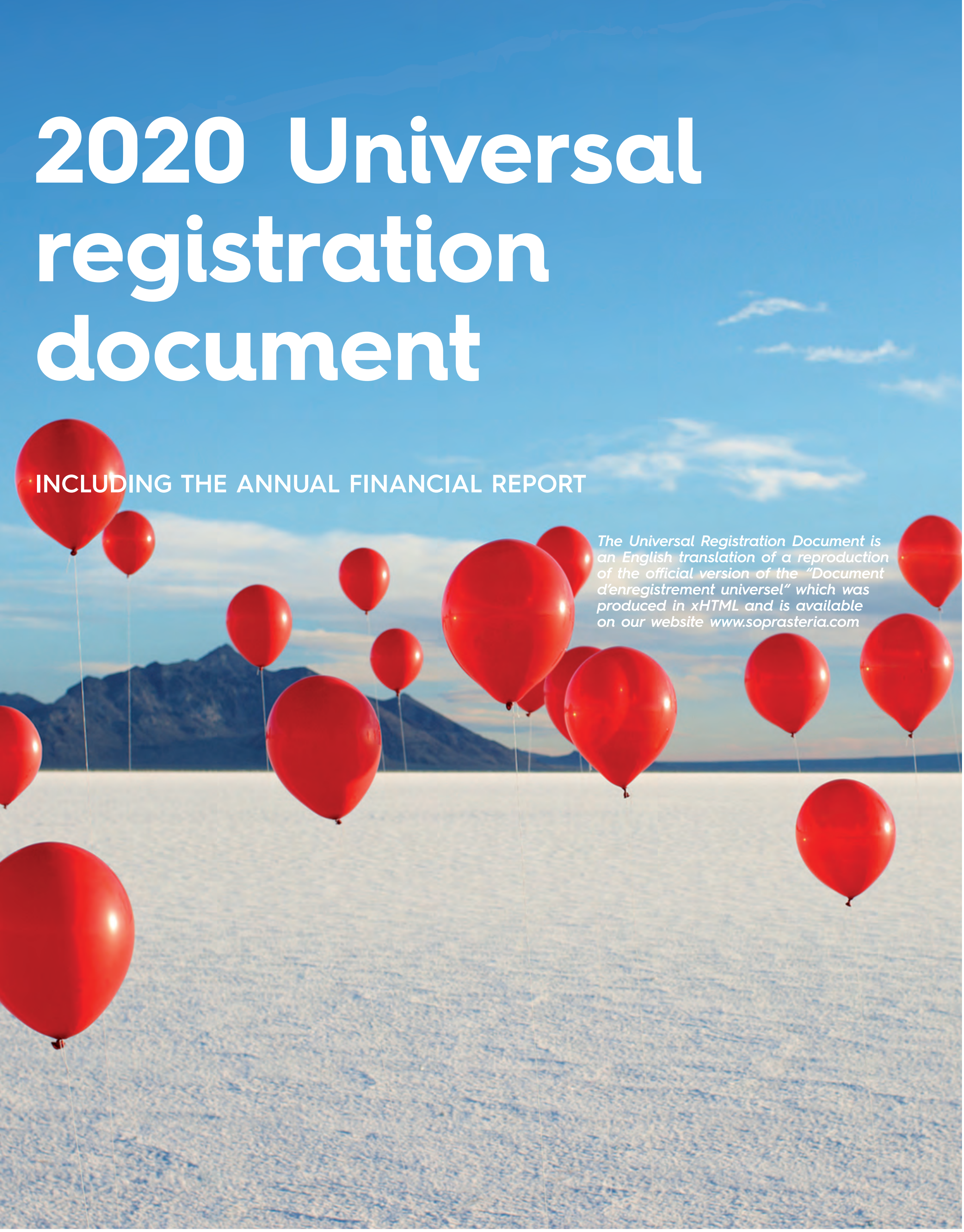
2020 Universal registration document

INCLUDING THE ANNUAL FINANCIAL REPORT

The Universal Registration Document is an English translation of a reproduction of the official version of the "Document d'enregistrement universel" which was produced in xHTML and is available on our website www.soprasteria.com



The world is how we shape it

sopra steria

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TRANSPARENCE LABEL OR 2020

This seal of quality is awarded to Universal Registration Documents achieving the highest level of transparency according to the Annual Transparency Rankings criteria.

Elements of the Annual Financial Report are identified by the logo AFR

2020 Universal registration document

INCLUDING THE ANNUAL FINANCIAL REPORT AND MANAGEMENT REPORT INCLUDING COMPONENTS OF THE STATEMENT OF NON-FINANCIAL PERFORMANCE

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French-language version of the Universal Registration Document was filed on 18 March 2021 with the Autorité des Marchés Financiers (AMF) in its capacity as competent authority in respect of Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The original French-language version of the Universal Registration Document may be used for the purposes of an offer to the public of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary and any amendments made to the Universal Registration Document. The resulting combined document is approved by the AMF in accordance with Regulation (EU) 2017/1129.

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the following information is included for reference in this registration document:

1. Relating to financial year 2018:

- the Management Report, included in the Registration Document filed on 12 April 2019 under number D.19-0319, is detailed in the cross-reference table (pages 262 to 263) – Information regarding the Management Report;
- the consolidated financial statements and the Statutory Auditors' report on those financial statements, included in the Registration Document filed on 12 April 2019 under number D.19-0319 (pages 107 to 174 and 175 to 178, respectively);
- the individual company financial statements of Sopra Steria and the Statutory Auditors' report on those financial statements, included in the Registration Document filed on 13 April 2018 under number D.19-0319 (pages 179 to 207 and 208 to 211, respectively);
- the Statutory Auditors' special report on related-party agreements and commitments, included in the Registration Document filed on 12 April 2019 under number D.19-0319 (pages 212 to 213).

2. Relating to financial year 2019:

- the Management Report, included in the Registration Document filed on 10 April 2020 under number D.20-0286, is detailed in the cross-reference table (pages 330 to 331) – Information regarding the Management Report;
- the consolidated financial statements and the Statutory Auditors' report on those financial statements, included in the Registration Document filed on 10 April 2020 under number D.20-0286 (pages 151 to 217 and 218 to 222, respectively);
- the individual company financial statements of Sopra Steria and the Statutory Auditors' report on those financial statements, included in the Registration Document filed on 10 April 2020 under number D.20-0286 (pages 223 to 250 and 251 to 254, respectively);
- the Statutory Auditors' special report on related-party agreements and commitments, included in the Registration Document filed on 10 April 2020 under number D.20-0286 (pages 255 to 256).

The information included in both of those registration documents, other than the information mentioned above, has been replaced and/or updated, as applicable, by the information included in this Universal Registration Document.

This document is a free translation into English of the original French "Document d'enregistrement universel", referred to as the "Universal Registration Document". It is not a binding document. In the event of a conflict of interpretation, reference should be made to the French version, which is the authentic text.

Message from the Chairman

At the same time a year ago, Sopra Steria had successfully reached several key milestones in the implementation of its corporate plan. We had met our annual earnings targets, and were resolutely adopting a medium-term perspective as we looked at ways of speeding up our development and confirming the performance trajectory that we had set for ourselves.

But this vision was swiftly disrupted as the Covid-19 virus took hold, triggering a serious economic crisis. The pandemic-related restrictions caused a wholesale drop in demand, especially in aerospace and railways, sectors in which Sopra Steria has a very strong presence. Conversely, our Group gained real traction in defence and broadly across the public sector, where we also have strong positions.

Amid these challenging conditions, our top priorities were keeping our employees safe and safeguarding service delivery for our clients. We also took steps to protect our skills base and jobs, even in the most severely affected sectors of activity.

The effects of the Covid-19 crisis were compounded late in the year by the steps we had to take to defend ourselves against the cyberattack that targeted our Group. While the attack was rapidly detected and our clients' security maintained, some of our information and production systems remained down for several weeks as a result of the remedial measures we took.

Despite the challenges, our results – both in terms of revenue and operating margin – reflect our impressively high level of resilience in 2020. Sopra Steria also generated strong cash flow, helping to cut the Group's net financial debt by 17.2%.

Even though major uncertainties remain at the start of the current year, Sopra Steria intends to build on its strong foundations and accelerate the execution of its strategic plan in 2021. The priorities are to bolster our consulting business and press ahead with digitalising our transformation solutions. In the banking sector, we will step up our drive to harness synergies between the software, consulting, integration and service businesses.

We will also push forward with an aggressive, but targeted acquisitions policy.

From the current year, we anticipate renewed organic growth in our business and an improvement in our operating margins.

Over the medium term, we confidently expect to be able to execute an ambitious, independent and value-creating corporate plan for all our stakeholders. This plan brings together employees, shareholders and partners, and targets a high level of business performance, while making a sustainable, human, purposeful contribution to society.

"Sopra Steria intends to build on its strong foundations and accelerate the execution of its strategic plan in 2021."

Pierre Pasquier
Chairman and Founder of Sopra Steria Group

Key figures for 2020

Sopra Steria, a European leader in consulting, digital services and software development, helps its clients drive their digital transformation and obtain tangible and sustainable benefits.

The Group provides end-to-end solutions to make large companies and organisations more competitive by combining in-depth knowledge of a wide range of business sectors and innovative technologies with a fully collaborative approach.

Sopra Steria places people at the heart of everything it does and is committed to making digital technology work for its clients in order to build a positive future.

Revenue

€4.3bn

Organic growth of -4.8%[1]

€3.6bn Digital services
€0.7bn Development of business solutions

Operating profit on business activity

€300.2m

7.0% of revenue

Net profit attributable to the Group

€106.8m

2.5% of revenue

Basic earnings per share

€5.27

Dividend per share

€2.00[2]

Number of employees

45,960

Number of offices

184

Number of countries

25

Equity

€1.4bn

Net financial debt

€425.6m

equal to 1.1 x 2020 pro forma EBITDA before the impact of IFRS 16

Market capitalisation at 31/12/2020

€2.7bn

TOP 5
European digital services companies

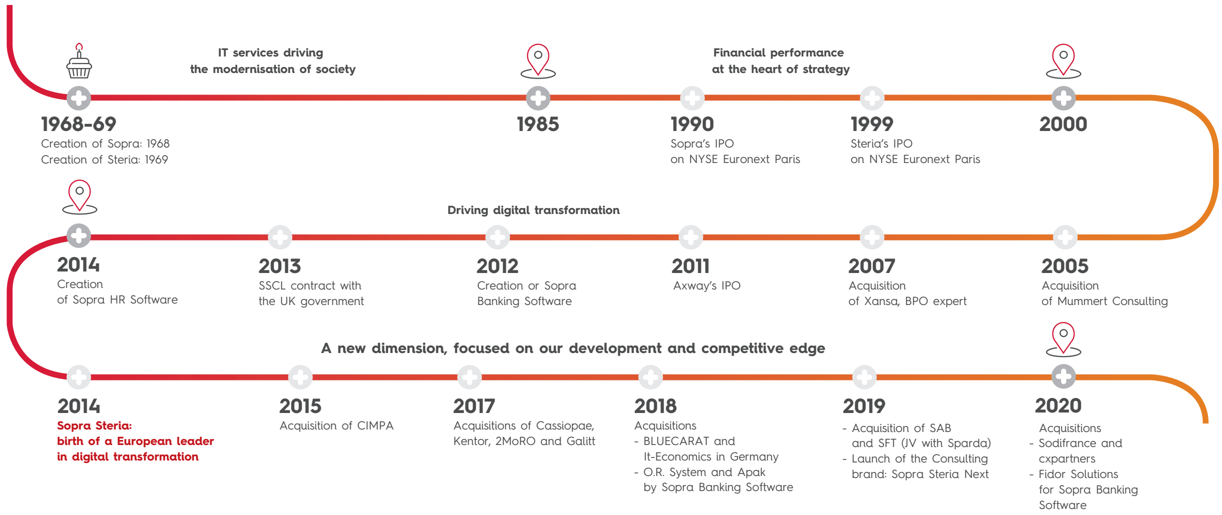
TOP 10
European digital services companies

(1) Alternative performance measures are defined in the glossary of this document
(2) Dividend proposed for approval at the General Meeting of 26 May 2021

See Chapter 5 for more information

History and corporate plan

More than 50 years of continuous growth and transformation



Sopra Steria was formed from the 2014 merger between Sopra and Steria, two of France's longest-standing digital services companies founded in 1968 and 1969 respectively. Both companies have always been driven by entrepreneurial spirit and a collective commitment to meeting clients' needs. The Group is now a European leader in digital transformation solutions.

Key points of the corporate plan

An independent model

An independent model built on long-term vision and business performance, upholding the Group's responsibilities to the environment and to its stakeholders as a good corporate citizen.

Entrepreneurial culture

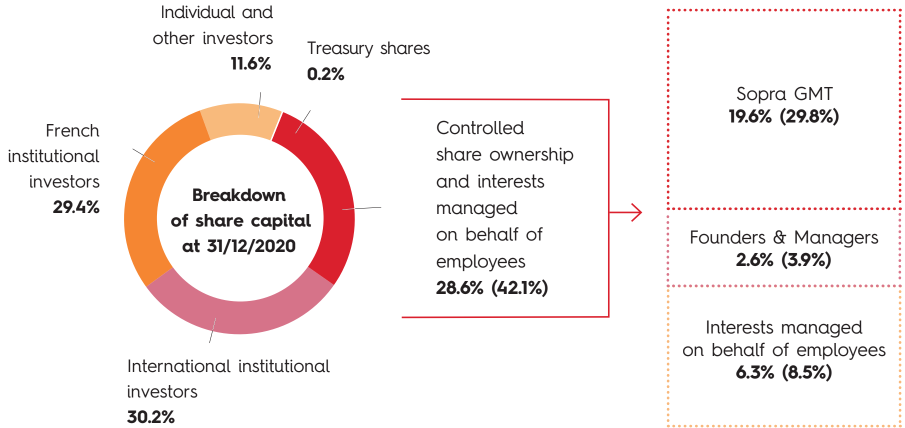
Agility, rapid decision-making, and speed of execution are hard-wired into Sopra Steria's DNA. Our ethos is predicated on an unwavering focus on client service, autonomous decision-making, collective endeavour and respect for others.

Importance of human capital

A rigorous talent-focused human resources policy combining strong collective mindset and the development of employees' skills.

See Chapter 1 for more information

A core shareholder backing the corporate plan



20,547,701 listed shares
26,583,239 exercisable voting rights
XX.X% = percentage of share capital held
(XX.X%) = percentage of exercisable voting rights

TPI survey of identifiable owners of shares at 31/12/2020 - Ownership threshold of over 1,000 shares

See Chapter 7 for more information

Our mission and values

Our mission

Technology serves as a gateway to infinite possibilities. As fascinating as this never-ending stream of innovations is, it also raises questions as to what is actually behind the frantic race for novelty and change.
Solutions are never straightforward or obvious, and there is certainly never just one way of doing things.

At Sopra Steria, our mission is to guide our clients, partners and employees towards bold choices to build a positive future by putting digital technology to work in service of humanity.

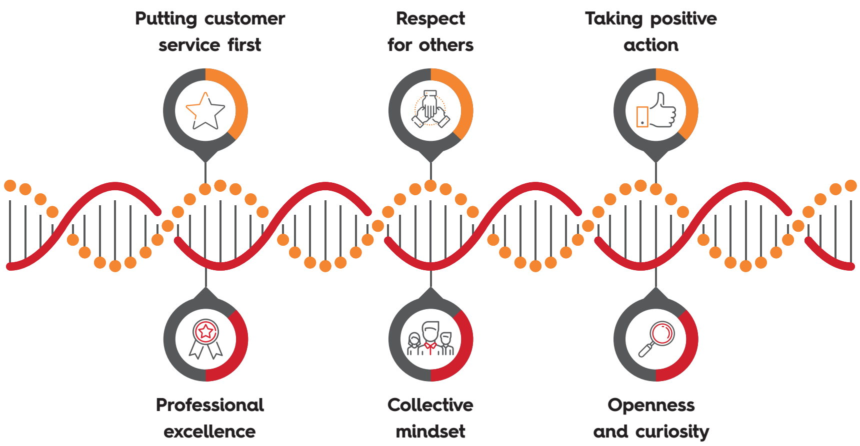
Beyond technology, we set great store by collective intelligence, in the firm belief it can help make the world a better place.

Together, we are building a highly promising future by delivering tangible benefits: sustainable solutions with positive impacts that take full account of interactions between digital technology and society.
There's still so much more we can achieve together.

Dare together

At Sopra Steria, we strive to create a stimulating, group-oriented environment inspiring free thinkers to engage in open and frank discussions. Our goal is to foster the development of skills and entrepreneurship in a community driven by a thirst for collective success.

Values that bring us together



Putting customer service first

We make a commitment to our clients over the long term to enhance their performance and enable them to reach the next level by leveraging our specialised knowledge of their sector of activity and innovative technologies.

Respect for others

Our core belief is that our collective endeavour makes us stronger, and that by working together we can find the best solutions. That's why we always listen carefully to and forge close relationships with our clients, partners and employees.

Taking positive action

We want to make innovation deliver results for as many people as possible and offer sustainable solutions with a positive impact that responsibly and ethically shape interactions between digital technology and society.

Professional excellence

We offer our visionary, integrated approach and our broad range of expertise to help guide our clients, partners and employees towards bold choices and convert opportunities into tangible, sustainable results.

Collective mindset

We believe collective intelligence, harnessing team spirit and each individual's talents, can help drive positive change and make the world a better place in a sustainable manner, exceeding what technologies alone can do.

Openness and curiosity

We encourage a bold, curious and accountable approach and seek to explore new avenues and employee innovative new technologies that can deliver transformative changes for everyone's benefit.

Governance

Board of Directors

Pierre Pasquier
Chairman

14 Members
- 12 Directors appointed at the General Meeting
- 2 Directors representing the employees

42%* Female Directors

58%* Male Directors

67%** Independent Directors

3 Nationalities

62.6 Average age of Board members

Composition at 25 February 2021
(*) 5/12 women - 7/12 men
(**) 8/12 Board members qualify as independent based on the AFEP-MEDEF Code's requirements

It is a top priority for the Board of Directors to have a diverse range of skills. The Company has identified ten key competencies that it would like to be represented within the Board of Directors. These skills and areas of experience are as follows:

- **64%** Knowledge of consulting, digital services, software development, ability to promote innovation
- **57%** Knowledge of one of the Group's main vertical markets
- **50%** Entrepreneurial experience
- **36%** CEO of an international group
- **57%** Finance, risk management and control
- **50%** Human resources and labour relations
- **64%** International teams and organisations
- **50%** Societal issues
- **36%** Knowledge of Axway Software
- **43%** Operational experience within the Sopra Steria Group

See Chapter 3 for more information

Executive Management

The Group is made up of a corporate function and a number of operational divisions. The Executive Management team is responsible for running the Group, with support from the Executive Committee (ExCom), the Operations Committee and the Management Committee.

The Executive Management team consists of Vincent Paris (Chief Executive Officer), John Torrie (Deputy Chief Executive Officer) and Laurent Giovachini, (Deputy Chief Executive Officer).

The Executive Committee (ExCom) has 17 members. It supervises the Group's organisation, management system, major contracts and support functions and entities. It is involved in the Group's strategic planning and implementation. Two of its members are women.

12% of ExCom members are women

The Operations Committee consists of the Executive Committee members and 18 operational managers of key countries and subsidiaries. Four of its members are women.

The Management Committee consists of the members of the Operations Committee and 18 operational and functional managers (purchasing, internal control, industrial department, finance, property, marketing and communications, investor relations and human resources). Eight of its members are women.

See Chapter 1 for more information

Corporate responsibility

Together, building a positive future by making digital work for people.

At Sopra Steria, we firmly believe that digital technology can create opportunity and progress for all. When closely linked to humanity, it creates a virtuous circle that benefits society as a whole. Sopra Steria has chosen to be a "contributor" company involved in building a sustainable world in which everyone has a part to play.

Seven key commitments, all directly aligned with the Group's business model, underpin its corporate responsibility strategy:

- Benchmark employer
- Constructive and open dialogue with stakeholders
- Long-term partner for our clients
- Involving the entire value chain in our corporate social responsibility programme
- Reduction in our environmental impact, contribution to a net-zero greenhouse gas (GHG) emissions economy
- Ethical business conduct
- Supporting local communities

Three priorities:

Helping combat climate change

Sopra Steria has committed to achieving net zero emissions by 2028

- Since 2015, greenhouse gas emissions related to our direct activities have fallen, in line with the objectives aligned with a 1.5°C trajectory, as certified by SBTi[2];
- Incorporation of emissions related to indirect activities in the carbon neutral programme;
- Offset of emissions not averted through investment in carbon capture projects.
- Carbon neutrality of emissions from direct activities since 2015 and integration of emissions from indirect activities in this programme by 2028.

88% reduction in business travel as a result of the Covid-19 pandemic

-36.7% Reduction in GHG emissions[1] per employee in 2019 (2015 base)

-74.0% Reduction in GHG emissions[1] per employee in 2020 (2015 base)

Ambitious policy of bringing more women into the management team

The Group's target is for women to account for 30% of Executive Committee members[3] by 2025

- Further increase in the number of female Group employees;
- Roll-out of the Gender Equality Tour training programme;
- Two women joined the Executive Committee in 2020

32.5% Women as % of 2020 workforce *(2019: 32.0%)*

34.0% Women as % of new hires in 2020 *(2019: 31.1%)*

Digital sustainability in our value proposition

Sopra Steria is accelerating innovation and digital inclusion

- Digital systems helping our clients achieve their sustainability goals;
- Digital inclusion outreach programmes;
- Sopra Steria Next signed up to the Digital Responsibility Charter.

162 Outreach projects supported by the Group including **17 digital projects** by the **Sopra Steria-Institut de France Foundation**

Recognition of ESG commitments[4] by the leading rating agencies in 2020

Non-financial rating agencies	MSCI	Sustainalytics	Vigeo Eiris	ISS QualityScore *1 for best to 10 for worst*	CDP Climate Change	CDP Supplier Engagement Rating	EcoVadis
Score/Category	AA Leader	73/100 Outperformer	62/100 Advanced	3	A List	A	Top 1% Platinum

(1) Greenhouse gas emissions from business travel, offices and on-site data centres
(2) SBTi: Science Based Targets initiative
(3) Group Executive Committee
(4) Environmental, Social and Governance

See Chapter 4 for more information

Business model and...

Our vision

The digital revolution has triggered a radical transformation in our environment. It is speeding up changes in our clients' business models, internal processes and information systems. In this fast-changing environment, we bring our clients new ideas and support them in their transformation by making the most effective use of digital technology.

Our business

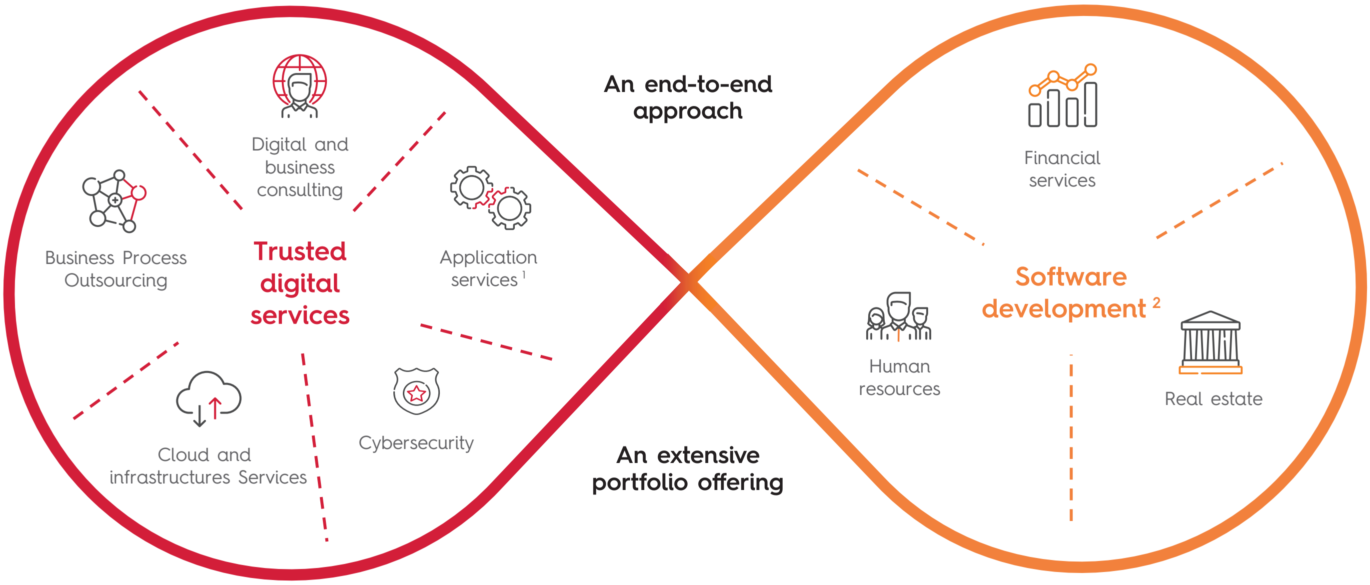
Sopra Steria provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow, supporting them throughout their digital transformation in Europe and around the world.

Our market

- Spending on digital services in Western Europe: $265.6bn in 2020*
- A market forecast to grow more than 5% over the period 2021 - 2024.*
- Sopra Steria ranks among the top 10 digital services companies operating in Europe (excluding captive service providers and purely local players).

(*) Source: Gartner, Q4 2020, in constant US dollars.

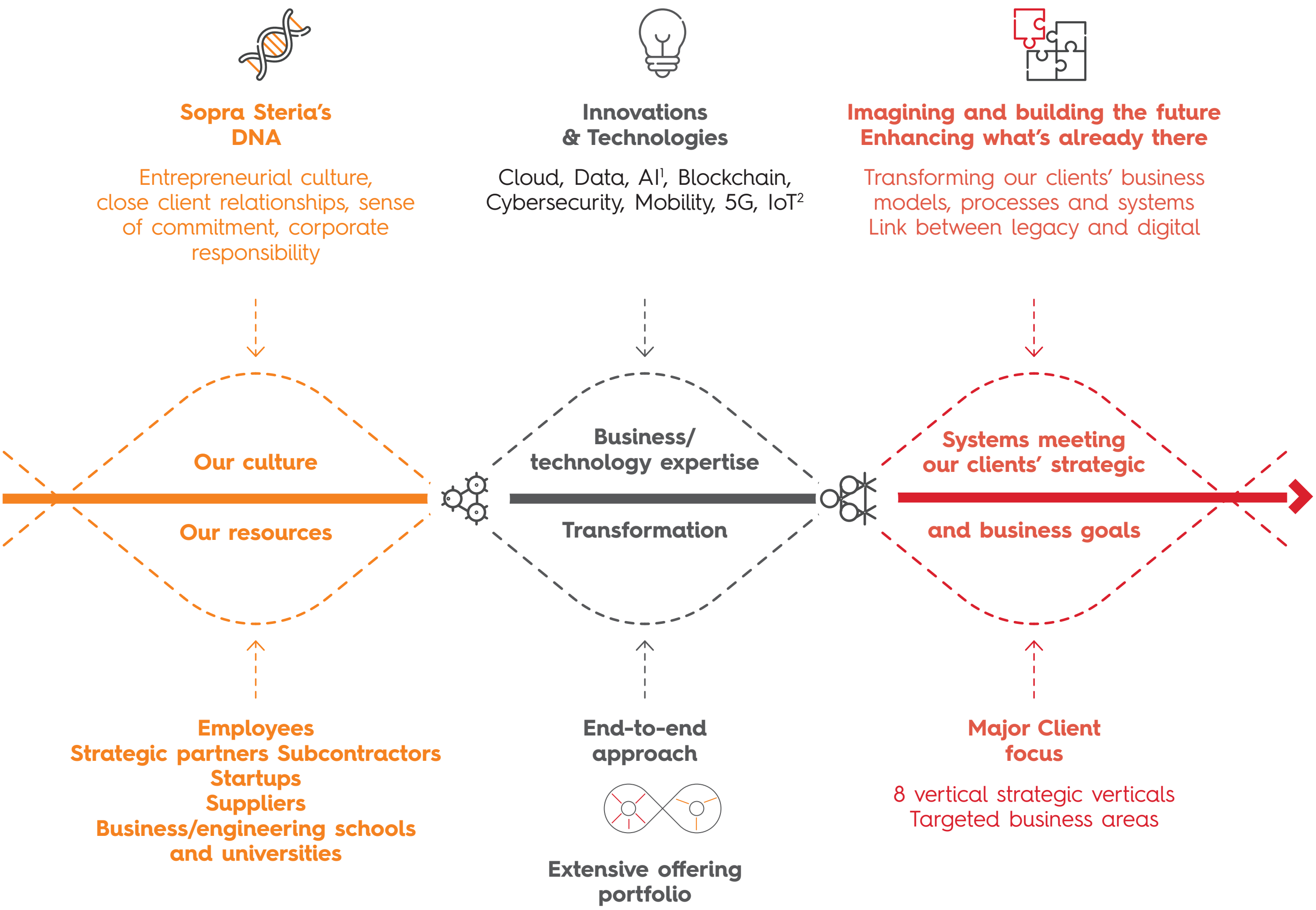
Our offering



(1) Systems integration and third-party application maintenance
(2) Licensing model and SaaS/Cloud model

See Chapter 1 for more information

... value chain



Sample value creation performance measures for our main stakeholders

Employees
- Great Place to Work survey
- Attrition rate
- Number of hours of training provided

Clients
- Customer Voice survey
- Organic revenue growth

Shareholders
- Share price
- Dividend
- Non-financial rating agencies' rating

Company
- GHG emissions[3]
- CDP ranking
- EcoVadis assessment

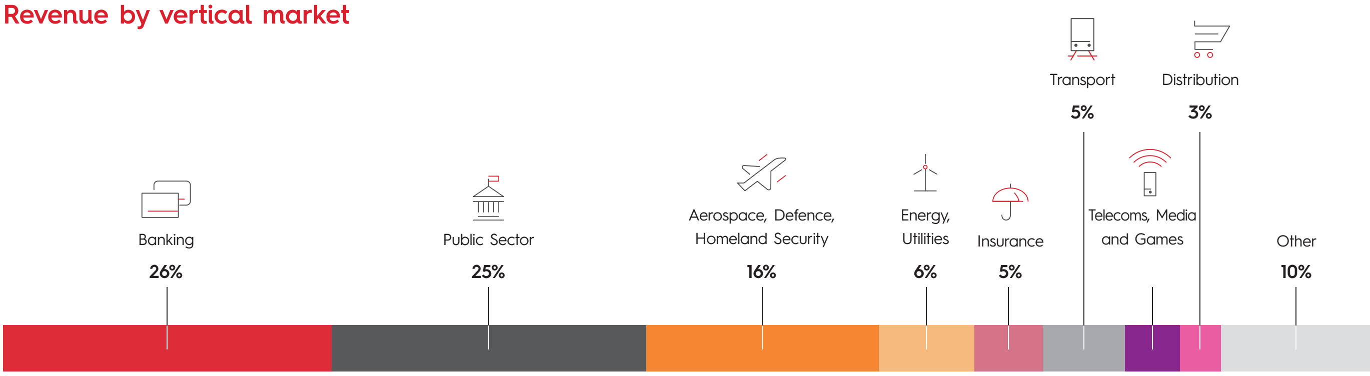
(1) AI: Artificial intelligence
(2) IoT: Internet of things
(3) Greenhouse gases

See Chapters 1 and 4 for more information

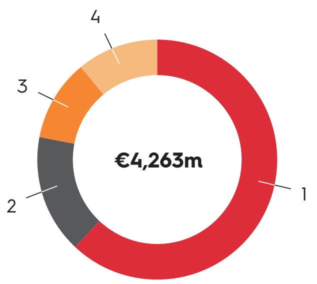
Breakdown of revenue and the workforce

Breakdown of revenue

Revenue by vertical market

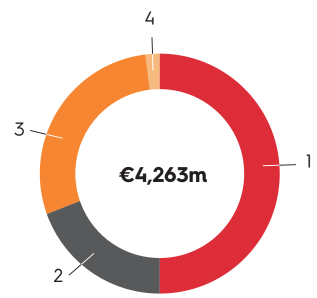


Group revenue by business line



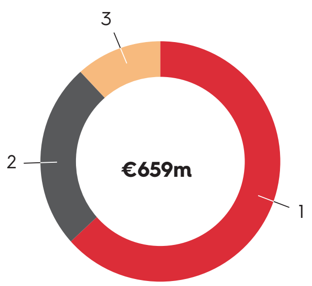
1	Consulting & Systems Integration	60%
2	Development of Business Solutions	15%
3	Cloud & Infrastructure Management	10%
4	Business Process Services	15%

Group revenue by region



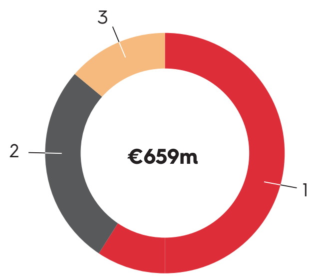
1	France	48%
2	United Kingdom	18%
3	Other Europe	32%
4	Rest of the World	2%

Solutions revenue by product



1	Sopra Banking Software	64%
2	Sopra HR Software	24%
3	Property Management Solutions	12%

Solutions revenue by region



1	France	59%
2	Rest of Europe	26%
3	Rest of the World	15%

Workforce

Group
45,960
employees

France
19,799

United Kingdom
6,646

Other Europe
10,885

Rest of the World
523

X-Shore[1]
8,107

See Chapter 5 for more information

(1) India, Poland, Spain and North Africa

Strategy and Ambitions

Strategy

Sopra Steria's strategy is built around its independent corporate plan for sustainable value creation for its stakeholders. It is a European project underpinned by expansion through organic and acquisition-led growth. The goal is to generate substantial added value by harnessing a full range of powerful consulting and software solutions deployed using an end-to-end approach and bringing to bear our combined technology and sector-specific expertise.

Our ambition is to be the partner of choice in Europe for major public administrations, financial and industrial operators and strategic businesses, when they are looking for support with driving the digital transformation of their activities (business and operating model) and their information systems, and preserving their digital sovereignty.

Strategic levers – IT services

- Sector and client focus
- End-to-end approach
- sopra steria next — Strengthening of consulting
- Overhaul of legacy application transformation
- At-scale production model

Strategic levers – Software

- Sopra Banking Software — Sopra Banking Platform, Sopra Financing Platform
- sopra hr SOFTWARE, SOLUTIONS IMMOBILIER by sopra steria — Digital end-to-end approach

Medium-term ambitions

The project has enjoyed the benefit of an upbeat market for digital services, which have had the wind in their sails for several years now as a result of the digital transformation being undertaken by businesses and institutions looking to increase their resilience.

Over the medium term, Sopra Steria is targeting compound annual organic revenue growth of between 4% and 6%, an operating margin on business activity of around 10%, and free cash flow of between 5% and 7% of revenue.

See Chapter 1 for more information

Risk Management

Participants in internal control and risk management

Board of Directors / Audit Committee

Executive Management

1st line of control

Operational management
All entities
All geographies
All business activities

2nd line of control

Operational management
Financial
Industrial
Human Resources Legal
Sustainable Development
& Corporate Responsibility

Internal Control

3rd line of control

Internal Audit

External audit

Identification of the Group's main risks

The most significant risks specific to Sopra Steria are set out below by category and in decreasing order of criticality (based on the crossover between probability of occurrence and the estimated extent of their impact), taking account of mitigation measures implemented. This presentation of net risks is not intended to show all Sopra Steria's risks.

The table below shows the results of this assessment in terms of net importance on a scale of three levels, from least important (+) to most important (+++).

Risks related to strategy and external factors	*Materiality*
• Adaptation of services to digital transformation, innovation	+++
• Significant reduction in client/vertical activity	++
• Acquisitions	++
• Attacks on reputation	++
Risks related to operational activities	
• Cyberattacks, systems security, data protection	+++
• Extreme events and response to major crises	+++
• Marketing and execution of managed/operated projects and services	+
Risks related to human resources	
• Development of skills and managerial practises - ***SNFP****	++
• Attracting and retaining employees - ***SNFP****	+
Risks related to regulatory requirements	
• Compliance with regulations - ***SNFP****	+

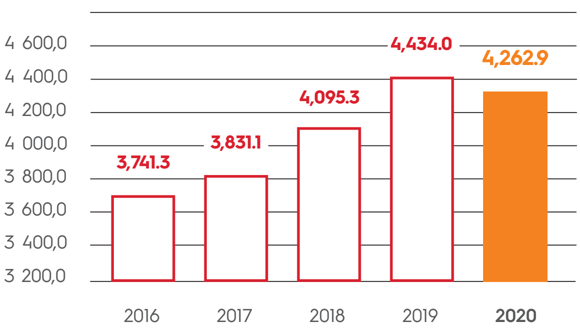
The internal control system and risk management policies implemented by the Group aim to lower the probability of occurrence of these main risk factors and their potential impact on the Group.
Each of these risk management policies is laid down in detail in the "Risk factors and internal control chapter" of this document.

*SNFP
This risk also relates to concerns addressed by the regulatory changes set out in Articles L. 225-102-1 III and R. 225-105 of the French Commercial Code, which cover the Company's Statement of Non-Financial Performance

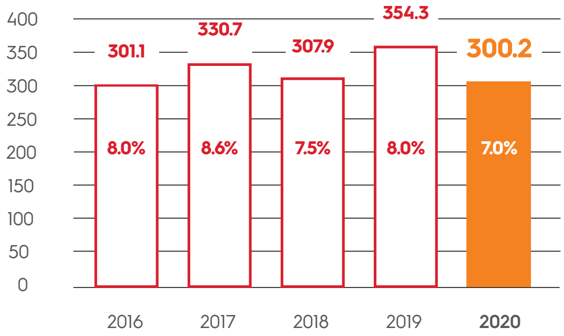
See Chapter 2
for more information

Financial performance

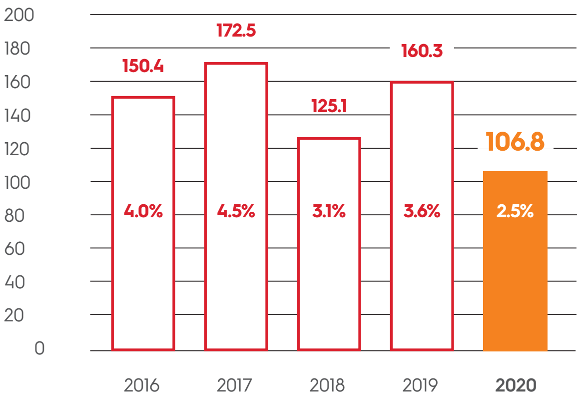
Revenue
in millions of euros



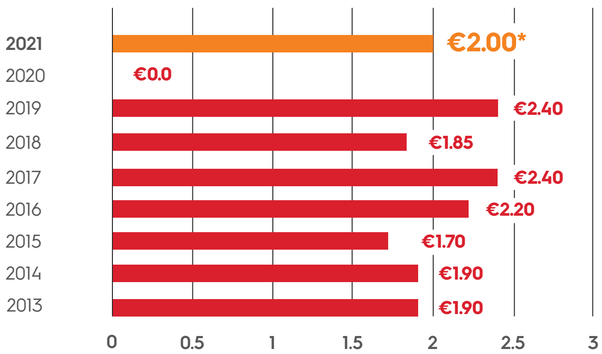
Operating profit on business activity
in millions of euros and % of revenue



Net profit attributable to the Group
in millions of euros and % of revenue

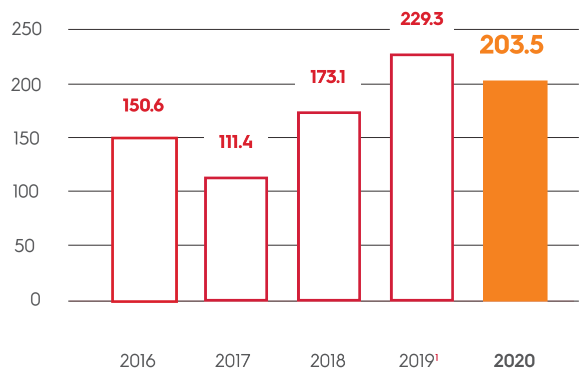


Dividend in euros
per share



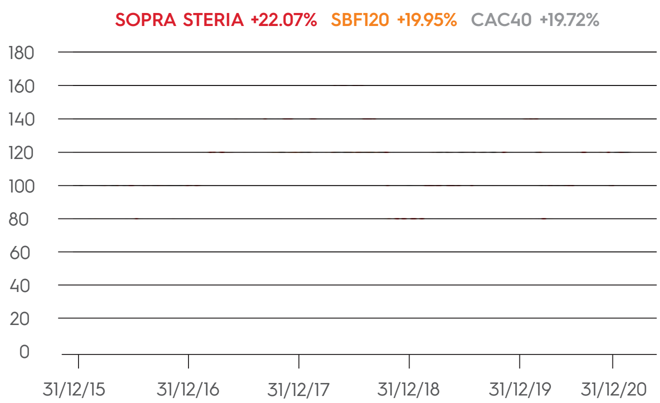
* Amount proposed to the General Meeting of 26 May 2021

Free cash flow
in millions of euros



(1) Free cash flow calculated excluding the assignment of trade receivables leading to their deconsolidation (€37m assigned in 2017)

Sopra Steria share price over 5 years*
Compared to performance of SBF 120 and CAC 40



* Rebased 100 at 31 December 2015

(Source: Euronext Paris)

Dialogue with investors

Factsheet

Listing	Euronext Paris
Market	Compartment A
ISIN	FR0000050809
Ticker symbol	SOP
Main indices	SBF 120, CAC All-Tradable, CAC All-Share, CAC Mid & Small, CAC Mid 60, CAC Soft. & C.S., CAC Technology, Euronext FAS IAS, Next 150, Euronext Eurozone ESG Large 80 Euronext Eurozone 300, Ethibel Sustainability

Eligible for "PEA" Share Savings Plan in France
Eligible for Deferred Settlement Service

2020 financial calendar

26 February 2021 before market open	2020 annual revenue and earnings*
28 April 2021 before market open	Q1 2021 revenue
26 May 2021	Annual General Meeting
01 June 2021	Ex-dividend date
03 June 2021	Dividend payment
29 July 2021 before market open	2021 half-year revenue and earnings*
29 October 2021 before market open	Q3 2021 revenue

* The full-year and half-year results are presented at bilingual webcast meetings in French and English.

Meetings with investors

The Investor Relations Department builds a dialogue with the investor community throughout the year. It endeavours to meet with all shareholders, investors and financial analysts in the world's main financial markeplaces during roadshows or conferences, as well as on the occasion of annual and interim financial reports and presentations to the General Shareholders' Meeting.

Institutions met	Meeting	Countrie covered	Cities covered
169	146	9	14

Roadshow	Conferences
19	6

TRANSPARENCE LABEL OR 2020

This seal of quality is awarded to Universal Registration Documents achieving the highest level of transparency according to the Annual Transparency Rankings criteria.

Percentage of Group's share capital held by institutional investors

30.2%
International institutional investors

29.4%
French institutional investors

Percentage of Group's share capital held by individual shareholders

8%
percentage of share capital held by individual shareholders

TPI survey of identifiable shareholders at 31/12/2020
Ownership threshold of over 1,000 shares

Sopra Steria received an award from The Technical Committee of the Grand Prix de la Transparence* in 2020

5th place
Top 5 position in the Grand Prix de la Transparence for regulated information

Universal Registration Document and invitation to AGM
Sopra Steria ranks among the top 3 companies nominated for the Grand Prix de la Transparence for regulated information for its Universal Registration Document and its invitation to the General Shareholders' Meeting.

* Technical Committee of the Grand Prix de la Transparence awards held by Labrador

Contacts

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Group website
https://www.soprasteria.com

Investors
https://www.soprasteria.com/investors

Sustainable Development & Corporate Responsibility
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https://www.linkedin.com/company/soprasteria

https://www.youtube.com/user/SteriaGroup

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1. Sopra Steria Group at a glance

Corporate name: Sopra Steria Group

Until 2 September 2014, the name of the Company was "Sopra Group". As a result of the successful public exchange offer made by Sopra Group for the shares of Groupe Steria SCA (see press release dated 6 August 2014), the Board of Directors met on 3 September 2014, with Pierre Pasquier presiding, and recorded the entry into effect of several resolutions conditionally adopted at the General Meeting of 27 June 2014.

Among the consequences of the implementation of these resolutions was the change in the corporate name from "Sopra Group" to "Sopra Steria Group".

Registered office: PAE Les Glaisins, Annecy-le-Vieux, 74940 Annecy – France. The telephone number is +33(0)4 50 33 30 30.

Executive Management: 6 avenue Kleber, 75116 Paris – France. The telephone number is +33(0)1 40 67 29 29.

Legal form: French *société anonyme*.

Company website: https://www.soprasteria.com

Date of incorporation: 5 January 1968, with a term of fifty years as from 25 January 1968, renewed at the General Meeting of 19 June 2012 for a subsequent term of ninety-nine years.

Country where the entity is incorporated: France

Country where registered office is located: France

Name of the parent company: Sopra Steria Group

Name of the controlling company: Sopra Steria Group

Principal entity: Sopra Steria Group

Corporate purpose: "The Company's purpose is:

To engage, in France and elsewhere, in consulting, expertise, research and training with regard to corporate organisation and information processing, in computer analysis and programming and in the performance of customised work.

The design and creation of automation and management systems, including the purchase and assembly of components and equipment, and appropriate software.

The creation or acquisition of and the operation of other businesses or establishments of a similar type.

And, generally, all commercial or financial transactions, movable or immovable, directly or indirectly related to said corporate purpose or in partnership or in association with other companies or persons" (Article 2 of the Articles of Association).

Commercial registration: 326 820 065 RCS Annecy

Place where legal documents may be consulted: Registered office.

ISIN: FR0000050809

Legal Entity Identifier (LEI): 96950020QIOHAAK9V551

Financial year: From 1 January to 31 December of each year.

Appropriation of earnings according to the Articles of Association

"An amount of at least five per cent shall be deducted from the profit for the financial year, reduced by prior losses, if any, in order to constitute the statutory reserve fund. Such deduction shall cease to be mandatory when the amount in the statutory reserve fund is equal to one-tenth of the share capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings.

The General Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned at the General Meeting between all shareholders in proportion to the number of shares that they own.

The General Meeting may also decide to distribute amounts deducted from the reserves at its disposal, expressly indicating the reserve items from which the deductions are made. However, dividends shall first be withdrawn from the profits for the financial year." (Excerpt from Article 37 of the Articles of Association).

2. History of Sopra Steria Group

A LONG HISTORY OF ENTREPRENEURSHIP

Backed by our strong entrepreneurial culture and our sense of collective purpose, we work every day to deliver a range of solutions, from consulting to systems integration, on behalf of our clients. We aim to be the benchmark partner for large public authorities, financial and industrial operators, and strategic companies in the main countries where we operate. We focus on being relevant at all times and ensuring that our impact is a positive one, both for society and from a business perspective.

2014–2020

A new strategic plan to promote expansion and competitiveness

The Sopra Steria 2020 Project is launched to improve performance in all areas and increase added value. The acquisition of CIMPA in October 2015 boosts its presence in the product lifecycle management (PLM) market. Following the acquisition of software developer Cassiopae, finalised in January 2017, three new companies joined the Sopra Steria Group in 2017: Kentor, 2MoRO and Galitt.

In 2018, the Group acquires the German IT services company BLUECARAT to strengthen its position in Germany and offer new growth opportunities for its local subsidiary, as well as Apak to expand its range of lending solutions. In 2019, Sopra Steria takes two important steps forward in the core banking market: the acquisition of SAB, finalised on 7 August 2020, and the partnership with seven German banks in the Sparda banking group, involving the construction of a digital platform. At the end of 2019, Sopra Steria also bolsters its operations and consolidates its strategy by launching its new digital transformation consulting brand, Sopra Steria Next. With the acquisition of Sodifrance in 2020, the Group created a market leader in digital services for insurers and social security providers. In the United Kingdom, Sopra Steria acquired cxpartners, bolstering its expertise in user experience and ergonomic design. Lastly, Fidor Solutions, the software subsidiary of next-generation bank Fidor Bank specialising in digital banking solutions, joined the Group on 31 December 2020. With this acquisition, Sopra Banking Software has significantly accelerated the pace of its development, in particular by augmenting user features as part of its Digital Banking Engagement Platform (DBEP).

Today, the Group ranks among the top 5 European digital transformation players, having earned a reputation for providing end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow.

2014

Birth of a new European leader in digital transformation

Complementing each other in business strengths, strategic verticals and geographies while sharing a similar corporate culture, Sopra and Steria merge to give birth to Sopra Steria.

2000–2014

Assisting with digital transformation

In 2001, the Internet bubble bursts accelerating market changes. Clients are looking for global players capable of assisting them in transforming their businesses.

Steria rises to these challenges by completing major strategic acquisitions, including Bull's IT services business in Europe in 2001, Mummert Consulting in Germany in 2005 and the business process outsourcing (BPO) expert Xansa in 2007.

1985–2000

Strategic emphasis on financial performance

Given the maturity of the IT services market, Sopra reexamines its fundamentals and refocuses on systems integration and software development. Sopra completes its initial public offering in 1990. Steria prioritises the rationalisation and industrialisation of processes to reorganise its functional structure. After landing a number of major deals, Steria proceeds with its initial public offering in 1999.

Sopra combines internal and external growth to consolidate its European expansion and its areas of expertise: consulting, systems integration and solutions development. Axway, a subsidiary formed by bringing together the Group's software infrastructure divisions, is floated in 2011.

1968–1985

It services as a key linchpin in society's process of modernisation

Sopra and Steria are two distinct entities, making their way forward in the emerging IT services industry. They both strive to meet the needs of major clients with innovative products and services. Sopra invests in software development and opens new locations in various markets. At the same time, Steria racks up several contract wins in the public sector.

3. Digital services market

3.1. Main markets – Competitive environment of the digital services sector

In 2020, the digital services market in Western Europe was worth an estimated $265.6 billion [(1)], down 4.7% [(2)] due to the Covid-19 pandemic. Gartner predicts a rebound to $282.4 billion in 2021.

DIGITAL SERVICES MARKET IN WESTERN EUROPE (EXCLUDING HARDWARE AND SOFTWARE)

Country *(in billions of dollars)*	**2021 estimates**
France	37.8
United Kingdom	77.3
Germany	50.7
Rest of Europe	116.6
TOTAL	**282.4**

Source: Gartner, updated Q4 2020.

According to market research, in 2020 the market [(1)] contracted by 5.4% [(2)] in France, 4.5% in Germany and 3.8% in the United Kingdom. For 2021, an upturn is expected, amounting to 4% in France, 3.1% in Germany and 1.8% in the United Kingdom. This trend should continue over the next few years, with market growth in Western Europe estimated at around 5% per year on average (2021-2024).

DIGITAL SERVICES MARKET IN WESTERN EUROPE (EXCLUDING HARDWARE AND SOFTWARE)

Business *(in billions of dollars)*	**2021 estimates**
Consulting	61.1
Development and systems integration	72.2
Outsourced IT services	117.5
Business process outsourcing	31.6
TOTAL	**282.4**

Source: Gartner, updated Q4 2020.

In terms of businesses segments, consulting was down 7.6% [(2)] in 2020 and implementation services fell 6.0%. Other activities proved more resilient: outsourced and cloud services fell 3.1% and business process outsourcing fell 2.1%. For 2021, Gartner predicts upturns of 3.0% in consulting, 3.9% in implementation services and 3.0% in outsourced and cloud services. Business process outsourcing is expected to remain stable.

The European market has two main characteristics:

- three countries (the United Kingdom, Germany and France) account for 59% of IT services spending [(1)];
- outsourcing of technology services (application maintenance and infrastructure management) and business process outsourcing together account for a little over half of IT services spending by European companies [(1)].

Furthermore, the IT services market remains fragmented despite some consolidation, with the leading player in the European market holding less than a 10% share. Against this backdrop, Sopra Steria is one of the ten largest digital services companies operating in Europe (excluding captive service providers and purely local players). Its market share stands at over 5% in France and currently averages between 0.5% and 1% in the other major European markets.

Sopra Steria's main competitors in Europe are: Accenture, Atos, Capgemini, CGI, DXC and IBM, all of which are present worldwide. It also faces competition from Indian groups, chiefly in the United Kingdom (such as TCS, Cognizant, Wipro and Infosys), and local companies with a strong regional presence (Indra in Spain, Fujitsu in the United Kingdom, Tieto/Evry in Scandinavia, etc.). Apart from its services business, listed rivals such as Temenos and Alfa Financials also command a significant presence in the software market, where Sopra Steria is also present, especially in banking.

(1) Source: Gartner report, updated Q4 2020
(2) Growth calculated at constant US dollars

4. Sopra Steria's activities

4.1. A major European player in digital transformation

Sopra Steria, a European leader in consulting, digital services and software development, helps its clients drive their digital transformation and obtain tangible and sustainable benefits, thanks to one of the most comprehensive portfolios of offerings on the market, spanning consulting and systems integration, the development of business and technology solutions, infrastructure management, cybersecurity and business process services (BPS).

The Group provides end-to-end solutions to make large companies and organisations more competitive by combining in-depth knowledge of a wide range of business sectors and innovative technologies with a fully collaborative approach: from strategic analysis, programme definition and implementation, and IT infrastructure transformation and operation, to designing and implementing solutions and outsourcing business processes.

For Sopra Steria, helping clients succeed in their digital transformation means breaking down their strategic and business challenges into digital initiatives through an exclusive end-to-end offering. Thanks to very close relationships with its clients and its multi-disciplinary teams, the Group is able to continually innovate to guarantee that its offerings remain relevant to the strategic challenges of each of its vertical markets.

Sopra Steria's teams are trained in the new microservices platforms, DevOps and cloud computing. They are also adopting new methods of designing, delivering and embedding teams. Sopra Steria is therefore able to offer the two key ingredients for successful digital transformation: speed of execution and openness to external ecosystems.

Sopra Steria Group is also the preferred partner of Axway Software, whose exchange and digital enablement platforms play an important role in modernising information systems and opening them up to digital technology.

Sopra Steria is an independent Group whose founders and managers control 22.3% of its share capital and 33.6% of its theoretical voting rights. With 46,000 employees in 25 countries, it pursues a strategy based on European key accounts.

4.1.1. CONSULTING AND SYSTEMS INTEGRATION – 60% OF 2020 REVENUE

a. Consulting

Sopra Steria Next, the Group's consulting brand, is a leading consulting firm. Sopra Steria Next has over 40 years' experience in business and technological consultancy for large companies and public bodies, with around 3,400 consultants in France and Europe. Its aim is to accelerate the development and competitiveness of its clients by supporting them in their digital transformation while addressing their sustainability challenges in keeping with our clients' Corporate Responsibility policies. This support involves understanding clients' business issues using substantial sector-specific expertise, and then working to design transformation roadmaps (business processes, data architecture, change management, etc.) to make the most of new digital technologies. It involves supporting the information systems departments of our clients, grasping their new challenges, assisting them with their overall transformation projects as well as the modernisation of their legacy systems.

b. Systems integration

Systems integration is Sopra Steria's original core business, and covers all aspects of the information system life cycle and major transformation programmes. Sopra Steria is equipped to address the full range of its clients' software asset needs:

Design and integration

Sopra Steria's teams help their clients implement agile and industrial-scale projects. The Group undertakes to design and deliver systems in line with business requirements that are flexible and adapted to the new requirements of digital transformation as well as sector-specific regulatory constraints. This is made possible by working closely with the Sopra Steria Consulting teams.

Performance and transformation

In addition to standard information systems maintenance, Sopra Steria takes a continuous transformation approach to these systems to guarantee optimised operational efficiency for its clients, suited to changes in their business. The transformation approach includes a well-equipped and documented procedure making it possible to combine the issues involved in reducing the time to market with improved competitiveness and continuity of service.

Streamlining data flow

Once the systems and technologies are implemented, the information system gives access to reliable, relevant and critical data, offering better analysis of user satisfaction and optimisation of service performance.

With the increasing number of diverse data sources relating to fundamental changes in use, data is a more valuable to the company than ever. To increase the value of this data, Sopra Steria has developed specific know-how and expertise to manage the exponential growth in data volumes and associated skills (data science, smart machines, automation, artificial intelligence) by integrating them in a global solution, securing the data regardless of its origin (mobile devices, smart objects, data privacy, the cloud, multimodal and multichannel systems, etc.) and using the data by means of contextualised algorithms.

The Group's systems integration offering thus meets the challenges posed by both the obsolescence and modernisation of information systems, ensuring optimal flexibility and value creation.

Product lifecycle management (PLM)

CIMPA provides comprehensive expertise via its PLM offering, which covers all the various facets of PLM services:

- PLM strategy creation or optimisation;
- deployment of strategy-related tools, processes or methods;
- user training and support.

4.1.2. INFRASTRUCTURE MANAGEMENT AND CLOUD SERVICES – 10% OF 2020 REVENUE

With over 5,000 experts worldwide and more than 15 years' experience in developing our outsourcing service centres in Europe and India, Sopra Steria – a leader in the hybridisation of information systems and a major player in digital transformation – provides support for all technological, organisational and security-focused information system transformation projects, from consulting to execution, in the IT and cloud infrastructure management sector.

This area of expertise covers three service categories that are essential to support information system transformation for our clients:

- **Infrastructure and Cloud Services**, a comprehensive range of solutions spanning all customisable services relating to the cloud, including CloudAssessment, CloudMigrationFactory, CloudArchitecture, CloudEconomics and CloudOps, as well as all IT services relating to servers, networks, storage and backup, with the aim of optimising the availability and performance of our clients' applications. This is in addition to our hosting services within our data centres in Europe, which feature ISO 27001 and HDS (French healthcare data hosting) certification. Our catalogue of integrated services lets us provide end-to-end management of our clients' applications in hybrid environments, as well as changes to these applications and interconnections with applications hosted in the cloud.
- **User Experience Services**, an intelligent services platform to better serve our clients' employees and enhance the effectiveness of client services, including digital workplace, technological and business support and AI services.
- **Consulting Services**, a set of value propositions for the co-management and operation of our clients' transformation projects, provided across the other service categories listed above.

Combining consulting, architecture and multimodal delivery, our teams work more specifically on transformation and managed services projects in private, public and hybrid cloud environments.
At Sopra Steria, we also assist our clients with their strategic cloud-native, cloud-first or "data centre-less" initiatives. Sopra Steria deploys and operates proven and customisable solutions for post go-live optimisation, continuity of service and data management, ranging from DevSecOps services, live services and API services to smart data services, in order to ensure reliability and a high level of application availability.

4.1.3. CYBERSECURITY SERVICES

With around 1000 experts and several state-of-the-art cybersecurity centres in Europe and worldwide (France, United Kingdom, Singapore, Norway, Belgium, Poland, India), Sopra Steria is a global player in protecting critical systems and sensitive information assets for major institutional and private clients.

Cybersecurity covers six key areas of expertise:

- **Cyber Resilience**, which comprises crisis management (anticipating or following up on a major security incident) at the levels of the Executive Committee, Information Systems Department and CISO, and complex remediation including partial or complete reconstruction of the IT system;
- **Governance, Risk and Compliance (GRC):** High value-added consulting service offerings coupled with GRC solution integration in order to provide well-equipped security governance focused on managing business risks. In the area of regulatory compliance, Sopra Steria's comprehensive support to ensure compliance with major French and European regulations (LPM/NIS, CNIL/GDPR, export control, etc.) is based on the legal and operational expertise of our consultants;
- **Application Security:** A complete programme for securing applications, including a "Security by Design" project approach and a unique code review as a service (CRaaS) production capacity made possible by our cybersecurity centres;
- **Cloud Security services:** Sopra Steria Cloud Security Services covers compliance with the frameworks concerned, "secure by design" principles, application security and overall monitoring of public cloud and multi-cloud environments;
- **Data Security:** A comprehensive programme, extending from business-related risks to protection and surveillance measures, designed for hybrid environments (legacy, cloud) and leveraging the best of big data and data science technologies;
- **Security Intelligence Centre (SIC):** A scalable Security Operations Centre (SOC) offering that may be used by the organisations known in France as opérateurs d'importance vitale, or OIVs (identified by the French state as having activities that are vital or hazardous for the population), in line with Sopra Steria's certification as an authorised security incident detection service provider (PDIS) by the ANSSI, the French networks and information security agency. The leading offering of its kind in France, this type of SOC combines information management and artificial intelligence to anticipate, detect, analyse and respond to cyberattacks as quickly and accurately as possible.

This comprehensive offering is suited for any environment and provides a tangible solution for the security issues specific to industrial systems.

4.1.4. DEVELOPMENT OF BUSINESS SOLUTIONS – 15% OF 2020 REVENUE

Sopra Steria offers its business expertise to clients via packaged solutions in three areas: banks and other financial institutions via Sopra Banking Software, human resources personnel via Sopra HR Software, and real estate owners and agents with its property management solutions. The Group offers its clients the most powerful solutions, in line with their objectives and representing the state of the art in terms of technology, know-how and expertise in each of these three areas.

Sopra Banking Software: Solutions developer for the financial services industry

Drawing on its technologies and the strength of its commitment, Sopra Banking Software, a wholly-owned subsidiary of the Group, supports its clients – financial institutions – all over the world on a daily basis.

The customer experience, operational excellence, cost control, compliance and risk reduction are among the key transformation priorities for:

- banks in Europe and Africa: from direct- and branch-based retail banks and private banks to microfinance companies, Islamic financial institutions and centralised payment or credit factories;
- financing and lending institutions around the world: serving individuals and companies, the automotive and capital goods sectors, as well as equipment and real estate leasing and even market financing.

With over 5,000 experts and 55 offices worldwide, Sopra Banking Software addresses its clients' challenges across all geographies and in all business areas, covering issues such as communicating new offerings, the quality of customer relationships, production, accounting integration and regulatory reporting.

Solutions

Sopra Banking Software offers two kinds of services: Sopra Banking Platform, intended to respond to banks' day-to-day needs, and Sopra Financing Platform, which specialises in managing financing.

- SBP is a banking processing platform that relies on an architecture of independent and pre-integrated business components. It makes it possible to manage all banking operations (deposits and savings, management of the loan life cycle, payments, reporting) and offer innovative features in a digital and mobile environment;
- SFP is a flexible and robust financing management platform able to deal with all types of financing tools within the framework of advanced process automation.

These solutions can be used either on-site at the client's premises, on the cloud (public or private) or in SaaS mode.

Services

An end-to-end provider, Sopra Banking Software offers solutions as well as consulting, implementation, maintenance and training services. This means that financial institutions are able to maintain their day-to-day operations while shifting towards greater innovation and agility, with the aim of securing sustainable growth. Through its market-leading solutions backed by more than 50 years of experience in its field, Sopra Banking Software is committed to working with its clients and staff to build the financial world of the future.

Sopra HR Software: a market leader in human resource management

Sopra Steria Group also develops human resource management solutions via Sopra HR Software (a wholly-owned subsidiary of Sopra Steria). Sopra HR Software is present in 10 countries, providing comprehensive HR solutions perfectly suited to the needs of human resources departments. Sopra HR Software currently has a workforce of 1,800 people and manages the payrolls of 900 clients with over 12 million employees.

Sopra HR Software is a partner for successful digital transformation of companies and anticipates new generations of HR solutions.

Solutions

The Sopra HR Software offerings are based on the most innovative business practices and cover a wide range of functions, including core HR, payroll, time and activity tracking, talent management, staff experience, and HR analytics. The offering is based on two product lines, HR Access® and Pléiades®, aimed at large and medium-sized public or private organisations in any sector and of varying organisational complexity, irrespective of their location.

Within Sopra HR Lab, the Group anticipates the best of new HR solutions.

Services

Sopra HR Software, a comprehensive service provider, offers a number of services linked to its solution offering. Sopra HR Software supports its clients throughout their projects, from consulting through to implementation, including staff training, maintenance and business process services (BPS).

Sopra HR Software implements its own solutions either on-premise or in the cloud and also offers a wide range of managed services.

Property Management Solutions by Sopra Steria: The leading name in digital transformation for Property Management

Sopra Steria is the leading developer, distributor, integrator, and service manager of property management software in France. At the cutting edge of digital technologies, it offers major public and private sector players in real estate (institutional investors, social housing operators, property management firms and major users) the most comprehensive information system available on the market.

Today, Property Management Solutions by Sopra Steria's teams of more than 700 experts guide its 457 clients in delivering on their digital ambitions to improve returns for their real estate assets, optimise practices, and build better relations with tenants and service providers, in full observance of laws and regulations.

Property Management Solutions by Sopra Steria adds additional value through its unique knowledge of business processes in the sector as well as the co-construction approaches put in place with its clients.

Solutions

Real Estate Solutions by Sopra Steria offers a digital services platform built around an open, shared real estate reference framework that accommodates the practices of all players to ensure a successful user experience.

Services

Property Management Solutions by Sopra Steria supports its clients with an end-to-end service offering, from consulting to integration and managed services.

4.1.5. BUSINESS PROCESS SERVICES – 15% OF 2020 REVENUE

Sopra Steria offers a full range of business process services (BPS) solutions: consulting for the identification of target operating models, development of transition and transformation plans, and managed services.

Today, our BPS offering goes hand in hand with digital transformation. Digital technologies have opened up opportunities for improving key business processes in all organisations. Whether they involve robotics, chatbots, automatic natural language processing (NLP) or artificial intelligence (AI) more widely, digital technologies can streamline the execution of processes, cut their costs and lead to new approaches.

Sopra Steria has forged relationships with major providers of digital solutions for BPS. Furthermore, we enjoy a strong presence in the technology ecosystem, both in France and worldwide. We thus have access to a dynamic network of partners as well as a singular ability to identify innovative solutions owing to our connections with the world of technology startups. We combine our own platforms with those of our technology partners to provide the right level of innovation within our design/production/operation services. Our specialised design teams work to ensure the best possible client experience for end-users and we offer our clients ways to considerably improve process efficiency by leveraging intelligent automation and machine learning. Thanks to our technology assets, we are helping to develop tomorrow's operating models.

Sopra Steria employs many consultants and practising professionals with expertise in BPS and the digital sector. They help organisations make the best use of new digital technologies to transform their activities, from their operating models to their processes and end-user services. Our ability to handle transformation in both its human and business dimensions allows us to support our clients wherever their digital journey takes them, helping them to move from a theoretical perspective on possible solutions to a focus on specific technologies. We eliminate inefficient practices, reorganise tasks and improve results for each activity entrusted to us, whether it involves individual business processes or highly complex shared services. Added to this is the experience of our employees in change management, which is essential to the success of any transformation. In the various BPS areas, we can provide the services ourselves or work in tandem with the client's personnel to carry out the engagement. In these cases, we invest in these individuals to help them become more effective and productive, sharing our best practices with them.

Sopra Steria operates two of the largest shared service centres in Europe, taking charge of multiple business processes each day on behalf of end-clients.

4.2. Business expertise at the heart of our strategy

Sopra Steria has chosen eight major vertical markets that constitute its areas of excellence and make up 90% of revenue. The Group has a comprehensive offering in each of these fields, meeting the specific challenges of its clients.

4.2.1. BANKING – 26% OF 2020 REVENUE

The banking and financial services sector has entered a new era, that of Open Banking. Client demands and regulatory pressures are constantly increasing and new market entrants (fintech companies, the "Big Four" tech companies, retail and telecoms players, etc.) are helping to accelerate transformations in this ecosystem, moving it toward greater openness, a paradigm shift often referred to as the Open Banking revolution.

Faced with these new challenges, Sopra Steria aims to be a partner for banks, helping to facilitate and accelerate this transformation.

With three core areas of expertise – understanding of the banking sector, its clients and the most innovative technologies – the Group offers powerful and agile software solutions, as well as their application by means of value-added use. The Group and its subsidiary Sopra Banking Software provide comprehensive solutions and turn changes in the banking world into opportunities for their clients, whether in risk management, regulatory compliance, data protection, improving the customer experience, optimising performance, delivering differentiation or identifying new sources of income.

4.2.2. PUBLIC SECTOR – 25% OF 2020 REVENUE

Faced with new expectations from civil society and businesses, the need to optimise their expenditure, the obligation to keep up with regulatory changes and driven by a wave of reforms, public sector entities are continuing the broad-based transformation of their activities, organisations and the services offered to their users.

When digital technology is a force for change, Sopra Steria provides solutions in two main categories: (i) the digitisation of government services, the re-engineering of processes and, more generally, the modernisation of business-specific information systems via digital transformation programmes, and (ii) the pooling of support functions for central government agencies, local authorities, and key providers in the health and welfare sectors.

As a result, public sector organisations can ensure that they meet their targets and priorities at the lowest cost, while giving their information system the agility it requires to meet the high expectations from civil society and agents.

4.2.3. AEROSPACE, DEFENCE AND HOMELAND SECURITY – 16% OF 2020 REVENUE

a. Aerospace

The aeronautics and space sector is a particularly fertile ground for innovation. It is subject to constraints regarding reliability, availability, security and performance, which require suppliers to have full command of the technologies and processes implemented, as well as a thorough understanding of their different clients' core businesses.

For optimal service, companies operating in this sector must align their capacities with the pace of production and optimise their processes and information systems while also improving profitability. Digital continuity and the ability to manage the product life cycle, from design to manufacture and after-sales services, are crucial. Sopra Steria's acquisition in 2015 of CIMPA, a specialist in product lifecycle management, makes total sense in this context particularly as it was followed in 2017 by the acquisition of 2MoRO, extending the Group's offering in aerospace maintenance activities.

To meet these challenges, Sopra Steria's expertise comes into play in such critical areas as industrial efficiency, manufacturing and particularly the shop floor, supply chain, on-board systems and air traffic control.

b. Defence

In a tense geopolitical context, marked by the rise of new threats to states (cybercrime, terrorism, etc.), defence departments must improve their effectiveness while taking into account budgetary constraints. It has become essential to optimise the interoperability and security of critical operational systems for exchanging real-time information.

With over 40 years' experience in supporting the military in Europe, Sopra Steria combines pragmatism and innovation, thanks to powerful technological and process solutions:

- interoperability and security of military systems;
- efficiency and overall effectiveness of the armed forces;
- efficiency of the military supply chain (supply chain management);
- reliability of operational information and communication systems;
- control over costs and the complexity of ensuring compliance for command and control systems.

c. Homeland security

Sopra Steria supports public authorities in meeting the challenges of homeland security. The Group operates in 24 countries, serving many different organisations: police, emergency services, border control, justice, customs and homeland security services.

Sopra Steria carries out large-scale, complex and critical projects on behalf of these organisations, concerning:

- survey management and information processing;
- road safety;
- automation of command and control solutions;
- management of identity documents, security credentials, and civil and criminal biometrics;
- modernisation of court- and prison-related administration;
- intelligent, distributed computer systems;
- infrastructure security;
- mobile technologies to optimise operations on the ground.

In addition, the Group has developed innovative solutions specific to the security sector, to meet the challenges and requirements of clients in this field (biometrics, mobile technology, fingerprint and genetic footprint search engines, implementing secure cloud solutions etc.).

4.2.4. ENERGY AND UTILITIES – 6% OF 2020 REVENUE

In response to the European Union's target of becoming carbon-neutral by 2050, companies in the energy sector face the need to:

- limit their own environmental impacts and those of their clients;
- take advantage of increasingly cost-competitive renewable energy sources, take on the industrial challenge of low-carbon nuclear energy and develop energy storage solutions;
- adapt transportation and distribution networks to the energy transition;
- expand and enrich their portfolios of products and services;
- align themselves with European stimulus plans associated with the EU's Green Deal.

In a context of strategic choices to be made between integration and specialisation, investment priorities focused on the regulated arena or the competitive sector, and the extent of internationalisation, digitisation is fast becoming the inevitable route to step up transformation for players in this sector.

Sopra Steria supports energy suppliers and utilities in their strategic responses to trends affecting a number of areas:

- experience and client acquisition: reinventing customer relations and designing new services;
- optimisation of asset performance: controlling operating costs and securing performance;
- modernisation of networks: accompanying the decentralisation and the digitisation of energy networks;
- platform company: organising, sharing and creating value from data and processes across the company and its ecosystems;
- transformation and resilience of organisations: facilitating changes in organisations and business lines to promote agility.

4.2.5. TELECOMS, MEDIA AND ENTERTAINMENT – 4% OF 2020 REVENUE

The telecoms, media and entertainment sector is at the centre of the digital revolution, for two reasons:

- it supports the digitisation of all the other verticals, in particular by feeding the data collected from billions of objects to algorithms;
- it also serves as the testing ground for the implementation of new technologies and uses as part of a platform-based business model.

Sopra Steria serves the transformation goals of its clients in relation to the following main challenges:

- **Deployment of new infrastructures**: fibre and 5G to help meet countries' industrial requirements by providing them with very high-speed fixed and mobile connectivity;
- **Infrastructure management:** moving from a configurable to a programmable approach for essential infrastructure, such as the cloud, SDN/NFV and most recently 5G;
- **Automation**: so that the company is able to interact in real time, in particular thanks to AI, with all members of its ecosystem (customers, suppliers, partners, employees, infrastructures);
- **Greater business agility:** making it easier to readapt, readjust and realign the company and its organisational structures to better seize new opportunities and also to further improve the engagement of managers and their teams in service of clients;
- **Digitisation of services:** laying down the fundamentals of the platform-based business, thus moving to fully digital and end-to-end solutions, from client to infrastructure;
- **Core media business:** taking up new models, such as SVOD, AVOD, content aggregation, targeted advertising and 4K;
- **Core gaming business:** customer retention and churn, fraud reduction and control over cash flows, compliance with regulations, digitisation of distribution channels.

4.2.6. TRANSPORT – 5% OF 2020 REVENUE

The transport sector is undergoing far-reaching changes and must meet new challenges: growing international and urban traffic, new modes of transport (carpooling, low-cost operators, long-distance buses, free-floating systems for car, bike and scooter sharing, to name a few), the inescapable renovation of ageing networks, while preparing for the opening to competition and the arrival of new digital players (Google, Uber, BlaBlaCar, etc.).

Faced with these major challenges, the transport sector must strive to provide door-to-door, multimodal services (rail and underground, bicycles, taxis, buses, scooters) with a low carbon footprint, adopting a passenger-centric approach.

In transport, our aim is to be the digital transformation partner for the main players across the three key business dimensions of their value chain: innovation in the passenger experience to achieve greater simplicity and fluidity, operational management of resources to ensure more robust offerings, and better use of capital assets (fleets, infrastructure).

Our ambition is also to be a recognised player in mobility ecosystems: mobility platforms, autonomous shuttles/vehicles, and smart cities.

Sopra Steria has developed business know-how in all of these fields based on four main themes:

- infrastructure management: asset management, preventive and predictive maintenance (*e.g.* industrial IoT), factory 4.0 or factory of the future, maintenance of aeroplanes and rolling stock, mobility, paperless records, etc.;
- traffic management: from timetable design to transport planning, rolling stock management, and supervision of rail, road and air traffic;
- passenger experience: mobile ticketing, boarding and access control, passenger information, and new services in stations and airports;
- transport services tailored to smart cities: mass transit, sustainable urban logistics, multimodal urban mobility services (MaaS), collaborative mobility management.

Its digital expertise is recognised in the world of transportation, particularly as regards transportation big data expertise, management of connected objects, consulting and factory migration to cloud solutions, and of course artificial intelligence.

Sopra Steria is one of Europe's top 10 digital services companies in business and information system transformation for major clients in the rail, urban transport, postal services and aviation sectors.

4.2.7. INSURANCE – 5% OF 2020 REVENUE

The insurance sector is fiercely competitive due to the increasing standardisation of offers, structurally low long-term interest rates and the escalating regulatory burden. At the same time, clients, and particularly millennials, are exhibiting new behaviours, with a shift in expectation toward the hyper-personalisation of products and services.

In this increasingly competitive global context, leading insurers continue to look to consolidation and transformation as the way forward. To set themselves apart, they are developing extended services and are taking into account the new risks associated with use (as opposed to ownership) of property, the rise of service business models, the sharing economy and cybersecurity.

Sopra Steria offers its clients a comprehensive solution for the implementation of new business models, support for strategic plans and digital transformation to put in place a platform-based approach, seen as essential to open the business and its information system to new partnerships and services across an extended value chain.

4.2.8. RETAIL – 3% OF 2020 REVENUE

Retailers face a challenging business environment as well as profound and continual changes in the shopping habits of customers, who increasingly use digital technology. To remain competitive, transformation is essential. The aim is to secure and better manage retail business practices while offering a real ability to innovate to meet consumer demand for immediate and flexible services.

Sopra Steria assists retailers with their digital transformation and has developed knowledge and experience in multi-channel commerce, optimisation of logistics chains and understanding client needs. In this way, the business processes and information systems of these companies become a lever for performance.

4.3. Research and Development in Solutions

The Group has continued its R&D efforts, investing €130.5 million in 2020 (versus €109.3 million in 2019) in developing and expanding its business solutions. These are gross amounts and do not take into account funding related to the French R&D tax credit (CIR).

5. Strategy and objectives

5.1. Corporate plan reaffirmed despite the Covid-19 crisis

The Covid-19 crisis and its economic consequences have prompted the Group to think about the new outlook for its market and reassess the relevance of its corporate plan for the years ahead.

MARKET OUTLOOK:

Although it has inevitably curbed IT investment in the short to medium term in the hardest hit sectors (tourism/hotels/restaurants, events, transportation and the aeronautics industry, in particular), the crisis has highlighted the extent to which digital technology helps to make companies and public authorities resilient, ensuring that their processes continue to operate, maintaining their ability to interact with their entire ecosystem (particularly for the selling and provision of remote services) and improving their operating performance.

The health, organisational and economic effects of the crisis are tending to push many companies and public authorities – apart from in the most severely affected sectors – to step up their digital transformation by focusing in the short to medium term on the projects that are most important to ensuring their resilience, in particular migrating IT systems to the cloud and digitisation/automation of processes.

However, the need to keep their budgets balanced could prompt some, for the duration of the crisis, to postpone certain projects based on breakthrough innovation and reduce the cost of running their processes and legacy systems to the bare minimum.

Furthermore, all company stakeholders are continuing to raise their expectations in terms of corporate social responsibility, a trend that has been amplified by the Covid-19 crisis, primarily on a social level but also with respect to the environment.

Lastly, the difficulties encountered by a certain number of specialist and/or medium-size operators in coping with the crisis are likely to result in acceleration in the consolidation process, which could “reshuffle the cards” among digital services companies and software developers.

CONCLUSION:

Within this context, while at the operational level the Group may need to temporarily limit growth in its resources and redistribute them according to how the situation develops in different business sectors, on a strategic level, the Group has reaffirmed its corporate plan, is continuing with its transformation, and is ready to adopt an aggressive acquisition policy.

5.2. Strong and original positioning in Europe

Sopra Steria’s ambition is to be a European leader in digital transformation. Its high value-added solutions, delivered by applying an end-to-end approach to transformation, enable its clients to make the best use of digital technology to innovate, transform their models (business as well as operating models), and optimise their performance.

The Group’s aim is to be the benchmark partner for large public authorities, financial and industrial operators and strategic companies in the main countries in which it operates.

To achieve this aim, Sopra Steria continues to strengthen its key competitive advantages:

- business software solutions which, when combined with the Group’s full range of services, make its offering unique;
- a position among the leaders in the financial services vertical (core banking and specialist lenders) bolstered by the success of the Sopra Banking Software solutions;
- very close relationships with its clients, thanks to its roots in the regions where it operates and its ability to meet core business requirements without taking the prescriptive approach favoured by certain global providers;
- a strong European footprint with numerous locations in many of the region’s countries which, when combined with these close relationships, raises its profile among large public authorities and strategic companies throughout Europe as a trusted and preferred partner for all projects involving digital sovereignty.

Lastly, the Group's mission statement – formally adopted in 2019 – reflects both its values and its desire to help meet the sustainable development goals of its stakeholders and society at large: "Together, building a positive future by making digital work for people."

5.3. Confirmed objectives and priority action areas

5.3.1. DEVELOPMENT OF SOLUTIONS

The Group, currently France's number-two enterprise software developer, confirms its medium-term target of bringing the share of its solution development and integration activities to 20% of its revenue. Efforts will continue to be focused on enriching the Group's solutions, adapting them to cloud systems, leveraging API-based access to data and services, integrating new digital technologies, developing managed services, and expanding operations into new geographic markets.

The development of Sopra Banking Software, whose aim is to conquer markets beyond Europe, remains a priority. The Group also continues to strengthen its leading position in human resource management and property management solutions. With organic growth as the preferred strategy, the Group remains on the lookout for acquisition opportunities.

5.3.2. DEVELOPMENT OF CONSULTING ACTIVITIES

In order to position itself even more securely with client decision-makers at the business department level, the Group is continuing its move up the value chain in consulting, and confirms its medium-term target of bringing the share of these activities to 15% of revenue. To do this, it is gradually developing a range of consulting services and capacity in all of the regions in which it operates, using a model that favours synergies with the Group's other business lines. Consulting will thus spearhead the digital transformation of business lines and information systems for the Group's clients, while positioning its other IT services activities within an end-to-end approach to this transformation. The priorities in this area are upstream consulting (e.g. digital strategy, operating strategy, IT strategy), digital expertise and business expertise in each vertical market, especially in financial services. The notoriety of the Sopra Steria Next brand, created in 2019 to promote the Group's digital transformation consulting expertise, has benefited from this. In France, it is also bolstered by the Group's decision to integrate its CSR mission into its consulting activities. This mission, built around the idea of digital ethics, is backed by a dedicated communications plan.

5.3.3. ACCELERATION IN DIGITAL TECHNOLOGY

Sopra Steria has successfully completed numerous digital projects. Its experience has allowed it to offer a holistic approach to digital transformation to the market, based on a series of best practices, with the ultimate goal of creating the "platform company".

To step up its commitment to digital technology, the Group is continuing to invest with the goal of:

- being at the cutting edge of the market in all of its services and business models;
- strengthening its technology assets;
- transforming its operating models;
- educating all of its employees in digital culture, practices and skills;
- keeping an eye on the market in order to clarify its digital strategy and target the best digital partners.

Digitisation of offerings and business model adaptation

The Group is gradually adapting its solutions to factor in advances in digital technology in a number of key areas, such as the customer/user experience, analytics, AI, APIs etc, and to take account in their architecture of changes in client needs, such as growing use of the (hybrid) cloud, increasing demand for software-as-a-service and the gradual adoption of the platform company model (particularly in the financial sector).

The same approach is being applied for each of the Group's service activities – Consulting, Application Services (Build and Application Management), Infrastructure Management, Cybersecurity, Business Process Services – with the following Group objectives:

- using the potential of new technologies – analytics, AI/machine learning, smart machines, blockchain, IoT, augmented/virtual reality etc. – to benefit its clients through innovative applications;
- driving its clients' transformation from its current position: for example, the Application Management offering has evolved to encompass the end-to-end transformation of processes and the corresponding modernisation of existing IT systems, including connecting digital technologies with legacy systems and migrating all or some of the IT system to the cloud;
- presenting new end-to-end approaches: providing strategic support for platform-based transformations at large companies and public authorities, implementing digital continuity in industrial value chains, building service platforms, overseeing the cloud-based and digital transformation of information systems, etc.

The digitisation of offerings and, more broadly speaking, changing client expectations, have led the Group to adapt its business models. The Group will thus be selling more and more solutions operated on behalf of clients and, in services, increasingly leveraging intellectual property (reusable components, implementation accelerators, etc.). It will thus generate more recurring revenue through its solutions, with less of a direct connection to the size of its workforce in services.

Technology assets

The Group is continually investing in the exploration of new ideas and expertise in architectures, and in emerging digital and cloud technologies and uses, relying on its teams of "digital champions" (experts led by the Group's Chief Technology Officer).

At the same time, all necessary resources are being designed and put in place to rapidly develop and operate digital solutions on behalf of the Group's clients that are natively designed to function in hybrid cloud environments:

- the Digital Enablement Platform (DEP), the technical foundation for building or modernising IT systems (designed to be able to interact with components of Amplify, Axway's hybrid integration platform), an industrial DevOps chain and an environment to capitalise on and search for reusable software components, a private cloud that can be extended to the main public clouds;
- implementation accelerators for new digital technologies (smart machines, AI/machine learning, blockchain, IoT, etc.);
- digital factories to enable service offerings combining consulting and software (e.g. migrating information systems to the cloud).

Transformation of operating models

The Group is gradually changing the operating model for its services and R&D activities (by integrating its aforementioned technology assets):

- extensive experience with agile projects (including many in collaboration with offshore and nearshore centres);
- rollout of processes and resources (software and digital factories) for industrialisation, automation and reusable components developed to boost productivity and quality for IT services and R&D activities.

  In particular, this involves greater use of smart machines (robotic process automation, intelligent automation, virtual assistants) in the Group's recurring service activities (in connection with its Business Process Services, Infrastructure Management, Application Management and Support offerings) as well as expanding the reuse of existing technology- or industry-specific software components (IP blocks, open source) and the use of low-code/no-code development platforms for the building of solutions;
- transformation in line with the production model of each activity (distribution of roles between the onshore production teams, the service centres, and the offshore and nearshore R&D teams).

Skills development

To accompany its transformation, the Group is making a considerable effort to train its employees and managers:

- expansion of its training offering: introductory and more advanced courses on all digital/cloud technologies, training on new digital practises and new industrial environments, training on the digitised services provided by the Group;
- digitisation of training resources: virtual training rooms, in-house e-learning and access to MOOC-style learning platforms.

Innovation

Numerous initiatives are being encouraged to promote and enhance innovation, such as the Group's digital champions keeping an eye on technology advances and uses, innovation imperatives assigned to project teams, internal innovation competitions to develop new digital uses, hackathons open to clients and partners, as well as platforms for digital demonstrations, brainstorming, co-design, rapid development and technology intelligence open to clients, employees and partners (DigiLabs at all the Group's major locations and a Next centre at its registered office), etc.

Ecosystem of partners

Special efforts are being made to establish targeted partnerships with leading players in the digital ecosystem by vertical and by major technology area (startups and niche players, institutions of higher education and research laboratories, top software development companies, tech giants, etc.). It is within this framework that a strategic partnership has been forged with Axway.

In order to ensure effective market intelligence, a collaborative startup observatory is made available to the Group's teams of digital champions and all its managers.

In certain very specific cases relating to its digital strategy, the Group may directly or indirectly take equity stakes (through specialised funds) in young startups that it considers as the most innovative in the market, applying a corporate venturing approach.

5.3.4. TARGETING OF SPECIFIC VERTICALS

Focused business development

To support the positioning it has in view, the Group is continuing its policy targeting specific vertical markets, key accounts and business areas in all countries where it operates.

There are eight priority verticals that currently account for the majority of revenue: Financial Services, Public Sector, Aerospace, Defence & Homeland Security, Energy & Utilities, Telecoms & Media, Transport, Insurance, and Retail.

For each vertical, the Group selects a small number of key accounts (fewer than 100 at Group level), focuses on a few different business areas in which it aims to secure a leading position and implements an inter-entity coordination system for the different countries and subsidiaries concerned.

Some of these verticals are considered particularly strategic. The Group has very clear strengths in several countries (broad position, IT and business expertise, replicable experiences etc.). The transformation needs of businesses, public authorities and ecosystems in place are considerable and rely on similar solutions from one country to the next. These verticals are eligible for corporate investment or external growth transactions. This is the case in particular for Financial Services and Defence & Homeland Security.

End-to-end vertical offerings

In order to achieve its leadership objective in its targeted verticals and business areas, the Group mobilises the development efforts of its various entities to build end-to-end value propositions as well as offerings of business solutions designed to address the business challenges faced by its major clients. As an example, the Group applies this approach to meet digital continuity challenges in the aerospace value chain.

Particular emphasis is placed on the financial services vertical, for which the Group offers comprehensive responses to productivity issues and the challenges brought about by "platformisation" in the core banking and specialist lending sectors. These responses are based on Sopra Banking Software's solutions and the Group's full range of consulting activities and services.

5.3.5. ACQUISITION STRATEGY

In addition to regular targeted acquisitions in order to enhance its offering and expertise or strengthen its position in certain regions, the Group is ready to play an active role in market consolidation, which will inevitably be boosted by the Covid-19 crisis. In this context, it will be able to carry out larger acquisitions.

5.3.6. INTEGRATING THE GROUP'S CSR AMBITIONS INTO ITS STRATEGY

To fulfill the mission it has adopted, achieve the targets set in this regard and respond to its clients' growing demands, the Group is gradually factoring social and environmental concerns into its strategy in three main areas:

- Digital ethics: Sopra Steria promotes a responsible approach in its consulting services.
- Green IT: the Group's different business lines work to assess and optimise the environmental impact of the digital solutions they offer, build and operate for their clients (as part of a "green IT" approach).
- IT for Green: the Group's activities in this area help clients address their sustainability priorities, using new technologies to develop innovative environmentally and climate-friendly solutions.

5.4. Medium-term strategic objectives

Sopra Steria's strategy is built around its independent corporate plan focused on sustainable value creation for its stakeholders. This European plan is underpinned by expansion through organic and acquisition-led growth. Its goal is to generate substantial added value by harnessing a comprehensive range of powerful consulting and software solutions deployed using an end-to-end approach and capitalising on our combined technology and sector-specific expertise.

This plan is set within an upbeat market for digital services, which have been boosted for several years now by demand for digital transformation on the part of businesses and institutions looking to increase their resilience.

Within this context, over the medium term, Sopra Steria is targeting compound annual organic revenue growth of between 4% and 6%, an operating margin on business activity of around 10%, and free cash flow of between 5% and 7% of revenue.

6. 2020 Full-year results

6.1. Comments on 2020 performance

2020 was marked by two exceptional events: the Covid-19 pandemic starting in March, and a cyberattack in October. These two events had a significant impact on the Group's business activity. Measures imposing lockdowns and restricting people's movement led to a decline in business under existing contracts and new orders. The aeronautics and transport industries, in particular, contracted between 20% and 30% starting in the second quarter. The response to the cyberattack involved information and production systems being unavailable to varying degrees over a period of several weeks in the fourth quarter. The negative impact on 2020 business activity of these two events is estimated at around 10 points of growth. The cyberattack itself had a negative 1 point impact on revenue and a negative 0.2 point impact on the operating margin on business activity.

In spite of this challenging context, Sopra Steria was highly resilient. The negative organic growth in revenue was limited to 4.8%. The decline in the operating margin on business activity was limited to 1 point and free cash flow was highly resilient, at €203.5 million, although it was boosted by the favourable impact of around €50 million in non-recurring items. In addition, at 31 December 2020, average consultant downtime had returned to normal levels.

The resilience the Group has shown is due to several factors. First of all, recurring activities (business process services, IT infrastructure management, application maintenance and software maintenance) make up around 40% of revenue. Next, the Group's sales strategy focuses on clients it has identified as strategic, which are mainly large accounts and public authorities (the public sector makes up around 30% of revenue). Lastly, the Group's team spirit and entrepreneurial culture facilitated rapid decision-making and measures to adapt to a changing environment. Cost-saving plans, for example, were rapidly launched.

Particular attention was paid to human resource management. Keeping staff informed and social dialogue were a fundamental priority. The use of state aid programmes was limited and responsible. The Group's priority was preserving skills and jobs, especially in the sectors most affected by declines in business activity, thanks to training and internal mobility.

In parallel, Sopra Steria continued to implement its strategic plan: product development for Sopra Financing Platform and Sopra Banking Platform, shifting activities in the United Kingdom to a platform-based model, building up the Sopra Steria Next consulting brand, industrialisation, and targeted acquisitions to reinforce insurance activities in France and in digital banking for Sopra Banking Software. A plan aimed at achieving zero net emissions by 2028 was also announced.

DETAILS ON 2020 OPERATING PERFORMANCE

Consolidated revenue totalled €4,262.9 million, down 3.9%. Changes in scope had a positive impact of €76.1 million, and currency fluctuations had a negative impact of €33.5 million. The negative organic growth in revenue came to 4.8%. Excluding exceptional items, Q3 and Q4 showed an improvement in business activity compared with the low point observed in Q2.

Operating profit on business activity came to €300.2 million (€354.3 million in 2019), equating to a margin of 7.0% (8.0% in 2019).

The France reporting unit (39% of the Group's revenue) generated revenue of €1,655.6 million, representing negative organic growth of 10.2%. It was particularly affected by external factors (pandemic and cyberattack) due to the structure of its activity and the significance of the aeronautics sector (20% of the reporting unit's revenue in Q1 2020; revenue down 20% year-on-year). Conversely, the public sector was highly resilient: the defence and government vertical markets showed strong gains while social services (job centres, health insurance, etc.) contracted slightly. Against this backdrop, operating profit on business activity came to 6.8% in 2020 (9.7% in 2019). Excluding exceptional items, the second half of the financial year showed an improvement in business activity, suggesting a gradual recovery in performance may be expected in 2021. The aeronautics sector showed signs of stabilising. Consultant downtime returned to normal levels. Hiring resumed.

The United Kingdom (16% of the Group's revenue) was highly resilient, with revenue of €699.8 million, representing positive organic growth of 1.9%. This growth was driven by the strong performance achieved by the two joint ventures specialising in business process services for the public sector (NHS SBS and SSCL). They posted revenue of €339.3 million, representing average organic growth of 16.0%. The defence & security and government sectors proved fairly resilient. The private sector, on the other hand, was under pressure, although new promising contracts were won, in particular in the banking sector. The operating margin on business activity improved to 8.0% (7.3% in 2019).

The **Other Europe reporting unit** (29% of Group revenue) posted organic revenue growth of 2.3% to €1,249.0 million. Growth was brisk in Scandinavia and Belgium, while the other countries saw slightly negative growth. In addition, revenue generated by Sopra Financial Technology (€204.9 million) for operating the information system of the Sparda banks in Germany was up 16.9%. The operating margin on business activity improved in virtually every country in the reporting unit, totalling 8.1% compared with 6.7% in 2019.

Revenue for **Sopra Banking Software** (10% of Group revenue) came to €421.6 million, an organic contraction of 9.1%. Licence sales proved highly resilient while services saw a deterioration, particularly during the lockdown period in the first half of the year. The second half of the year (-7.3%) showed a relative improvement with more limited negative growth than in the first half (-10.9%). The year was especially noteworthy for the Group's adherence to its product development plan (for both Sopra Banking Platform and Sopra Financing Platform) and the first signs of improvement in project margins, in line with the goal of gradually returning to a double-digit margin. Operating profit on business activity came to €10.5 million (versus €4.9 million in 2019), equating to a margin of 2.5%.

The **Other Solutions** reporting unit (6% of Group revenue) posted revenue of €236.9 million, representing negative organic growth of 8.9%. This change resulted from a decline in licence sales and the postponement of certain project launches. Following a significant improvement in the second half of the year (12.7% versus 5.0% in the first half), the operating margin on business activity for the full year came to 8.8% (versus 15.7% in 2019).

6.2. Comments on the components of net profit attributable to the Group and Financial position at 31 December 2020

Profit from recurring operations totalled €261.2 million. It included a €4.2 million share-based payment expense and a €34.8 million amortisation expense on allocated intangible assets.

Operating profit was €202.3 million after a net expense of €58.9 million for other operating income and expenses (compared with a net expense of €31.0 million in 2019), including expenses of €15.6 million attributable to additional costs arising from Covid-19 and €5.3 million related to the impact of the cyberattack.

The tax expense totalled €60.4 million, for an effective tax rate of 34.1%.

The share of profit from equity-accounted companies (mainly Axway Software) was €2.3 million (€1.8 million in 2019).

After deducting €12.2 million in **minority interests, net profit attributable to the Group** came to €106.8 million (€160.3 million in 2019).

Basic earnings per share came to €5.27 (€7.92 in 2019).

Free cash flow was very strong, at €203.5 million (€229.3 million in 2019). The free cash flow conversion rate with respect to operating profit on business activity, remained stable at 51%.

Net financial debt totalled €425.6 million, down 17.2% from its level at 31 December 2019. It was equal to 29.4% of equity (36.1% at 31/12/2019) and 1.1x pro forma EBITDA for 2020 before the impact of IFRS 16 (with the financial covenant stipulating a maximum of 3x).

6.3. Proposed dividend in respect of financial year 2020

At its meeting of 25 February 2021, the Board of Directors of Sopra Steria Group decided to propose at the General Meeting of the Shareholders to be held on 26 May 2021 that a dividend of €2.00 per share be distributed. The ex-dividend date will be 1 June 2021. The dividend will be paid as of 3 June 2021.

6.4. Workforce

At 31 December 2020, the Group's workforce totalled 45,960 people (46,245 at 31 December 2019), with 17.6%% working in X-Shore zones.

6.5. Social and environmental footprint

Sopra Steria sees its contribution to society as sustainable, human-focused and purposeful, guided by the firm belief that making digital work for people is a source of opportunity and progress.

On 8 December 2020, CDP confirmed that Sopra Steria had made its A List – recognising the world's most transparent and most proactive companies in the fight against climate change – for the fourth year in a row. The Group stepped up its ongoing climate commitments in 2020 with the announcement of its target of achieving zero net emissions by 2028. Since 2015, Sopra Steria's annual reduction in its greenhouse gas emissions has been aligned with this trajectory.

The Group also continued to increase the number of women in its workforce in 2020. The proportion of women, excluding the impact of acquisitions during the year, went from 32.0% to 32.5% thanks to an increase in women among new recruits (34.0% of new hires versus 33.1% in 2019). This change should be viewed within the context of the proactive policy aimed at gradually increasing the number of women in senior management positions and the target set to have women make up 30% of the Executive Committee by 2025.

6.6. Acquisition and external growth transactions

- SAB

On 7 August 2020, the remaining 30% stake in SAB not yet held by the Group was acquired by Sopra Steria from SAB's minority shareholders.

- Sodifrance

On 16 September 2020, Sodifrance was added to Sopra Steria's scope of consolidation. Following the acquisition of a 94.03% controlling interest in the share capital, a public tender offer and compulsory delisting were carried out at the price of €18 per share . The Sodifrance shares were delisted from Euronext Paris on 18 November 2020.

- Fidor Solutions

On 31 December 2020, Fidor Solutions was added to Sopra Steria's scope of consolidation. Fidor Solutions was the software subsidiary of next-generation bank Fidor Bank specialising in digital banking solutions. This acquisition will significantly accelerate the pace of development and marketing of Sopra Banking Software's digital solutions, in particular by augmenting the user features offered to banks through its Digital Banking Engagement Platform (DBEP) solutions.

6.7. Infrastructure and technical facilities

A total of €27.8 million was invested in 2020 in infrastructure andtechnical facilities, as against €33.0 million in 2019.

Investments in facilities comprised the following:

- land and buildings: €2.1m;
- fixtures and fittings: €12.0m;
- IT equipment: €13.8m.

6.8. Targets for 2021

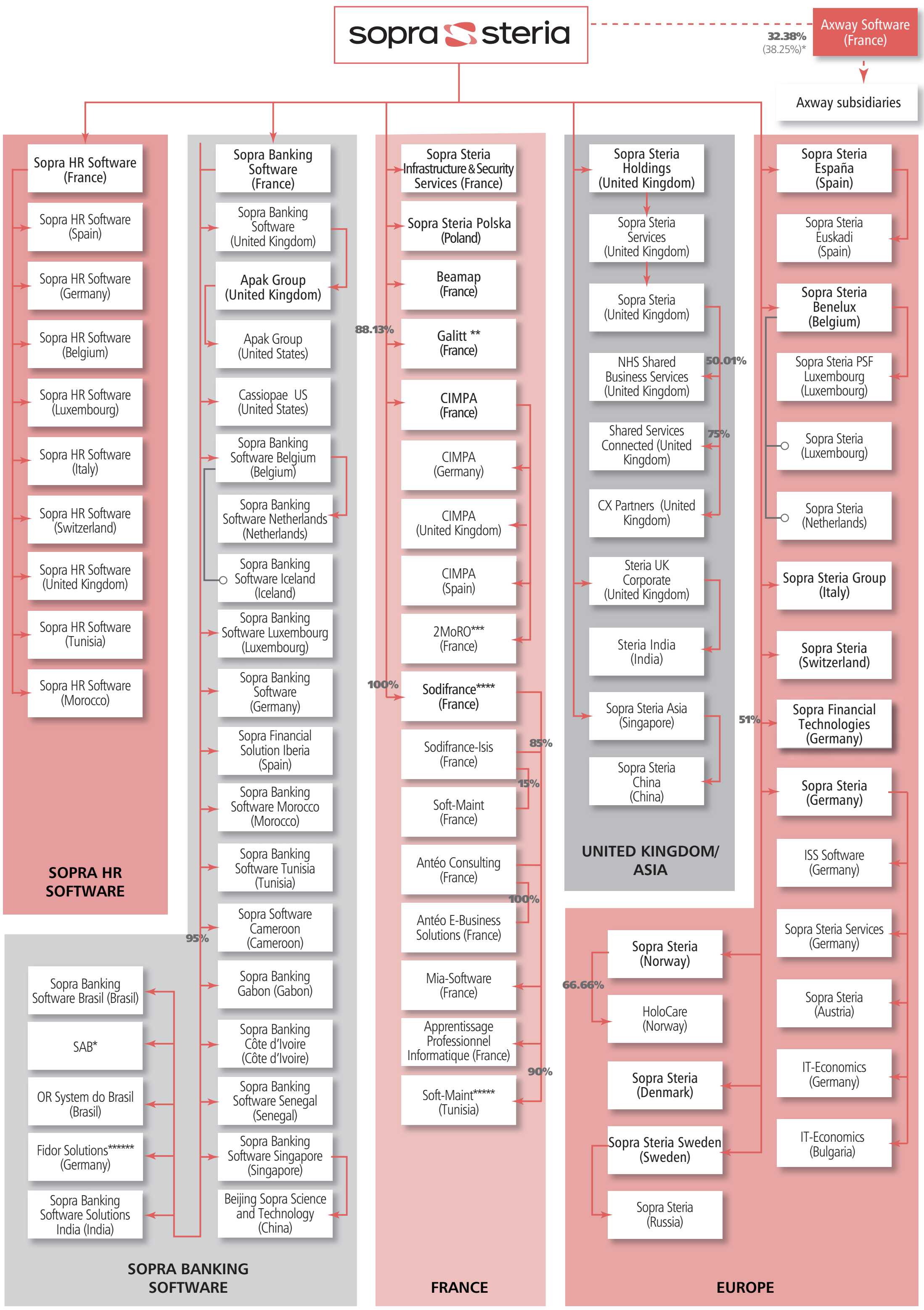
Although the situation is improving, the overall environment is still beset with many uncertainties. Based on the information available at end-February 2021, Sopra Steria has set the following targets for the year:

- Organic revenue growth of between 3% and 5%, including a first quarter in which growth remains negative;
- Operating margin on business activity of between 7.5% and 8.0%;
- Free cash flow of around €150 million.

7. Subsequent events

No subsequent events occurred after the end of financial year 2020.

8. Simplified Group structure at 31 December 2020



Note: all companies are more than 95% owned either directly or indirectly by the Group, unless otherwise indicated

(*) Exercisable voting rights (**) Galitt is composed of a holding company (Tecfit) and an operating company (***) 2MoRO is composed of a holding company and two operating companies (in France and Canada) (****) Sodifrance consists of a holding company (HP2M) and six operating companies; the entities of Sodifrance group are expected to be absorbed bia universal asset transmissions (TUP) at 1 April 2021 (*****) Soft-Maint Tunisie, 90% owned by Sodifrance, is a non-operational company in the process of liquidation

(******) Fidor Solutions directly owns a subsidiary based in Dubai and indirectly owns another subsidiary based in Singapore, which to date has no operational activity

—o BRANCH

9. Group organisation

Sopra Steria Group's governance consists of a Board of Directors, Chairman, Chief Executive Officer and Deputy Chief Executive Officers.

The organisation is supported by a permanent operational and functional structure as well as temporary structures for the management of particular deals and projects.

Sopra GMT, the holding company that takes an active role in managing the Group, takes part in conducting Group operations through:

- its presence on the Board of Directors and the three Board committees;
- a tripartite assistance agreement entered into with Sopra Steria and Axway, concerning services relating to strategic decision-making, coordination of general policy between Sopra Steria and Axway, and the development of synergies between these two companies, as well as consulting and assistance services, particularly with respect to finance and control.

9.1. Permanent structure

The Group's permanent structure is composed of four operational tiers and their associated functional structures.

9.1.1. TIER 1: EXECUTIVE MANAGEMENT AND THE EXECUTIVE COMMITTEE

Executive Management is represented by the Chief Executive Officer, the Deputy CEOs and the Chief Operating Officer.

Members of Executive Management as at 31 December 2020:

- Vincent Paris, Chief Executive Officer of Sopra Steria Group;
- John Torrie, Deputy Chief Executive Officer of Sopra Steria Group;
- Laurent Giovachini, Deputy Chief Executive Officer of Sopra Steria Group.

The Executive Committee (ExCom) consists of Executive Management and the heads of the main operating and functional entities.

The 17 members of Sopra Steria Group's Executive Committee supervise the Group's organisation, management system, major contracts and support functions and entities. They are involved in the Group's strategic planning and implementation. Two of its members are women.

Members of the Sopra Steria Executive Committee:

- Vincent Paris, Chief Executive Officer;
- John Torrie, Deputy Chief Executive Officer;
- Laurent Giovachini, Deputy Chief Executive Officer;
- Eric Pasquier, Sopra Banking Software;
- Pierre-Yves Commanay, Continental Europe;
- Cyril Malargé, Chief Operating Officer;
- Xavier Pecquet, Key Accounts and Partnerships, Vertical Aeroline;
- Jean-Claude Lamoureux, Sopra Steria Next (Consulting);
- Urs Kraemer, Germany;
- John Neilson, United Kingdom;
- Étienne du Vignaux, Finance;
- William Ferré, Industrial Approach;
- Yvane Bernard-Hulin, Legal;
- Fabienne Mathey-Girbig, Corporate Responsibility and Sustainable Development;
- Christophe de Tapol, Strategy;
- Mohammed Sijelmassi, Technology;
- Jean-Charles Tarlier, Human Resources Development.

Other committees overseen by Executive Management

The Group Operating Committee consists of the members of the Executive Committee and 18 operational directors for countries or subsidiaries. Four of its members are women.

The Group Management Committee consists of the members of the Group Operating Committee, together with 18 operational directors and functional directors of the Purchasing, Internal Control, Industrial, Finance, Real Estate, Marketing and Communications, Investor Relations and Human Resources functions. Eight of its members are women.

9.1.2. TIER 2: SUBSIDIARIES OR COUNTRIES

These are the main operating entities. Their scope corresponds to one of the following:

- a specific line of business (consulting and systems integration, development of business solutions, infrastructure management and cloud services, cybersecurity services and business process services);
- geographic area (country).

These entities are managed by their own Management Committee, comprising in particular the Director and management of tier 3 entities.

9.1.3. TIER 3: DIVISIONS

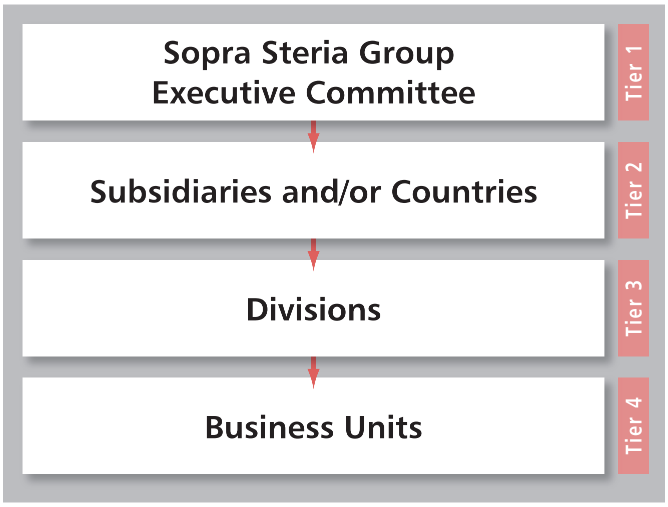
Each country or subsidiary is made up of divisions based on two criteria:

- vertical market;
- geographic area (region).

9.1.4. TIER 4: BUSINESS UNITS

Each division is made up of business units, which are the organisation's primary building blocks. They operate as profit centres and enjoy genuine autonomy. They have responsibility for their human resources, budget and profit and loss account. Management meetings focusing on sales and marketing strategy and human resources are held weekly, and the operating accounts and budget are reviewed on a monthly basis.

The diagram below illustrates the four main tiers of the ongoing structure:



9.1.5. OPERATIONAL SUPPORT FUNCTIONS

The operational organisation is strengthened by operational support entities responsible for managing major transformations:

- the Key Accounts and Partnerships Department (DGCP), responsible for promoting the Key Accounts policy and developing relations with partners. The role of this department is to coordinate the commercial and production approaches for our major clients, particularly when different entities are involved;
- the Digital Transformation Office (DTO), responsible for designing and managing the Group's digital transformation. It also manages the Group's innovation approach;
- the Industrial Department, responsible for industrialising working methods and organising subcontracting on X-shore platforms. It also checks that projects are properly executed.

9.1.6. FUNCTIONAL STRUCTURES

The functional departments are the Human Resources Department, the Marketing and Communications Department, the Corporate Responsibility and Sustainable Development Department, the Internal Control Department, the Finance Department, the Legal Department, the Real Estate Department, the Purchasing Department, and the Information Systems Department.

These centralised functions ensure Group-wide consistency. Functional managers transmit and ensure commitment to the Group's core values, serve the operational entities and report directly to Executive Management.

The Group's functional structures standardise management rules (information system resources, IT systems, financial reporting, etc.) and monitor the application of strategies and rules. In this manner, they contribute to overall supervision and enable the operational entities to focus on business operations.

9.1.7. A SOLID, EFFICIENT INDUSTRIAL ORGANISATION

Sopra Steria manages complex and large-scale programmes and projects in a market where delivery commitments are increasing and becoming globalised. The Group has an increasingly wide range of skills to support multi-site projects that generate strong gains in productivity with delivery models that guarantee clients an optimal cost structure.

Sopra Steria applies an industrial production approach, supported by five levers:

- production culture: transmission of know-how and expertise in the field;
- choice of personnel: human resources are central to the approach, providing training, support and improved skills for each employee;
- organisation: the Industrial Department and its representatives in the business units control production quality and performance, identify and manage risks, support project managers and roll out industrialised production processes;
- state-of-the-art industrial-scale foundation: the Delivery Rule Book (DRB), the Digital Enablement Platform (DEP) and the Quality System across the Group's various entities;
- global delivery model: rationalising production by pooling resources and expertise within service centres, with services located based on the needs of each client (local services and skill centres in various entities, shared service centres nearshore in Spain, North Africa and Poland, and offsore shared service centres in India.

9.2. Temporary structures for specific deals and projects

The Group's organisation must retain flexibility in order to adapt to changes in its markets and ensure the successful completion of projects.

These are handled by temporary teams:

- within the entities;
- under the authority of a pilot entity, established to leverage synergies across several entities.

Each project is organised and carried out in order to meet fundamental objectives: client service, business success, and contribution to the overall growth of the Group.

Depending on their particularities (size, area of expertise, geographic area covered), large-scale projects can be managed at the business unit, division, subsidiary/country or Executive Management level. Certain large projects requiring the resources of several business units may involve the creation of a division.

2. Risk factors and internal control

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1. Risk factors

1.1. Risk identification and assessment

The identification and assessment of risks and monitoring of the implementation of associated mitigation plans are conducted on a continuous basis by the various operational and functional departments using the Group's management system, as described in Section 3.3.2 of this chapter. These help with the preparation and yearly updating of the Group's risk mapping. This risk mapping covers all internal and external risks and includes both financial and non-financial issues. It is coordinated by the Internal Control Department. The main operational and functional managers are involved through interviews and validation workshops. The results were reviewed and approved by Executive Management and presented to the Audit Committee of the Board of Directors.

This exercise consists of identifying the risks that could limit Sopra Steria's ability to achieve its objectives, as well as assessing their likelihood of occurrence and their impact should they occur, on a financial, strategic, operating and reputational level. Risks are assessed on a scale of four levels: very low, low, possible, almost certain in terms of likelihood; and low, moderate, significant, critical in terms of impact. The time frame used is five years. Specific mapping for corruption and influence-peddling risks and risks relating to duty of vigilance are taken into account in this general risk mapping.

The most significant risks specific to Sopra Steria are set out below by category and in decreasing order of criticality (based on the crossover between likelihood of occurrence and the estimated extent of their impact), taking account of mitigation measures implemented. This presentation of net risks is not intended to show all Sopra Steria's risks. The assessment of this order of importance may be changed at any time, in particular due to new external factors, changes in operations or a change in the effects of mitigation measures.

For each risk, a description is provided explaining in what ways it could affect Sopra Steria as well as the risk management measures put in place, i.e. governance, policies, procedures and controls.

1.2. Summary overview of risk factors

The table below shows the results of this assessment in terms of net importance on a scale of three levels, from least important (+) to most important (+++).

Category/Risk	Materiality
Risks related to strategy and external factors	
Adaptation of services to digital transformation, innovation	+++
Significant reduction in client/vertical activity	++
Major acquisitions	++
Attacks on reputation	++
Risks related to operational activities	
Cyberattacks, systems security, data protection	+++
Extreme events and response to major crises	+++
Sale and delivery of projects and managed/operated services	+
Risks related to human resources	
Development of skills and managerial practices **SNFP** [1]	++
Attracting and retaining employees **SNFP**	+
Risks related to regulatory requirements	
Compliance with regulations **SNFP**	+

(1) *SNFP: Statement of Non-Financial Performance. This risk also relates to concerns addressed by the regulatory changes set out in Articles L. 225-102-1 III and R. 225-105 of the French Commercial Code, which cover the Company's Statement of Non-Financial Performance.*

IMPACT OF THE COVID-19 PANDEMIC

The Covid-19 pandemic has inevitably affected the Group's risk environment. A number of risks have materialised in one way or another or require increased vigilance. The main impact of the health crisis lies in the downturn in activity for certain sectors or clients that have been hardest hit by the economic situation, such as aerospace and transport.

This event also required a certain number of measures to protect employees' health and safety by rigorously applying government recommendations with the introduction of widespread working from home and observance of health measures at sites, to ensure the continuity of our services to clients, and to adapt the management of operations and implement measures to restructure and reorganise operations where necessary. The impacts of the Covid-19 pandemic observed by the Group in 2020 are described in Section 6.1 (Comments on 2020 performance) of Chapter 1 and in Note 1.3 to the consolidated financial statements (Impact of the Covid-19 crisis on the consolidated financial statements for the period), in Chapter 5.

The Covid-19 pandemic has created considerable uncertainty for Sopra Steria concerning its business environment. These conditions have been taken into account in analysing risk insofar as they may change both the nature of risk and the medium-term assessment thereof. Some risks – already identified before the pandemic – remain a topical issue in order to maintain the resilience of Sopra Steria's business model, in particular those relating to adapting services to digital transformation, innovation, developing skills and managerial practises and even risk relating to cyberattacks, systems security and data protection.

IMPACT OF THE CYBERATTACK

The risk of a cyberattack is one of the main risks identified by the Group. The detailed presentation below describes the nature of the risk and the procedures put in place by the Group to mitigate the effects (1.3.2 Risks related to operational activities).

The impact of the cyberattack suffered by Sopra Steria in 2020 is set out in Section 6.1 (Comments on 2020 performance) of Chapter 1 (pages 29 to 30) and in Note 4.2.3 to the consolidated financial statements (Other operating income and expenses included in Operating profit), in Chapter 5 (page 174).

1.3. Detailed presentation of risk factors

1.3.1. RISKS RELATED TO STRATEGY AND EXTERNAL FACTORS

ADAPTATION OF SERVICES TO DIGITAL TRANSFORMATION AND INNOVATION

Risk description

The business activities of the Group's clients are changing and are being transformed as a result of their digital transformation and the emergence of new competitors, new businesses and new organisations. Clients are seeking to become more agile, and to do so they are reinventing their business models, organisational structures and resources. These developments concern all of the Group's businesses.
If the Group is unable to understand, satisfy and anticipate clients' needs, an unsuitable market positioning and/or difficulties in implementing its strategy could significantly impact its financial performance and image, and ultimately call into question its strategy.

Risk management measures

The management of this risk is integrated into the development of the Group's strategy as well as its effective implementation. Each year, the Group conducts a strategy review and/or update, under the supervision of the Strategy Department, the Chairman and the Chief Executive Officer, with the assistance of the Group's Executive Committee, covering some or all business lines and markets in which it operates. This exercise, which draws both on external studies and internal feedback from stakeholders in contact with clients, leads the Group to take a certain number of decisions, in particular involving the transformations to be undertaken or the acquisitions strategy. These decisions are applied, on the one hand, by the central functions, responsible in particular for investing on behalf of the entire Group in support of the planned transformations and, on the other hand, by all Group entities (countries and subsidiaries) as part of the updating of their three-year strategic plans. The Group-wide implementation of the transformations initiated by the central functions as well as the progress made on each entity's strategic plan are monitored on a regular basis by the Chairman, the Chief Executive Officer and the Strategy Department, in liaison with the Group's Executive Committee.

By way of illustration, the following were subject to additional review and/or monitoring in 2020:

- the project for all entities and more specifically the transformation of the "France" business unit (concerning in particular the rollout of updating of information systems);
- the strategy in the United Kingdom (in particular the development of service platforms) and the transformation of Sopra Banking Software (digitisation of services, transformation of R&D);
- the development of Consulting activities within the Group (particularly in France, under the brand name "Sopra Steria Next");
- the strengthening of the Group's position in its priority vertical markets;
- the Group's industrial policy;
- the skills development;
- the technological partnership with Axway;
- acquisitions.

SIGNIFICANT REDUCTION IN CLIENT/VERTICAL ACTIVITY

Risk description

In general, the overall unstable economic situation in Europe as well as possible consolidation within the various sectors, or a slowdown in the business activity of a specific client or major sector, could have a negative impact on the Group.

The difficult situation in certain sectors – in particular aerospace – severely weighed down the Group's business activity in 2020 and is likely to continue to have a material impact for several quarters, depending on the scale and duration of the health and economic crisis.

To cope with budgetary pressure, a major client or even the entire sector could be forced to curtail IT investment projects, resulting for the Group in the loss of associated revenue and requiring the reassignment of the teams in place, a risk all the more difficult to manage if the downward fluctuations could not have been predicted.

Main clients include Airbus Group, Banque Postale, CNAM, Crédit Agricole, EDF, the UK Home Office, the French Ministry of the Armed Forces, the French Ministry of the Economy, Finance and Recovery, the UK Ministry of Defence, the UK Ministry of Justice, Orange, the UK Metropolitan Police, the UK National Health Service, Sparda Banken, SNCF and Société Générale.

In 2020, the Group's top client accounted for 5.9% of revenue, the top five clients represented 18% and the top ten contributed 28%.

Risk management measures

The Group's policy is to maintain a multi-client and multi-sector portfolio across multiple geographical operations and sites, in particular to avoid any uncontrolled concentration risk.

The Group's strategy relating to key accounts is reviewed each year in accordance with country, business line and sector-specific strategic reviews in order to adapt this strategy to market developments. This is the object of a dedicated exercise with all concerned parties. A regular review at monthly steering committee meetings is also organised within the Group to monitor market developments.

Furthermore, swiftly implemented action plans have helped to mitigate some of the effects of a reduction in business activity, such as transferring projects to the job markets affected, reskilling of employees and limiting subcontractors. These mechanisms have been activated in order to limit the consequences of the current health and economic crisis.

MAJOR ACQUISITIONS

Risk description

The Group's development strategy is based in part on its ability to identify potential acquisition targets and integrate them into its general offering, whether to supplement or improve it. Any major difficulty in integrating companies, generating the expected synergies, retaining staff of acquired entities or achieving a return on these acquisitions in future could have a negative impact on the Group's financial results and outlook.

Risk management measures

Proposed acquisitions in the process of being identified, assessed or negotiated are reviewed on a regular basis by a dedicated committee. Due diligence procedures are implemented for all proposed acquisitions in order to identify the inherent risks of the potential deal. These audits – carried out in collaboration with external advisors – concern both financial aspects and the valuation of the target, as well as operating, legal and taxation aspects, human resources, governance, compliance and business ethics, and issues relating to the environment and society.

All procedures associated with this upstream process have been revised and supplemented to create the "M&A Playbook", which now applies to M&A and corporate venture deals.

Any acquisitions are then subject to an integration programme, making it possible to anticipate and then monitor all key stages of the process from a strategic, operating, financial and human perspective. These integration policies and procedures are in addition to the "M&A Playbook".

ATTACKS ON REPUTATION

Risk description

Given its size, multiple geographical locations and positioning in projects at the heart of the clients' information systems and more visible projects for end clients (e.g. platform activities in the United Kingdom, major public sector transformation projects, payroll outsourcing activities), the Group could become increasingly exposed to the spreading of negative information in the media, whether proved or not, stemming from media attacks by external or internal stakeholders or negative comments on social media.

If the Group were to be the object of damaging media coverage or negative messages, this could have an adverse impact on its image and attractiveness and have repercussions on its financial performance.

Risk management measures

The Group has set up a media monitoring system in order to be informed as soon as possible of any publications about it and be able to react. If any criticism of or allegations against the Group should spread widely, crisis communication procedures may also be activated with the support of specialist agencies.

1.3.2. RISKS RELATED TO OPERATIONAL ACTIVITIES

CYBERATTACKS, SYSTEMS SECURITY, DATA PROTECTION

Risk description

A phishing campaign or the exploitation of a security flaw in the technical infrastructures or solutions used by Sopra Steria could result in a breakdown or disruption of essential systems for activities contractually authorised with clients and/or for the Group's internal operations, or the loss, corruption or disclosure of data. A cyberattack on a client, even if indirectly caused by the provision of services by the Group, could also have major repercussions for Sopra Steria.

This risk inevitably increases in the context of digital transformation (including services hosted in the cloud and mobile technologies). Widespread working from home is also a factor that increases cyberthreats. Malicious attacks on the systems of businesses and organisations by hackers, criminal organisations or even state-linked organisations have increased exponentially over the last few months in terms of the number, frequency and sophistication, and this trend only looks set to be amplified in the future. The Group was the victim of an unprecedented cyberattack in October 2020. The malware concerned was a new version of the Ryuk ransomware, previously unknown to antivirus software providers and security agencies.

These risks are significant in terms of probability and impact. They are at the heart of Sopra Steria's strategic concerns: in addition to the significant financial consequences of client claims relating to contractual commitments, interruption of internal operations, high recovery costs relating to an incident and non-compliance with regulations, a major security incident could have a considerable adverse impact on the Group's reputation and lead to the loss of future contracts.

Risk management measures

Sopra Steria has established an information security policy in line with international standards and has put in place a solid organisational structure for this purpose, which is coordinated at the Group's highest level.

The leadership team involved includes the Chief Information Security Officers (CISOs), along with the Information Systems Department (ISD) and the Group's security operations centre (SOC), with responsibility for detecting and responding to cybersecurity incidents. This organisational structure with its correspondents within entities, meeting different countries' regulatory requirements and client needs as closely as possible, allows for in-depth knowledge of areas of risk and business demands.

The Group is continually investing in its security awareness and training programme covering employees (e-learning modules, awareness campaigns, videos, on-site and remote training), as well as in protection and surveillance tools and to expand the involved teams. The Information Systems Department therefore permanently enhances its procedures in terms of cybersecurity monitoring and intelligence, vulnerability management, follow-up actions on computer emergency response team (CERT) reports, system obsolescence management, and the siloing and tightening of systems. Security tests on deliveries of the Group's services are permanently reinforced by means of processes, tools and employee training.

Sopra Steria ensures the reliability of existing systems by way of preventive testing plans and regularly conducts intrusion tests to assess the resilience of new systems put into service during the year. The entire system is verified on a regular basis, in particular by way of the annual audit programme and the certification audits for ISO 27001 and ISAE 34-02 covering the Group's strategic and sensitive areas of operations.

The Group reviews its policies and procedures, organisation and investments at least once a year, or as required whenever a security incident occurs, to adapt to changes in the context and risks, as despite everything these remain significant for the Group in view of the unprecedented escalation in threats.

Thanks to this comprehensive approach, the Group was able to reduce the potentially extremely critical impact of the massive attack detected in October 2020. This attack was rapidly blocked by in-house IT and cybersecurity teams. The measures implemented immediately made it possible to contain the malware to only a limited part of the Group's infrastructure and to protect its customers and partners. The remediation plan has allowed for the gradual restoration of workstations, R&D and production servers, internal tools and applications, as well as client connections. In the light of this event, the Group has decided to further step up its existing plans and launched a reinforcement programme, the two main aims of which are to improve its security response and shorten the time required to restart IT systems.

EXTREME EVENTS AND RESPONSE TO MAJOR CRISES

Risk description

The Group may be faced with events that could trigger a major crisis for it. This could be a systemic event such as political, economic or social crisis profoundly changing business conditions in one or more countries in which the Group operates, a major health crisis, natural phenomena relating to climate change, a cyberattack or a major incident making the Group's physical and/or IT infrastructures widely unavailable.

Major external events could also be the cause of a major crisis for the Group, such as those relating to problems with executing sensitive and highly visible projects, a targeted cyberattack, failure to protect personal data and the disclosure of confidential information.

Failings in prevention plans and/or crisis management processes or an inappropriate response to the crisis could have very major repercussions on an economic and operational level and seriously damage the Group's reputation.

Risk management measures

All risk prevention systems help to control crisis management. This concerns in particular those relating to human resources, management of projects and services and protection of IT systems and infrastructures.

The health crisis and the cyberattack in October 2020 provided the opportunity to apply the Group's crisis management systems. These are based on swiftly adapting the Group's operations, with impetus provided at the highest level, in this case the adoption of dedicated governance with the aim of defining, coordinating and permanently monitoring remediation and crisis communication measures. These crisis management systems are also based on permanent interaction with entities' management teams, who are in the front line in each country in which the Group operates, in order to react and quickly adapt the measures implemented by the Group. Despite this, the impact of an extreme event of the same or a different nature, which is by nature rapid and severe, remains a significant risk for the Group on a five-year horizon.

More specifically, as regards business continuity to ensure our ability to meet our commitments to clients and internal operating requirements, definition of the policy and choice of implementation of the Group's production sites depend on these factors. The decision to increase the number of countries and regions in which it operates is an integral part of this policy to maintain security and reduce risk exposure, allowing for the management of emergency plans. A redundancy principle is applied for all critical infrastructures and all system components, thanks to multi-site replication and supplier redundancies. In the event of outsourcing or subcontracting, the same level of service is demanded of our suppliers. The Group has strict prevention and security procedures covering areas such as physical security, power cuts at critical sites, information systems security, and data storage and backups. These procedures and technical measures are re-evaluated on a regular basis in order to adapt corrective measures.

SALE AND DELIVERY OF PROJECTS AND MANAGED/OPERATED SERVICES

Risk description

For fixed-price projects and managed or operated services, poor quality or failure to meet the standards expected of services and defined in contracts may give rise to various risks for Sopra Steria, such as contractual penalties, client complaints, claims for damages, non-payment, additional costs, early contract termination and reputational risk. These types of projects and services account for two-thirds of the Group's consolidated revenue.

In the current environment, clients' demands are becoming increasingly complex due to speed of execution, the agility required and the technical nature of solutions, as well as due to strict regulatory requirements, for example for the financial sector. These demands increasingly factor in corporate responsibility, particularly in terms of reducing the environmental impact of information systems developed or managed.

A poor assessment of the scale of the work to be done, an underestimate of the cost of providing the service or an incorrect estimate of the technical solutions to be implemented can lead to estimated costs being exceeded or contractual deadlines not being met. This delay can, in itself, result in late delivery penalties and/or budget overruns (additional days), resulting in additional costs and potentially impacting service margins.

Risk management measures

It is critical for the Group to be able to meet client demands and deliver consistent quality.

In order to ensure the quality of management and execution of services, the Group has developed a series of methods, processes and controls. In order to further strengthen these aspects, the Group developed and released its Delivery Rule Book at the end of 2019 (a set of 30 mandatory rules covering all phases, from pre-sales to the end of production for services), which continued its rollout throughout 2020.

The selection of Project Directors and of Project Managers responds to specific requirements and criteria according to the level of risk and project complexity. Particular attention is paid before any appointment is made. Project managers receive specific training. These courses are regularly updated to include issues meriting special attention and warnings relating to risks. In addition to project and line management, Industrial Managers under the authority of division/subsidiary managers and reporting functionally to the Group Industrial Department are responsible for monitoring all projects as well as the application of the production rules.

The review of proposals and contracts by line management, but also by the Industrial Department and the Legal Department, is an integral part of the Group's controls implemented to fulfil its commitments. In addition, projects are reviewed on a regular basis, at key phases in their production life cycle. These reviews, which are organised by the Industrial Department or by its local representatives, provide an external perspective on the status and organisation of the delivery. Monthly steering meetings facilitate an overview of quality at all levels, the monitoring of annual quality targets established during management reviews and the determination of the appropriate action plans to continuously improve production performance and the quality of Sopra Steria products and services. The effective implementation of actions agreed during steering meetings, audits and reviews is checked by the Industrial Department.

With regard to industrialisation, the Group has continued to invest heavily in the resources required to rapidly develop and operate digital solutions for its clients designed to work in the cloud environment: Digital Enablement Platform (DEP), implementation accelerators for new digital technologies (smart machines, AI/machine learning, blockchain, IoT, etc.), digital factories to enable service offerings combining consulting and software (e.g. cloud migration and information system modernisation).

1.3.3. RISKS RELATED TO HUMAN RESOURCES

DEVELOPMENT OF SKILLS AND MANAGERIAL PRACTICES

Risk description

Developing the skills of our employees and managers is a key factor in adapting the Group to its business challenges and maintaining employability. This also helps to make the Group more resilient and competitive in the face of current and future crises.

Difficulties in offering training that is both aligned with the needs of our clients and on a pragmatic level adapted to the necessary adjustment of our organisation and systems could call into question the Group's ability to serve its strategy and economic targets. Managerial practises and methods should also be reviewed in the light of changes in ways of working, whether as a result of digital transformation or recent external shocks that have put us to the test.

Risk management measures

To strengthen its balance and support its growth, Sopra Steria implements a human resources strategy centred on skills development, employability and the engagement of all employees. This strategy has several pillars:

- an updated and digital Core Competency Reference Guide, providing a shared framework for understanding the Group's businesses, for employee evaluation, and for career development;
- a performance appraisal based on open communication between managers and their team members, shared with the human resources function and resulting in an individual development plan;
- a "people dynamics" approach, which involves identifying transformations in the Group's businesses over a time frame of one to three years (emerging occupations, sustainable jobs, sensitive jobs, areas in which job offers exceed the number of applicants) and drawing up human resources action plans to integrate, maintain and develop the necessary current and future skills;
- a proactive training policy, whose objectives are reviewed and approved by the Group's Executive Committee, supported by a revamped Sopra Steria Academy training organisation, with adjustments made to its structure (governance, creation of specific Group and business line academies) as well as its offerings (more streamlined, focused on the corporate plan and the Group's strategic orientations, Learning Management System). In 2020, 1,207,065 hours of training were delivered despite the repercussions of the health crisis (a decrease of 4.6% compared with 2019);
- during a time of crisis, an unprecedented effort to boost employability and support employees, including widespread working from home, reskilling of staff in struggling markets (representing 16,700 hours of training), local support for managers, speeding up the digitisation of training programmes, systems for listening to employees and monitoring risks of work-related stress.

ATTRACTING AND RETAINING EMPLOYEES

Risk description

Sopra Steria places its employees at the centre of its drive to create value, improve its competitive position and increase market share. Its growth objectives must be achieved against the backdrop of fiercer competition, scarcity of expertise and increased demands of applicants and employees in terms of quality of life at work, health and safety, work-life balance and sustainability, particularly to limit the environmental impact of operations. This trend is also supported by the development of digital technology (connectivity, collaborative platforms etc.), which transforms uses and frees work from a certain number of constraints, in particular geographical constraints or in relation to physical proximity.
Being unable to optimise recruitment systems and ways of working as necessary could compromise our ability to attract and retain the talent we need. Recruitment difficulties and/or a relatively high employee attrition rate (which was 13.6% in 2020 as a result of the Covid-19 pandemic, compared with 17.7% in 2019 and 16.9% in 2018) may prevent the Group from delivering on its strategy or meeting its targets for growth and financial performance.

Risk management measures

Sopra Steria's employees are the motor fuelling its growth and value creation. Employee engagement and retention are two key focuses of the human resources policy. They have been translated into the following priorities:

- a sustained and pragmatic recruitment drive with 6,133 new hires in 2020, a decline correlated with the effects of the Covid-19 pandemic (compared with 10,884 in 2019);
- an employer brand ("Dare together") that conveys the image of a committed and united Group with a singular and responsible collective ambition;
- a continually improved applicant experience (interactive platforms for job seekers, new Careers site, videos on business lines, live chat, posts on social media etc.);
- an "immediate boarding" integration process based on specific training programmes ("Get On Board" seminar, business line training programmes);
- strengthened relationships with universities (more than 600 events and other initiatives at universities in 2020 despite the public health situation);
- ever-expanding civic engagement through iconic projects (HandiTutorat, Prix Étudiants awarded by Fondation Sopra Steria – Institut de France, etc.);
- an optimised recruitment process and organisation, particularly in France;
- a special focus on well-being in the workplace (preventive approach to occupational risks) and employee engagement in this area (commitment to local action plans following the Group people survey in partnership with Great Place to Work).

1.3.4. RISKS RELATED TO REGULATORY REQUIREMENTS

COMPLIANCE WITH REGULATIONS

Risk description

The Group is a multinational company that operates in many countries, serving customers with international presences, subject to various constantly changing laws and regulations. These may be regulations concerning data protection, anticorruption laws, competition law, international sanctions, employment law or employee health and safety obligations, environmental regulations within the framework of combating climate change, and even tax reforms.
The Group's activities and operating profit might be affected by significant changes in laws or regulations, or by decisions taken by authorities.
The Group is also exposed to the risk of breaches of regulations by employees who are not well enough informed or negligence or fraud by such employees.

Risk management measures

In order to support the Group's development and growth and respond to new regulatory requirements, the Internal Control Department, which covers compliance, internal control and risk management, is supported in part by the network of Compliance Officers (who are also responsible for internal control) throughout the Group's various geographical operations, the network of local representatives and local teams, as well as the expertise of functional divisions depending on their scope, in particular the Legal Department, Human Resources and the Finance Department. Developments in legislation and case law are monitored on a regular basis so as to plan ahead for any upcoming changes. Internal control rules and procedures are updated regularly to reflect these developments.

The code of ethics, the code of conduct and the code of conduct for stock market transactions aim to prevent any activity or practices that do not comply with requirements (see Chapter 4, Section 5, "Ethics and compliance").

2. Insurance

The Group's insurance policy is closely linked to its risk prevention and management practices, in order to ensure coverage for its major risks. The Group's Legal Department is responsible for managing its insurance programme.

The aim of Sopra Steria Group's insurance programmes is to provide uniform and adapted coverage of the risks facing the company and its employees for all Group entities at reasonable and optimised terms.

The scope and coverage limits of these various insurance programmes are reassessed annually in light of changes in the size of the Group, developments in its business activities as well as changes in the insurance market and based on the results of the most recent risk mapping exercise.

All Group companies are insured with leading insurance companies for all major risks that could have a material impact on its operations, business results or financial position.

The main insurance programmes in place within the Sopra Steria Group are the following:

- premises and operations liability and professional indemnity insurance

This programme covers all of the Group's companies for monetary consequences arising as a result of their civil and professional liability in connection with their activities, due to bodily injury, material or non-material damage caused to third parties. Overall coverage is limited to €150 million per claim and per year of insurance;

- cybersecurity insurance

This programme covers all of the Group's companies for any direct or indirect financial losses, property damage or loss of use, and business interruption losses resulting from a cyberattack;

- property damage and business interruption insurance

This programme covers all of the Group's sites for the direct material damage to property they may suffer as well as any consequential losses in the event of reduced business activity or business interruption occasioned by the occurrence of an insured event. Operating losses are insured on the basis of the loss of gross profit. Overall policy coverage (for all types of damages and operating losses) is limited to €100 million per claim and per year of insurance.

In addition, Group programmes have been put in place covering in particular:

- the civil liability of senior executives and company officers;
- assistance to employees on assignment, as well as to expatriate and seconded employees.

3. Internal control and risk management

This section of the report outlines Sopra Steria's internal control and risk management systems. These systems are based on the reference framework issued by the AMF. A specific subsection addresses the preparation of accounting and financial information.

The management control system is one of the fundamental components of internal control at Sopra Steria. It supports the internal dissemination of information as well as the various reporting and risk management procedures, and the implementation of controls.

3.1. Objectives and framework for the internal control and risk management system

3.1.1. OBJECTIVES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In order to address the identified risks presented in the preceding chapter, Sopra Steria has adopted a governance approach as well as a set of rules, policies and procedures together constituting its internal control and risk management system.

In accordance with the AMF reference framework, the internal control and risk management system, which is under the responsibility of the Group's Chief Executive Officer, is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- compliance with laws and regulations;
- implementation of instructions, guidelines and rules set forth by Executive Management;
- proper functioning of the Company's internal processes, particularly those intended to safeguard its assets;
- quality and reliability of financial and accounting information.

The risk management system is designed to identify, analyse and manage the Company's main risks.

More generally, the Group's internal control and risk management system contributes to the control of its business activities, the effectiveness of its operations and the efficient use of its resources.

This system is updated on a regular basis, in application of a continuous improvement process, in order to best measure the level of risk to which the Group is exposed as well as the effectiveness of the action plans put in place to mitigate risks.

Nevertheless, the internal control and risk management system cannot provide an absolute guarantee that the Company's objectives will be achieved and that all risks will be eliminated.

3.1.2. REFERENCE FRAMEWORK AND REGULATORY CONTEXT

The Sopra Steria Group refers and adheres to the reference framework issued by the Autorité des Marchés Financiers (AMF, the French securities regulator).

3.2. Scope

The internal control and risk management system applies across the entire Group, i.e. the parent company Sopra Steria Group, together with all fully consolidated companies.

3.3. Components of the internal control and risk management system

3.3.1. ENVIRONMENT

Sopra Steria Group's internal control and risk management system is founded upon the Group's four-tier operational organisation as well as its centralised functional organisation. Each tier of the operational organisation is directly involved in the implementation of internal control and risk management practices. To this end, the Group has put in place a set of operating principles and rules, along with the appropriate delegations of authority. It is the responsibility of all Group employees to familiarise themselves with these rules and to apply them. For more information on the Group's organisation, see Section 9 (Group organisation) in Chapter 1, "Business overview and strategies" of this Universal Registration Document, pages 32 to 33.

3.3.2. A SHARED MANAGEMENT CONTROL SYSTEM

The management control system is designed not only to manage the dissemination of information, upwards to Executive Management and downwards to the operational and functional units, but also to guide, control and support the Group's employees, identify risks and monitor the associated mitigation plans. It involves steering meetings held at each of the different organisational levels, including the Group's Executive Committee.

These meetings are governed by specific standards (reporting timetable, participants, agenda, documents to be presented at the beginning and end of the meeting) and are supported by the management reporting system. Meetings are held according to a calendar, dependent on the organisational level and timeframe objectives:

- weekly meetings for the current month: Priority is given to the monitoring of sales, production and human resources;
- monthly meetings for the current year: In addition to the topics discussed at the weekly meetings, additional emphasis is placed on financial indicators (entity performance for the previous month, update of annual forecasts, actual vs. budget, progress report on actions in line with the medium-term strategy);
- annual meetings, looking ahead several years: The medium-term strategy and the annual budget process for the entities are discussed in the context of the Group's overall strategic plan.

The implementation of this system at all operational and functional entities is a highly effective vehicle for cohesiveness, the sharing of values and practices throughout the Group, and control.

3.3.3. TOOLS

The Group's management applications and office automation software are designed to standardise the documents produced by the Group. The production tools used or developed by the Group allow for the industrialisation of project delivery and of managed or operated services by improving the quality of deliverables. They incorporate the processes that make up the Group's production methodology.

3.3.4. A SHARED FRAMEWORK FOR GROUP RULES

a. Code of Ethics, anti-corruption Code of conduct and code of conduct for stock market transactions

The aims of the Group's Code of Ethics, which is based on its core values, are to ensure compliance with international treaties, laws and regulations in force in all countries where it operates, and to reaffirm the Group's ethical principles. This Code of Ethics is supplemented by a code of conduct for stock market transactions whose main aim is to reiterate and clarify the rules regarding sensitive information, insider information and the management of securities. Furthermore, the anti-corruption code of conduct sets out the rules and behaviours to be adopted to prevent corruption and influence peddling. For more details on the anti-corruption code of conduct, see Section 5 "Ethics and compliance" in Chapter 4, "Corporate responsibility" of this Universal Registration Document, pages 132 to 136.

b. Group rules, policies and procedures

A framework of rules including Group internal control rules and delegations of authority (decision-making levels) is in force across the Group to provide a common foundation for all processes. These rules apply to all employees and all entities as soon as possible when integrating acquisitions.

These general rules are adapted to the Group's various entities, and continue to be supplemented when necessary at Group level through the formal documentation of procedures, always with a focus on the continuous improvement of internal control and so as to better manage the risks identified in the course of the Group's risk mapping exercises. The rules and procedures cover 10 areas corresponding to Group processes: governance and steering, trade, production, human resources, internal and accounting management, information system and infrastructures, purchasing, communications and marketing, legal and insurance, and corporate responsibility. These Group rules and procedures are then further detailed to take into account local regulatory constraints across all of the Group's geographical operations.

These rules and procedures are available on the Group's intranet. They are reinforced through the Group's various training and communications initiatives.

On the production front, Sopra Steria's Quality System defines all the production, management and quality assurance processes required to successfully manage projects. The primary goal is to contribute effectively to the delivery of high quality IT systems that meet clients' needs in line with time and budget constraints. This methodology defines project management practices and processes suited to various environments and at different levels of management and supervision, as well as software engineering practices and processes. The basic principles of the Quality System are described in a Quality Manual supplemented by procedural guides and operating manuals. UK, Scandinavia and CIMPA apply mechanisms that are similar but rely on specific methods geared to the primary characteristics of their activities. In order to further strengthen these aspects, the Group continued in 2020 with the rollout of its Delivery Rule Book at all entities. This is a set of 30 essential and mandatory rules covering the production cycle from end to end, from pre-sales to the end of service production.

The Group's rules and procedures are regularly updated and supplemented to best reflect the Group's organisation and manage the identified risks.

3.4. Participants in internal control and risk management

Everyone in the Group has a part to play in risk management and internal control, from the governance bodies and senior management to the employees of each Group company.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM STAKEHOLDERS

EXECUTIVE MANAGEMENT

The internal control and risk management system is approved and overseen by Executive Management, thus at the Group's highest level. As the top level of authority and responsibility for the internal control and risk management system, it monitors the system's continuing effectiveness and takes any action required to remedy identified shortcomings and remain within acceptable risk tolerance thresholds. Executive Management ensures that all appropriate information is communicated in a timely manner to the Board of Directors and to the Audit Committee.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Group's Audit Committee examines the main features of the internal control and risk management procedures selected and implemented by Executive Management to manage risks, including the organisation, roles and functions of the key actors, the approach, structure for reporting risks and monitoring the effectiveness of control systems. It has access to the elements necessary to reach an overall understanding of the procedures relating to the preparation and processing of accounting and financial information (presented in the following chapter).

Each year, the Audit Committee reviews the results of the Group's risk mapping exercise and holds regular meetings with the Internal Control Department to monitor the implementation and adaptation of the Group's rules and the internal control process.

The Audit Committee also monitors the activity of the Internal Audit Department through the following actions:

- approval of the annual internal audit plan;
- meeting with its Director once a year in the presence of the Statutory Auditors, but without the presence of management;
- biannual review of the results of internal audit assignments and follow-up on the implementation of action plans resulting from recommendations.

Three lines of control

In accordance with the AMF reference framework, the internal control and risk management system put in place by the Sopra Steria Group is structured around three lines of control, as presented below.

- **First line of control: Front-line staff and operational management**

The first line of control for the internal control and risk management system consists of:

- operational management, tasked with implementing the system defined at Group level for the area under its responsibility. This line of control makes sure that the internal control rules and procedures are effectively implemented, fully understood and consistently applied within its scope of operations,
- the Group's employees, who take due note of and apply all of the rules set out within the organisation.

- **Second line of control: Risk management and internal control**

The aim of the second line of control is to monitor the internal control and risk management system on an ongoing and continuous basis to verify its effectiveness and coherence as well as the proper application of its rules and procedures.

- Internal Control Department and Compliance Officers at the entities

The internal control and risk management system is steered and coordinated by the Internal Control Department at Group level. As the coordinator of the system, and with regard to the risks that have been identified and assessed, the Internal Control Department defines and updates the system's various components. In carrying out these duties, the Internal Control Department works closely with the Group's functional and operational departments.

The Group has a network of Compliance Officers, appointed in each of the Group's entities and across all its geographical operations. These Compliance Officers are responsible for adapting the guidelines and rules defined at Group level. In particular, they are tasked with making sure that all components of the internal control and risk management system as well as those of the Group's compliance programme are effectively implemented, fully understood and consistently applied. They are also responsible for raising alerts in the event of difficulties encountered in the implementation of any of these components for their scope.

- Functional departments

The functional departments are key participants in the coordination of the internal control and risk management system. They assist the Internal Control Department in updating procedures specific to the processes under their responsibility.

Alongside the self-assessment and control procedures implemented by operational managers at every level, functional departments play a special role in the application of the rules for delegations of authority in force within the Group. They support operational staff in the area of risk management and, from a preventive standpoint, they may serve in an advisory capacity or perform ex-ante or detective controls on the application of rules.

The Finance Department is entrusted with specific responsibilities in the context of financial controls and the Industrial Department is responsible for control procedures relating to the management of its Quality System.

- Finance Department

Financial Controlling falls under the responsibility of the Finance Department. Its main responsibilities include the consolidation and analysis of monthly results produced by the internal management system, controlling the consistency of monthly forecasts, verifying the application of Group rules, assisting operational managers, training management system users, and performing the reconciliation between the internal management accounts and the general ledgers.

As part of their control responsibilities, Financial Controllers identify and measure risks specific to each operational unit. In particular, they ensure that contractual commitments and project production are aligned with the revenue recognised. They raise alerts for projects that present technical, commercial or legal difficulties. They check that revenue is recognised in line with Group accounting rules as well as analysing any commercial concessions applicable and verifying their treatment in the operating accounts of the operational unit. They also ensure that the costs for the operational unit are completely and accurately recognised.

Financial Controllers devote particular attention to unbilled revenue and contractual milestone payments, and check that invoices issued are paid. In coordination with the manager at the relevant entity, they trigger payment collection, which is managed directly by the Finance Department. They check any credit notes issued.

Financial Controllers assess the organisation and administrative functions of operational units. They monitor compliance with rules and deadlines.

- Industrial Department (Management of the Quality System)

Quality management relies upon the day-to-day interaction between the operational and quality structures and covers the methods for the production and application of professional standards.

Sopra Steria's quality structure is independent of the project management and delivery operations. As such, it offers external quality assurance for projects with the objectives of assuring production and cost controlling, overseeing associated human resources, verifying production conformity and compliance with quality assurance procedures, and monitoring the quality assurance plan's effectiveness.

Industrial managers under the authority of business unit/subsidiary managers and reporting functionally to the Group Industrial Department are responsible for monitoring the Quality System and all projects.

Structural audits are performed so as to verify the application and effectiveness of the Quality System among the concerned Sopra Steria staff members (management, sales, operational quality unit). Projects are reviewed on a regular basis, at key phases in their life cycle. These reviews, which are organised by the Industrial Department, or by the quality structure's local representatives, provide an external perspective on the status and organisation of projects.

Monthly steering meetings facilitate an overview of quality at all levels, the monitoring of annual quality targets established during management reviews and the determination of the appropriate action plans to continuously improve production performance and the quality of Sopra Steria products and services.

The effective implementation of actions agreed during steering meetings, audits and reviews is checked by the Industrial Department.

An annual review is performed by Executive Management to ensure that the Quality System remains pertinent, adequate and effective. This review is based in particular upon an analysis of project reviews and internal structural audits performed at all levels of the Group as well as upon annual assessments produced by divisions or subsidiaries. During this review, the adequacy of the quality policy is evaluated, the annual quality objectives are defined and possible improvements and changes in the Quality System are considered.

The Group has put in place a certification policy, covering all or a portion of its operations, depending on market expectations. This policy relates to the following standards or frameworks: ISO 9001, TickIT Plus, ISO 27001, ISO 22301, ISO 14001, ISO 20000, CMMI and TMMi.

- **Third line of control: Internal audit function**

Internal Audit Department

Under the internal audit charter adopted by the Group, the Internal Audit Department has the following tasks:

- independent, objective evaluation of the effectiveness of the internal control system via a periodic audit of entities;
- formulation of all recommendations to improve the Group's operations;
- monitoring the implementation of recommendations.

The work of the Internal Audit Department is organised with a view to covering the "audit universe" (classification of key processes) reviewed annually by the Audit Committee.

Internal Audit covers the entire Group over a cycle of a maximum of four years. Audits are performed more frequently for the main risks identified. To this end, Internal Audit carries out field audits while using self-assessment questionnaires for areas of lesser importance.

By carrying out work relating specifically to fraud and corruption, the Internal Audit Department has identified processes that are potentially concerned, associated risks, control procedures to be adopted (prevention and detection) and audit tests to be carried out. These are systematically integrated into internal audit programmes.

Internal Audit, which reports to the Chairman of the Board of Directors and operates under the direct authority of Executive Management, is responsible for internal control and monitors the system in place. It submits its findings to Executive Management and the Audit Committee.

The Chairman of the Board of Directors validates the audit plan, shared with Executive Management, notably on the basis of risk information obtained using the risk mapping procedure, the priorities adopted for the year and the coverage of the "audit universe". This plan is presented to the Audit Committee for review and feedback. Recommendations are monitored and compiled in a report provided to Executive Management and the Audit Committee.

The Internal Audit Department carried out 21 assignments in financial year 2020.

External monitoring system

Furthermore, the internal control and risk management system is also monitored by the Statutory Auditors and the quality certification inspectors for the Quality System.

Statutory Auditors

As part of their engagement, the Statutory Auditors obtain information on the internal control system and the procedures in place. They attend all Audit Committee meetings.

The Statutory Auditors are engaged throughout the year across the Group. Their involvement is not limited to interactions with the accounting department. To gain a more in-depth understanding of how operations and transactions are recorded in the accounts, the Statutory Auditors are in regular contact with operational managers, who are best placed to explain the Company's business activity. These meetings with operational staff are structured around business unit, division or subsidiary reviews, during which the Statutory Auditors examine the main ongoing projects, progress made and any difficulties encountered by the business unit or subsidiary.

Quality certification inspectors

The audit procedure aims to ensure that the Quality System is both in compliance with international standards and is applied to the entire certified scope of operations.

Each year, quality certification inspectors select the sites visited depending upon an audit cycle and relevance of the activity in relation to the certification.

3.5. Assessment and continuous improvement process

The purpose of this audit process is to identify ways in which the quality management system might be improved in order to ensure continuous improvement.

The internal control system and its operation are subject to internal and external assessments to identify areas for improvement. These may lead to implementation of action plans to strengthen the internal control system, under the oversight of the Group's Audit Committee.

4. Procedures relating to the preparation and processing of accounting and financial information

4.1. Coordination of the accounting and financial function

4.1.1. ORGANISATION OF THE ACCOUNTING AND FINANCIAL FUNCTION

Limited number of accounting entities

By keeping the number of legal entities, and therefore accounting entities, relatively low, the Group can drive reductions in operating costs and minimise risks.

Centralised coordination of the accounting and financial function

The activities of Sopra Steria's accounting and financial function are overseen by the Group's Finance Department, which reports directly to Executive Management.

The responsibilities of the Finance Department mainly include the production of the accounts, financial controlling, tax issues, financing and cash management, and participation in financial communications and legal matters.

Each subsidiary has its own financial team that reports functionally to the Group's Finance Department.

Supervision of the accounting and finance function by Executive Management and the Board of Directors

The Finance Department reports to the Group's Executive Management. As with all other entities, it follows the management reporting and controlling cycle described above: weekly meetings to address current business activities, monthly meetings devoted to a detailed examination of figures (actual and forecast), the organisation of the function and the monitoring of large-scale projects.

Executive Management is involved in the planning and supervision process as well as in preparing the period close.

The Board of Directors is responsible for the oversight of accounting and financial information. It approves the annual accounts and reviews the interim accounts. It is supported by the Audit Committee, as described in Section 1.3.3 of Chapter 3, "Corporate governance" of this Universal Registration Document, pages 78 to 79.

4.1.2. ORGANISATION OF THE ACCOUNTING INFORMATION SYSTEM

Accounting

The configuration and maintenance of the accounting and financial information system are centralised at Group level. Central teams manage access permissions, and update them at least once a year. The granting of these permissions is validated by Finance teams at the subsidiaries.

All Group companies prepare, at a minimum, complete quarterly financial statements on which the Group bases its published quarterly revenue figures and interim financial statements.

Monthly cash flow forecasts for the entire year are prepared for all companies and consolidated at Group level.

Accounting policies and presentation

The accounting policies applied within the Group are presented in the notes to the consolidated financial statements in this document. At each balance sheet date, the Audit Committee ensures that these policies and presentation have been applied by the Finance Department and the Statutory Auditors.

The proper use of the percentage-of-completion method to value ongoing projects is monitored on a permanent basis jointly by the Industrial Department and by the Finance Department (Financial Controllers).

4.2. Preparation of the published accounting and financial information

4.2.1. RECONCILIATION WITH THE INTERNAL MANAGEMENT SYSTEM ACCOUNTING DATA

All Group entities prepare a monthly budget, a monthly operating statement and revised monthly forecasts.

The budget process, which is short in duration, takes place in the last quarter of the year. This is a key stage. It provides an opportunity to apply the strategy approved by the Group's Executive Committee, to adapt the organisation to developments in business segments and market demand, and to assign quantitative and qualitative objectives to all Group entities. Budgets, including detailed monthly operating forecasts, are prepared by each unit at this event.

Each Group entity prepares a monthly operating statement closed on the third working day of the following month. Management indicators (utilisation rate, selling prices, average salary, indicators relating to human resources, invoicing and receipts, etc.) are also reviewed on a monthly basis.

Finally, a revised operating statement prepared each month includes the results of the previous month and a revised forecast for the remaining months of the current year.

Sales metrics (prospects, contracts in progress, signings, etc.), client invoicing and cash receipts are analysed at the management meetings organised by the management control system described above.

The results derived from the monthly management reporting documents are verified by Financial Controllers reporting to the Finance Department, who also reconcile this data with the quarterly accounting results in the general ledgers.

4.2.2. PROCEDURES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Each company establishes quarterly financial statements and prepares a consolidation pack.

For each of the companies falling within the scope of the audit of consolidated financial statements, the Statutory Auditors examine the interim and annual consolidation packs. Once approved, they are used by the Group Finance Department and the consolidated financial statements are examined by the Group's Statutory Auditors.

4.2.3. PROCEDURE FOR SIGNING OFF THE FINANCIAL STATEMENTS

The interim and annual consolidated financial statements are presented to Executive Management by the Finance Department.

As part of their annual accounts close-out at 31 December, the financial statements of Sopra Steria Group and its subsidiaries undergo a legal audit by the Statutory Auditors in order to be certified. A limited review is also performed on 30 June.

As part of its assignment to monitor the legal control of the financial statements, the Audit Committee takes note of the Statutory Auditors' work and conclusions during the review of the interim and annual financial statements.

The Audit Committee examines the financial statements, notably in order to review the Company's exposure to risks, verify that the procedures for gathering and controlling information guarantee its reliability, and ensure that accounting policies have been applied consistently and appropriately. It gathers comments from the Statutory Auditors.

The Group's financial statements are then presented to the Board of Directors for approval.

4.2.4. FINANCIAL COMMUNICATIONS

The Financial Communications and Investor Relations Department, which is supervised by the Chairman of the Board of Directors, manages the Group's financial communications.

The Group communicates financial information via several different means, notably:

- press releases;
- the Universal Registration Document and the various reports and disclosures that it contains;
- the presentation of the interim and annual financial statements.

The Group's website has a dedicated "Investors" section that presents all of the aforementioned items as well as other regulatory or informative items.

3. Corporate governance

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This chapter describes the organisation and operation of governance as well as the compensation policy for company officers and its application during financial year 2020. It contains explanations concerning the recommendations of the AFEP-MEDEF Code [1] that were, by exception, set aside or only partially implemented in 2020.

1. Organisation and operation of governance

1.1. Executive company officers

On 19 June 2012, Sopra's Board of Directors decided to separate the roles of Chairman and Chief Executive Officer. It confirmed this decision at the meeting it held after the General Meeting of 12 June 2018, stating the view that this separation of roles remains the best way of addressing the Group's strategic and operational priorities. Given the close relationship between the Chairman of the Board of Directors and the Chief Executive Officer, there is close collaboration and an ongoing dialogue between them.

1.1.1. ROLE OF THE EXECUTIVE COMPANY OFFICERS

The Chairman is tasked with managing strategy, while the Chief Executive Officer is responsible for operations.

The Chairman:

- guides the implementation of the Group's strategy and all related matters, including mergers and acquisitions;
- assists Executive Management with the transformation of the Group;
- oversees investor relations and manages the Board's relations with shareholders.

The Chief Executive Officer:

- works with the Chairman to formulate strategy;
- supervises the implementation of decisions adopted;
- ensures the operational management of all Group entities.

It should be noted that Vincent Paris – appointed Chief Executive Officer on 17 March 2015 – does not hold any company officer positions outside the Group.

1.1.2. SUCCESSION PLAN FOR EXECUTIVE COMPANY OFFICERS

In 2020, the Nomination, Governance, Ethics and Corporate Responsibility Committee reviewed and updated the succession plan for the Chairman of the Board of Directors and the Chief Executive Officer.

1.1.3. OVERVIEW OF THE ACTIVITIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS IN 2020

The Chairman of the Board of Directors carried out activities on a full-time basis throughout the year, involving not only steering the work of the Board, but also complementary assignments entrusted to him by the governance.

This scope comprises the governance of strategy, acquisitions and the Board of Director's shareholder relations as well as the supervision of matters listed early in the year in coordination with the Chief Executive Officer. These matters all relate to long-term preparations required in particular by the Group's transformation (transformation of HR, digital, industrial, main principles for the organisation and functioning of the Group, employee share ownership, promotion of values and compliance).

The Chairman is responsible for maintaining balance between stakeholders (in particular shareholders, employees and local authorities) after taking into account the social and environmental implications of the Group's business activities.

In crisis situations, such as those experienced in 2020 (public health crisis, cyberattack), the ability to rank priorities, uphold the Group's values, and consider its options from a long-term perspective thanks to the commitment provided by the core shareholder is absolutely critical.

The various matters placed under the Chairman's responsibility require a perfect knowledge of operational realities and thus close relations with the Chief Executive Officer and the Executive Committee. This close relationship fosters information flows between them. It facilitates effective coordination on decisions required for the delivery of the medium-term strategic plan and follow-up over the long term on implementation of these decisions, although operational imperatives may be given a higher priority.

The separation of the roles of Chairman and Chief Executive Officer is based on the definition of duties and responsibilities set out in the Board of Directors' internal rules, observance of the respective prerogatives of the Chairman and Chief Executive Officer, a relationship founded on trust built up over time, and a natural complementarity between these office holders. In sum, the current framework contributes to fluid and flexible governance arrangements. It means the Group is able to act as quickly as needed and ensures decisions are taken with due care, without losing sight of Sopra Steria Group's medium- and long-term strategic priorities.

(1) The AFEP-MEDEF Code is the code to which the Company refers pursuant to Article L. 22-10-10 of the French Commercial Code. It is available on the website of France's Haut Comité de Gouvernement d'Entreprise (www.hcge.fr).

1.1.4. AGREEMENT WITH SOPRA GMT, THE HOLDING COMPANY THAT MANAGES AND CONTROLS SOPRA STERIA GROUP

In carrying out all of these assignments, the Chairman drew on resources across the Group but was also supported by a permanent team of five individuals at the Sopra GMT holding company. Four of them have spent most of their careers with Sopra Steria Group. This team therefore has knowledge of the Group, its main managers and its organisational structure that an external service provider could not have. Its positioning within Sopra GMT gives it an external viewpoint and independence that belonging to a functional or operational department of the company would not be able to ensure in the same way. These resources enhance the Board of Directors' ability to oversee the smooth running of the Company.

The team, put in place when Axway Software was spun off, performs duties for Sopra Steria Group and Axway Software, in which Sopra Steria Group holds a 32.4% stake. Above and beyond the support provided separately to each of these companies, Sopra GMT makes sure that synergies are harnessed and, that best practices are shared.

Sopra GMT's staff work on specific assignments (management of acquisitions, board secretarial tasks for Sopra Steria Group and Axway Software and their committees) and provide assistance to the functional division managers of Sopra Steria Group and Axway Software. Sopra GMT's employees play an active role on steering committees (for example, the Acquisition committee, Corporate responsibility consultative committee, Internal control – internal audit steering committee) and work groups (for example as part of a work group on the IT system) and on key issues for Sopra Steria Group. They provide the benefit of their technical expertise and an independent opinion.

The costs rebilled by Sopra GMT comprise the portion of payroll and related personnel costs allocated to the assignments performed for Sopra Steria Group, plus, where applicable, under the same conditions, the external expenses (such as specialised advisors' fees) incurred by Sopra GMT.

Sopra Steria Group charges Sopra GMT fees for providing premises, IT resources, and assistance from the Group's functional divisions as well as provision of appropriate expertise for Sopra GMT's assignments.

The work performed by this team and the principle for the rebilling to the Company of the costs incurred are covered in a framework agreement for assistance approved by the shareholders at the General Meeting among related-party agreements (see Section 1.3.4 of this chapter on pages 78 to 80) and reviewed each year by the Board of Directors.

Pierre Pasquier's compensation at Sopra GMT, reflects his oversight of the assignments performed by the Sopra GMT team for Sopra Steria Group and Axway Software. It is not rebilled to these two companies.

In sum, around 85% of Sopra GMT's operating expenses are rebilled (with the remaining 15% reflecting the estimated expenses arising from Sopra GMT's administration of its investments). Expenses are rebilled on a cost-plus basis including a 7% margin. By definition, Sopra GMT generally records a small operating loss. On average since 2011, about 70% of the rebillings have been allocated to Sopra Steria Group. The actual allocation may vary from year to year and reflects the respective needs of Sopra Steria Group and Axway Software.

The income and expenses recorded in Sopra Steria Group's financial statements in respect of services provided under this agreement during the financial year under review were as follows:

- expenses: €1.214 million;
- income: €0.139 million.

The Board of Directors reviewed the implementation of this agreement at its meeting of 28 January 2021 and unanimously agreed to maintain the previously granted authorisation for the current financial year; those Directors directly or indirectly affected did not take part in either the discussion or the vote.

1.1.5. EXECUTIVE MANAGEMENT

The Chief Executive Officer is supported by two Deputy Chief Executive Officers and a Chief Operating Officer.

In accordance with the Articles of Association and the internal rules and regulations of the Board of Directors, the Chief Executive Officer has authority over the entire Group. He directs, administers and coordinates all of its activities.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He represents the Company in its dealings with third parties.

He is supported more broadly by the Executive Committee, the Operations Committee and the Management Committee in running the Group of which Sopra Steria Group is the parent company. These Committees ensure that Executive Management is supported by the Group's key operational and functional managers.

Certain decisions relating to strategy implementation and internal organisation may require prior approval by the Board of Directors or its Chairman. Decisions "that are highly strategic in nature or that are likely to have a significant impact on the financial position or commitments of the Company or any of its subsidiaries" are defined in the internal rules and regulations of the Board of Directors. See the "Additional information" Chapter 8 of this Universal Registration Document (page 282).

1.1.6. AGREEMENT WITH ÉRIC HAYAT CONSEIL

Éric Hayat Conseil is a company controlled by Éric Hayat, a Director of Sopra Steria Group.

This agreement relates to the provision to Executive Management of consulting and assistance services, particularly in relation to strategic deals connected with business development, in return for compensation calculated on the basis of €2,500 (excluding taxes) per day. The duties performed under this agreement are distinct from those performed by virtue of Éric Hayat's directorship. For example, this may involve but is not limited to the following, in consultation with the Group's operational managers:

- taking part in top-level market meetings;
- maintaining contacts with civil society, members or representatives of government and central authorities;
- taking part in high-level meetings with certain key clients in France and abroad;
- preparing for and participating in delegations of corporate executives to priority countries for the Group.

This enables the Company to benefit from the experience and knowledge of the Group, some of its key clients and its institutional environment gained by Éric Hayat throughout his career. For reference, Éric Hayat is a co-founder of Steria, former Chairman of the digital sector employers' organisation and subsequently of Fédération Syntec, and a former member of MEDEF's Executive Committee. His skills and experience are thus particularly well suited to the responsibilities entrusted to him, which mainly relate to major business opportunities.

They also make him one of the members of the Board of Directors directly involved in addressing the Group's priorities in terms of strategic and commercial positioning, thus enriching the Board's debates. Éric Hayat, in his capacity as a member of the Compensation Committee and the Nomination, Governance, Ethics and Corporate Responsibility Committee, provides these committees with the benefit of the knowledge of the Group and its operational managers he has accumulated and maintained in the course of these assignments. Lastly, he has access to information channels within the Company that are helpful for feeding information back to the Board of Directors and its Committees.

The expenses recorded in Sopra Steria Group's financial statements in respect of services provided under this agreement during the financial year under review were as follows:

- expenses: €0.209 million.

1.2. Board of Directors

1.2.1. MEMBERS OF THE BOARD OF DIRECTORS

On the date at which this Universal Registration Document was published, the Board of Directors had 14 members with the right to vote, 12 of whom were appointed at the General Meeting and two of whom were Directors representing the employees.

The election of a Director representing employee shareholders will be put to a vote at the Combined General Meeting on 26 May 2021.

SUMMARY PRESENTATION OF THE BOARD OF DIRECTORS

	Personal information					Position on the Board				Attendance at meetings in financial year 2020			
Name	Age	Gender	Nationality	Number of shares	Number of directorships at listed companies (excluding Sopra Steria Group)	Indepen-dent Director	Start of current term	End of current term	Years of service on the Board*	Board of Directors	Audit Committee	Nomination, Governance, Ethics and Corporate Responsibility Committee	Compen-sation Committee
Pierre Pasquier Chairman of the Board of Directors	85	M	FRA	108,113	1		12/06/2018	AGM 2024	52	100%		100%	
Éric Pasquier Vice-Chairman of the Board of Directors	50	M	FRA	3,096	0		12/06/2018	AGM 2024	6	100%	86%		
Sopra GMT, represented by Kathleen Clark Bracco Chairwoman of the Nomination, Governance, Ethics and Corporate Responsibility Committee	53	F	USA	4,035,669	1		12/06/2018	AGM 2024	6	100%		100%	100%
Éric Hayat Vice-Chairman of the Board of Directors	80	M	FRA	37,068	0		12/06/2018	AGM 2024	6	100%		100%	100%
André Einaudi Director	65	M	FRA	100	0	Yes	09/06/2020	AGM 2022		67%			
Michael Gollner Director	62	M	USA/GBR	100	1	Yes	12/06/2018	AGM 2022	2	100%	100%		
Noëlle Lenoir Director	72	F	FRA	1	0	Yes	09/06/2020	AGM 2022		100%		n/a(1)	
Jean-Luc Placet Chairman of the Compensation Committee	68	M	FRA	100	0	Yes	12/06/2018	AGM 2022	8	100%		100%	88%
Sylvie Rémond Director	57	F	FRA	152	2	Yes	09/06/2020	AGM 2023	5	100%			100%
Marie-Hélène Rigal-Drogerys Chairwoman of the Audit Committee	50	F	FRA	100	1	Yes	12/06/2018	AGM 2024	6	100%	100%		
Jean-François Sammarcelli Director	70	M	FRA	500	1	Yes	12/06/2018	AGM 2022	10	100%	86%	100%	
Jessica Scale Director	58	F	FRA/GBR	10	0	Yes	09/06/2020	AGM 2023	4	100%		100%	100%
Hélène Badosa Director representing the employees	62	F	FRA	0	0		23/09/2020	AGM 2024	2	100%			100%
David Elmalem Director representing the employees	38	M	FRA	0	0		23/09/2020	AGM 2024		100%			

** Number of years as at 31/12/2020, rounded to the nearest year.*
F: Female M: Male.
(1) not applicable

CHANGES IN THE BOARD OF DIRECTORS AND ITS COMMITTEES SINCE THE START OF FINANCIAL YEAR 2020

	Departures	Appointments	Reappointments
Board of Directors	**Astrid Anciaux** (09/06/2020)	**Gustavo Roldan de Belmira** (designated by the Works and Economic Council on 31/01/2020 to replace René-Louis Gaignard)	
		André Einaudi (09/06/2020)	**Sylvie Rémond** (09/06/2020)
	Solfrid Skilbrigt (09/06/2020)	**Noëlle Lenoir** (09/06/2020)	**Jessica Scale** (09/06/2020)
	Jean-Bernard Rampini (09/06/2020)	**David Elmalem** (designated by the Works and Economic Council on 23/09/2020)	**Hélène Badosa** (designated by the Works and Economic Council on 23/09/2020)
	Gustavo Roldan de Belmira (09/06/2020)		
Audit Committee			
Nomination, Governance, Ethics and Corporate Responsibility Committee		**Noëlle Lenoir** (25/02/2021)	
Compensation Committee	**Hélène Badosa** (09/06/2020)	**Sylvie Rémond** (09/04/2020)	
		Hélène Badosa (28/01/2021)	

1.2.2. SELECTION PROCESS

The selection process is made up of four phases, throughout which the Nomination, Governance, Ethics and Corporate Responsibility Committee plays a central role.

The first is the needs analysis phase. This involves examining Directors whose terms of office are nearing their end, any constraints on the reappointment of current Directors, compliance requirements under the law and the Code of Corporate Governance, and the objectives of the diversity policy, all of which are identified and taken into account. This analysis is undertaken for the Board of Directors itself and its three committees. It focuses on the needs due to arise first and makes projections for the years ahead.

A list of potential candidates is then drawn up based on the needs identified. This list draws on names put forward by members of the Nomination, Governance, Ethics and Corporate Responsibility Committee and members of the Board of Directors more generally, names resulting from searches undertaken by recruitment firms, proposals by Executive Management and, lastly, unsolicited applications received by the Company.

The list of potential candidates is decided on by the Chairwoman of the Nomination, Governance, Ethics and Corporate Responsibility Committee. A file is put together based on publicly available information about the candidates. This file is reviewed by the Nomination, Governance, Ethics and Corporate Responsibility Committee, which decides which candidates to contact and meet.

The third phase consists of arranging meetings with candidates selected by all members of the Nomination, Governance, Ethics and Corporate Responsibility Committee. At their meetings, the Committee's members compare their opinions. For each candidate, the Committee endeavours to assess the depth of their experience and how closely it meets the Company's needs, how well they complement the skills needed by the Board of Directors, their availability and motivation, any conflicts of interest, and whether they meet the independence criteria laid down in the Code of Corporate Governance. Additional actions are agreed upon as needed and a list of candidates to be presented to the Board of Directors is drawn up.

In the final phase, the Board of Directors, after familiarising itself with the conclusions of the work undertaken, discusses the candidates put forward by the Nomination, Governance, Ethics and Corporate Responsibility Committee and decides which will be put to the vote at a General Meeting of Shareholders.

In the specific case of Directors representing the employees and the Director representing employee shareholders, the Company decided to launch an extensive call for applications across the Group.

The Directors representing the employees are designated by the Sopra Steria Group Works Council.

The Director representing employee shareholders is chosen by shareholders at the General Meeting from among the candidates designated both by the supervisory boards of the FCPE company mutual funds and by employees holding their shares directly, as provided by law. The Nomination, Governance, Ethics and Corporate Responsibility Committee reviews the candidacies and may recommend, where appropriate, that the Board of Directors support one of the two resolutions concerning appointments potentially submitted at the General Meeting. The candidate elected is the one whose appointment resolution gains the required majority and the most votes, in the event of multiple candidacies.

1.2.3. PRESENTATION OF THE DIVERSITY POLICY

The goal of the Board of Directors' diversity policy is to assemble a reasonably sized team that, in view of the Group's needs and characteristics, covers the range of outlooks, skills and experience required for effective collective decision-making. Individually, each of the team's members must also show good judgement and foresight, and uphold the standards of ethical conduct expected of a Director.

The impact on diversity and the integration of future members of the Board of Directors is considered every time a proposal is made to appoint or reappoint a Director at the General Meeting. The Nomination, Governance, Ethics and Corporate Responsibility Committee plays a key role in this area.

Diversity is often assessed using measurable indicators related to gender equality, age and nationality.

With regard to gender equality, the Company aims to continue moving toward gender equality to the greatest extent possible, and in any event has set itself the target of full compliance with the law in this respect. It is actively seeking to achieve gender equality in its Board committees.

Women currently account for five of the twelve appointments made at the General Meeting (42%). Two of the three committees are chaired by a female Director. Four female Independent Directors belong to at least one committee.

The targets for bringing more women into senior management positions are presented in Section 2.2.3 "Diversity and equal opportunity" of Chapter 4 "Corporate Responsability" of this Universal Registration Document (pages 108 to 111). They were reviewed and discussed at several meetings of the Nomination, Governance, Ethics and Corporate Responsibility Committee and adopted by the Board of Directors. They take into account the Group's proactive approach to corporate social responsibility, its management needs, and the current proportion of women in its business sector and at the Company. On Executive Management's recommendation, the Board of Directors has approved targets, an action plan and practical arrangements that will make a real difference. They focus on delivering far-reaching action over the long term, rather than mere hype.

Age is not a criterion that is considered. The Company has not set a minimum or maximum age requirement for directorships. However, the Articles of Association (Art. 14) limit the proportion of Directors aged over 75 to one third. The average age of the members of the Board of Directors is 62.6 (at 31/12/2020). Two out of 14 Directors are over 75 years old.

The Company considers that foreign-nationality Directors able to serve their term of office within a French company prove their multicultural dimension. Given the international dimension of the Group's business activities, foreign nationals are an asset for the Board of Directors. Wherever possible, they should come from or live in the main countries in which the Group operates or in which it is seeking to expand some or all of its operations. To attract Directors living outside France, the internal rules and regulations of the Board of Directors permit Directors to take part in meetings using videoconferencing or conference call systems, and the Company can make payments to cover their travel costs. An adjustment to the arrangements for apportioning compensation referred to in Article L. 225-45 of the French Commercial Code has been agreed to reflect the constraints on foreign-nationality Directors. This consists of adding an additional 20% weighting to attendance at meetings of the Board and its committees for Directors living outside France. This does not apply to Directors who carry out their work within the Group. Three out of the 14 Directors have at least one non-French nationality.

1.2.4. KEY SKILLS REQUIRED FOR THE BOARD OF DIRECTORS

It is also a priority for the Board of Directors to have a diverse range of skills. The Company has identified ten key competencies that it would like to be represented within the Board of Directors. These skills and areas of experience are as follows:

- **knowledge of consulting, digital services, software development and the ability to promote innovation**: this expertise will have been gained at a digital services company or consulting firm or in an industry sector focused on innovation in B2B services;
- **knowledge of one of the Group's key vertical markets**: ideally, this expertise will have been gained working for a client of the Group or one of its competitors, though it may also result from long sales experience in this market. It should be accompanied by knowledge of the services sector;
- **entrepreneurial experience**: entrepreneurial experience will have been gained by starting up or taking over an industrial or commercial business and through contact with the various stakeholders (clients, employees, lending shareholders, suppliers, authorities);
- **CEO of an international group**: this presupposes past or current experience as a non-salaried executive company officer (Chairman, CEO or Deputy CEO) of a company established in more than one country;
- **finance, control and risk management**: this expertise requires professional experience gained in finance, audit or internal control or while holding a corporate office;
- **human resources and labour relations**: this expertise requires professional experience gained in human resources, either in a company or as an external consultant, or while holding a corporate office;
- **international dimension**: this indicates skills in cross-cultural management combined with being versed in more than one culture, working as an expatriate or holding corporate office in an international group;
- **social issues**: this expertise presupposes familiarity with institutions, industry bodies, trade unions or public benefit or humanitarian organisations;
- **knowledge of Axway Software**: knowledge of Axway Software will have been gained through professional experience or corporate office at Axway Software or experience as a client or partner of Axway;
- **operational experience within the Sopra Steria Group**: this experience presupposes longstanding current or past service within the Sopra Steria Group, as an employee or equivalent, and in-depth knowledge of the Group, its working practices and its management.

Each of these 10 key areas of expertise and experience are currently represented on the Board of Directors by several Directors (see table below):

Expertise	Knowledge of consulting, digital services, software development, ability to promote innovation	Knowledge of one of the Group's main vertical markets	Entrepreneurial experience	CEO of an international group	Finance, risk management and control	Human resources and labour relations	International teams and organisations	Societal priorities	Knowledge of Axway Software	Operational experience within the Sopra Steria Group
Hélène Badosa	✔		✔			✔				✔
Kathleen Clark Bracco Sopra GMT representative	✔						✔	✔	✔	✔
André Einaudi			✔	✔	✔	✔				
David Elmalem	✔	✔								✔
Michael Gollner			✔		✔		✔	✔	✔	
Éric Hayat	✔	✔	✔	✔		✔	✔	✔		✔
Noëlle Lenoir					✔		✔	✔		
Éric Pasquier	✔	✔		✔	✔	✔	✔		✔	✔
Pierre Pasquier	✔	✔	✔	✔	✔	✔	✔		✔	✔
Jean-Luc Placet	✔	✔	✔			✔		✔		
Sylvie Rémond		✔			✔		✔			
Marie-Hélène Rigal-Drogerys	✔				✔			✔	✔	
Jean-François Sammarcelli		✔		✔	✔	✔	✔			
Jessica Scale	✔	✔	✔				✔	✔		

1.2.5. DIRECTORS REPRESENTING THE EMPLOYEES AND REPRESENTATION OF EMPLOYEE SHAREHOLDERS

- Two Directors representing the employees were designated on 23 September 2020 by the Sopra Steria Group Works Council. They are namely Hélène Badosa, a member of the Compensation Committee, and David Elmalem.
- A resolution appointing a Director representing the employee shareholders will be put to the vote at the General Meeting to be held on 26 May 2021. The two advisory bodies made up of the supervisory boards of the FCPE company mutual funds and the employees holding their shares directly both chose the same candidate.

1.2.6. INDEPENDENT DIRECTORS

The Nomination, Governance, Ethics and Corporate Responsibility Committee also monitors the proportion of Independent Directors on the Board.

Eight Directors are considered independent by the Board of Directors, or 67% of the Directors appointed by the shareholders at the General Meeting.

Every year, the Committee and then the Board of Directors review the status of each member of the Board of Directors with respect to the requirements for Independent Directors set out in Article 9 of the AFEP-MEDEF Code of Corporate Governance for Listed Companies:

Requirement 1: Employee or executive company officer in the past five years
Must not have been at any time over the preceding five years and must not currently be:
- an employee or executive company officer of the Company;
- an employee or executive company officer or Director of a company that the Company consolidates;
- an employee, executive company officer or Director of the parent company or of a company consolidated by that parent company.

Requirement 2: Cross-directorships
Must not be an executive company officer of a company in which the Company directly or indirectly holds a directorship, or in which an employee appointed as such or an executive company officer of the Company (currently serving or having served within the preceding five years) holds a directorship.

Requirement 3: Material business relationships
Must not be a customer, supplier, commercial banker, corporate banker or consultant:
- of material importance to the Company or Group;
- or a material portion of whose business is transacted with the Company or Group.

The materiality of the relationship with the Company or its Group is considered by the Board, and the quantitative and qualitative criteria used to formulate its opinion (continuity, economic reliance, exclusivity, etc.) are stated explicitly in the Annual Report.

Requirement 4: Family ties
Must not have close family ties with a company officer.

Requirement 5: Statutory Auditor
Must not have been a Statutory Auditor during the preceding five years.

Requirement 6: Term of office of over 12 years
Must not have been a Director of the Company for more than 12 years. Directors lose their Independent Director status on the 12th anniversary date of their appointment.

Requirement 7: Non-executive company officer
A non-executive company officer may not be considered independent if he/she receives his/her variable compensation in cash or shares or any other payment linked to the performance of the Company or the Group.

Requirement 8: Major shareholder
Directors representing major shareholders of the Company or its parent company may be considered independent if these shareholders do not have full or partial control of the Company. However, if the relevant major shareholders hold more than 10% of the share capital or of voting rights, the Board, based on a report by the nomination committee, considers as a matter of course the Directors' independent status with regard to the composition of the share capital and any potential conflicts of interest.

Requirements (1)	**André Einaudi**	**Michael Gollner**	**Noëlle Lenoir**	**Jean-Luc Placet**	**Sylvie Rémond**	**Marie-Hélène Rigal-Drogerys**	**Jean-François Sammarcelli**	**Jessica Scale**
Requirement 1: *Employee or executive company officer in the past five years*	✔	✖	✔	✔	✔	✖	✔	✔
Requirement 2: *Cross-directorships*	✔	✔	✔	✔	✔	✔	✔	✔
Requirement 3: *Material business relationships*	✔	✔	✔	✔	✔	✔	✔	✔
Requirement 4: *Family ties*	✔	✔	✔	✔	✔	✔	✔	✔
Requirement 5: *Statutory Auditor*	✔	✔	✔	✔	✔	✔	✔	✔
Requirement 6: *Term of office of over 12 years*	✔	✔	✔	✔	✔	✔	✔	✔
Requirement 7: *Non-executive company officer*	✔	✔	✔	✔	✔	✔	✔	✔
Requirement 8: *Major shareholder*	✔	✔	✔	✔	✔	✔	✔	✔

(1) In this table, ✔ represents an independence requirement that is satisfied and ✖ an independence requirement that is not satisfied.

Comments and clarifications

Requirement 1

Like Sopra Steria Group, Axway Software is fully consolidated by Sopra GMT. In keeping with the opinion of the Nomination, Governance, Ethics and Corporate Responsibility Committee, the Board of Directors considers that the status of Michael Gollner and of Marie-Hélène Rigal-Drogerys as members of the Board of Directors of Axway Software does not call into question their status as Independent Directors:

- Axway Software's day-to-day operations and investments are not discussed by Sopra Steria Group's Board of Directors, although it is kept informed on a regular basis of the company's position operational and financial performance;
- the procedure for handling potential conflicts of interest apply to the consideration of matters related to Axway Software;
- the Independent Directors present on both Sopra Steria Group's and Axway Software's Boards of Directors ensure that opinions independent of the core shareholder are heard on issues concerning both companies and their strategy.

Requirement 3

Members of the Board of Directors and, more frequently, companies in which they hold an office or have an interest, may act as a client, supplier, investment banker, commercial banker or consultant to the Sopra Steria Group or its core shareholder.

The Board of Directors then determines whether the nature, purpose or importance of this business relationship is of special importance such that it may affect the person's status as an Independent Director, based on the prior work done by the Nomination, Governance, Ethics and Corporate Responsibility Committee.

In the case of a business relationship, its significance is deduced from checking various criteria (strategic nature of the service, mutual dependency, business volume – in particular when it is greater than 1% of annual revenue, means of selection and frequency of competitive procedures, Director's involvement in the business relationship etc.). Business relationships identified between employers of two Directors and Sopra Steria Group were deemed immaterial by the Board of Directors after the situation was reviewed by the company's Nomination, Governance, Ethics and Corporate Responsibility Committee.

Sopra Steria Group purchases consulting services from PwC. Jean-Luc Placet's role within PwC is not connected operationally with the relevant activities. These services are not material either for Sopra Steria Group or for PwC, either with respect to their nature or the revenues they generate (less than 1% of the Group's purchases). They do not give rise to any reciprocal dependence. Accordingly, the Nomination, Governance, Ethics and Corporate Responsibility Committee considers that these services do not constitute a material business relationship likely to call into question Jean-Luc Placet's status as an Independent Director. The Board of Directors has endorsed this view.

The Société Générale group is client of the Sopra Steria Group and also acts as a commercial banker to it. At the recommendation of the Nomination, Governance, Ethics and Corporate Responsibility Committee, the Board of Directors concluded that:

- Sylvie Rémond was appointed in her own name and does not represent the Société Générale group on the Board of Directors;
- Sylvie Rémond's professional duties do not place her in a position to take or influence decisions within the Société Générale group that might have repercussions for Sopra Steria's business or operations;
- the Société Générale group does not generally act as an advisor for the Group's external growth transactions;
- although the Société Générale group is a major client for Sopra Steria (accounting for more than 1% of the Group's revenue), the existing business relations between the two groups do not entail any mutual dependence and are not different in nature from those maintained by Sopra Steria with other large French and international banking groups, given that the banking sector is one of Sopra Steria's key markets.

A real estate investment trust held by André Einaudi happens to be the owner of premises occupied by the Company for a number of years at one of its locations in France, the Board of Directors considers that these circumstances do not constitute a material business relationship. In reaching this conclusion, the Board took into account the age, term and amount of the lease, signed prior to André Einaudi's appointment as a Director. It also noted the customary nature of this type of relationship for the Group. With limited exceptions, the Group does not own its buildings. Lastly, the Board confirmed that no dependency is created for the lessor in relation to this lease.

No other business relationships were identified by the Company with Independent Directors.

1.2.7. SENIOR INDEPENDENT DIRECTOR

Since the duties of Chairman of the Board of Directors and of Chief Executive Officer are held by separate individuals, no Senior Independent Director (administrateur référent) has been appointed. The Chairman of the Board of Directors is responsible for the Board's shareholder relations (see Section 1.1.1 "Role of executive company officers" of this chapter).

1.2.8. DETAILED PRESENTATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

PIERRE PASQUIER

Chairman of the Board of Directors

Number of shares in the Company owned personally: **108,113** [1]

- Member of the Nomination, Governance, Ethics and Corporate Responsibility Committee

Business address:
Sopra Steria Group – 6 avenue Kleber
75116 Paris – France

Nationality: French **Age:** 85

Date of first appointment: 1968 (date Sopra was founded)
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2023

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Chairman of the Board of Directors of Sopra Steria Group			✔
■ Chairman of the Board of Directors of Axway Software	✔		✔
■ Chairman and CEO of Sopra GMT	✔		
■ Executive company officer, Director or permanent representative of Sopra GMT at Sopra Steria Group subsidiaries (direct and indirect)			
■ Company officer of direct and indirect subsidiaries of Axway Software			
Other directorships and offices held during the last five years			
■ Not applicable			

Biography

Pierre Pasquier has more than 50 years' experience in digital services and management of an international business. He and his associates founded Sopra Group in 1968, and he chairs the Board of Directors.

After graduating in mathematics from the University of Rennes, Pierre Pasquier began his career at Bull before focusing on starting up Sogeti, which he left to found Sopra. Recognised as a pioneer in the sector, he has always affirmed the entrepreneurial spirit of the company, which aims to serve key account clients by drawing on innovation and shared success.

Pierre Pasquier oversaw Sopra's expansion in its vertical markets and internationally. The 1990 IPO, successive growth phases and the transformational 2014 tie-up with Groupe Steria have secured the company's independence in a changing market.

In 2011, Pierre Pasquier oversaw the IPO of subsidiary Axway Software, whose Board of Directors he continues to chair.

Pierre Pasquier served as Chairman and Chief Executive Officer of Sopra Group until 20 August 2012, when the roles of Chairman and Chief Executive Officer were separated.

Pierre Pasquier is also Chairman and Chief Executive Officer of Sopra GMT, the holding company for Sopra Steria Group and Axway Software.

(1) The Pasquier family group holds 68.27% of the share capital of Sopra GMT (the holding company that takes an active role in managing Sopra Steria Group and Axway Software). Shares held directly or indirectly through Sopra GMT by the Chairman in a personal capacity or by the Chairman's family group make up more than 10% of the Company's share capital. See Chapter 7, Section 2 ("Share ownership structure"), on page 267 of this Universal Registration Document.

ÉRIC PASQUIER

Vice-Chairman of the Board of Directors

Number of shares in the Company owned personally: **3,096** (1)

- Member of the Audit Committee

Business address:
Sopra Banking Software –
6 avenue Kleber – 75116 Paris – France

Nationality: French **Age:** 50

Date of first appointment: 27/06/2014
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2023

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Chief Executive Officer of Sopra Banking Software			
■ Managing Director and member of the Board of Directors of Sopra GMT	✔		
■ Company officer of direct and indirect subsidiaries of Sopra Steria Group			
Other directorships and offices held during the last five years			
■ Not applicable			

Biography

Éric Pasquier is Chief Executive Officer of Sopra Banking Software. He has been with the Group for over 20 years. He is also Vice-Chairman of Sopra Steria Group's Board of Directors and Managing Director of Sopra GMT, the holding company for Sopra Steria Group and Axway Software.

After graduating from the EPITA IT engineering school, Éric Pasquier began his career in 1996 at the Altran group, where he managed IT projects on behalf of several key account customers.

He joined Sopra in 1999, where he began to broaden his experience in the operational management of major projects, notably in telecommunications, a fast-changing field at the start of the new millennium.

In 2004, Éric Pasquier was given responsibility for setting up the Group's first nearshore industrial service centre in Spain and thus acquired experience in the coordination of multi-country operations, in this case involving Spain and France.

He was named CEO of Sopra's Spanish subsidiary in 2008. Thanks to his managerial skills and guided by his long-term vision, this subsidiary was able to deliver strong growth and withstand the 2008/2009 financial crisis, despite having many banking clients, before returning to a good level of economic performance in the early 2010s.

Éric Pasquier returned to France in 2014 to serve as Deputy CEO of Sopra Banking Software and became its Chief Executive Officer in 2016.

In this position, he guides many financial players in Europe, the Middle East and Africa through their digital transformation.

He is overseeing Sopra Banking Software's corporate plan in both specialist financing and retail banking, Éric Pasquier also supervises all of the Group's activities in the financial services vertical, and thus coordinates the banking business solutions provided by subsidiaries across all geographies concerned.

In carrying out his various responsibilities, he draws on his wealth of experience in the field and his particular focus on human resources, qualities he has brought to his work as a member of Sopra Steria's Board of Directors since 2014.

(1) The Pasquier family group holds 68.27% of the share capital of Sopra GMT (the holding company that takes an active role in managing Sopra Steria Group and Axway Software). Shares held directly or indirectly through Sopra GMT by the Chairman in a personal capacity or by the Chairman's family group make up more than 10% of the Company's share capital. See Chapter 7, Section 2 ("Share ownership structure"), on page 267 of this Universal Registration Document.

SOPRA GMT KATHLEEN CLARK BRACCO

Permanent representative of Sopra GMT

Number of shares in the Company held by Sopra GMT: **4,035,669**

- Chairwoman of the Nomination, Governance, Ethics and Corporate Responsibility Committee
- Member of the Compensation Committee

Date of first Sopra GMT appointment: 27/06/2014
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2023

Business address:
Sopra Steria Group – 6 avenue Kleber
75116 Paris – France

Nationality: American **Age:** 53

Main positions and appointments currently held by Kathleen Clark Bracco	Appointments: Outside the Group	Appointments: Outside France	Appointments: Listed company
■ Director of Corporate Development of Sopra Steria Group			✔
■ Vice-Chairwoman of the Board of Directors of Axway Software	✔		✔
■ Deputy Director of Sopra GMT	✔		
■ Director or permanent representative of Sopra GMT at Sopra Steria Group subsidiaries (direct and indirect)			

Other directorships and offices held during the last five years

- Not applicable

Biography

Kathleen Clark Bracco has worked at Sopra Steria Group for over 20 years. She is currently Director of Corporate Development.

After graduating with a Master's degree in arts and literature from the University of California (Irvine), she began her career in teaching in the United States. In 1998, she left Silicon Valley for France, where she joined Sopra, working in the Communications Department. She served as Director of Investor Relations from 2002 to 2015 In that role, she forged solid relationships between the Group's executive bodies and a range of increasingly international shareholders.

Kathleen Clark Bracco was also involved in the successful spin-off of Axway, which generates half of its revenue in the United States. She joined Axway's Board of Directors in 2011 and has served as its Deputy Chairman since 2013. This role therefore promotes strategic harmonisation between the two groups.

As Deputy Director of Sopra GMT since 2012, she made a significant contribution to the success of the merger between Sopra and Steria in 2014 In 2015, she was appointed Director of Corporate Development for the new Group, where she oversees acquisition opportunities to round out the business portfolio in line with the Group's strategy. She is also involved in a number of the Group's corporate initiatives, in particular those addressing issues of fairness, anti-corruption measures, ethics and employee share ownership.

Kathleen Clark Bracco was first appointed to the Board of Directors in 2012. She was named as the permanent representative of Sopra GMT in 2014 and has chaired the Nomination, Governance, Ethics and Corporate Responsibility Committee ever since. In this role, her long experience within the Group and its governing bodies, her knowledge of the financial markets, her commitment to social and societal issues and her communication skills all contribute to the sound governance of Sopra Steria.

ÉRIC HAYAT

Vice-Chairman of the Board of Directors

Number of shares in the Company owned personally: **37,068**

- Member of the Compensation Committee
- Member of the Nomination, Governance, Ethics and Corporate Responsibility Committee.

Business address:
Sopra Steria Group – 6 avenue Kléber
75116 Paris – France

Nationality: French **Age:** 80

Date of first appointment: 27/06/2014
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2023

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ President of Éric Hayat Conseil	✔		
■ Chairman of the public interest group Modernisation des Déclarations Sociales (MDS GIP)	✔		
Other directorships and offices held during the last five years			
■ Not applicable			

Biography

Éric Hayat has been Vice-Chairman of the Board of Directors of Sopra Steria Group since 2014. He co-founded Groupe Steria in 1969 and served as its Deputy Chief Executive Officer. He was the group's Chairman at the time of the tie-up with Sopra in 2014.

A graduate in engineering from the École Nationale Supérieure de l'Aéronautique, Mr Hayat is a seasoned professional in the digital world. He contributed to the expansion of Groupe Steria both internationally and in a wide range of vertical markets, notably in the public sector. In 2014, Groupe Steria generated three quarters of its revenue outside France.

Alongside his professional career, Éric Hayat is recognised for his commitment to representing the digital sector. As Chairman of the Syntec Informatique employers' organisation from 1991 to 1997 and of Fédération Syntec from 1997 to 2003, he led key projects such as the implementation of the collective bargaining agreement and the 35-hour working week.

As a member of the Executive Committee of MEDEF from 1997 to 2005, Éric Hayat chaired the committee tasked with negotiating the research tax credit.

He has served as Chairman of the French public interest group for the "Modernisation of Payroll Reporting" since 2000. In this capacity, he brings together public sector bodies, collective pension organisations, chartered accountants and software vendors to boost the digital transformation of social protection. As an example, the group contributed to the success of France's new pay-as-you-earn tax system. Through his close working relationships with a wide range of stakeholders, Éric Hayat is a Vice-Chairman particularly focused on current far-reaching changes affecting society.

ANDRÉ EINAUDI

Independent Director

Number of shares in the Company owned personally**: 100**

Business address:
c/o Ortec Expansion
550, rue Pierre Berthier
Parc de Pichaury
13100 Aix-en-Provence – France

Date of first appointment: 09/06/2020
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2021

Nationality: French **Age:** 65

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: Listed company
■ Chairman and CEO of Ortec group	✔		
■ Director of Crédit Mutuel Equity (SA)	✔		
■ Chairman of La Cave de la Bargemone	✔		
■ Joint Manager of SCEA du Sud Est	✔		
■ Company officer of direct and indirect subsidiaries of Ortec group	✔		
Other directorships and offices held during the last five years			
■ Not applicable			

Biography

André Einaudi is the Founding Chairman and CEO of Ortec Group, an international integrator of construction and engineering solutions, with locations on four continents.

An engineer and graduate of the IAE Aix-en-Provence business school, André Einaudi has spent his entire career in business services. He joined a group of service companies in southeastern France in 1980 as a project engineer. He built the company's Service, Organisation and Methods Department from the ground up to meet the needs of its client Total. In 1985, he was named to head the Industrial Agencies Department, managing a team of 300 people.

In 1987, he became Chairman of the Executive Board of an entity bringing together the industrial engineering firm Buzzichelli and the activities of the Industrial Maintenance and Environment Department under his aegis, which took the name Ortec.

Backed by a team of senior managers, André Einaudi led the leveraged management buy-out of Ortec in 1992. Newly independent, the young firm expanded into the fields of waste management and the decontamination of industrial sites. Through a series of successful acquisitions, André Einaudi has guided Ortec's continuing development with a focus on diversification, with respect to both client sectors and business activities.

Widely recognised as a business leader, André Einaudi created O. Forum in 2000, an annual event for decision makers across industries. Each year, he brings together a panel comprised of participants from various backgrounds, to exchange ideas, share the transformations and challenges that will be faced by industry in the future.

MICHAEL GOLLNER

Independent Director

Number of shares in the Company owned personally: **100**

- Member of the Audit Committee

Business address:
21 Poland Street
London W1F 8QG, United Kingdom

Nationality: American and British

Age: 62

Date of first appointment: 12/06/2018
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2021

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Director of Axway Software	✔		✔
■ Executive Chairman of Madison Sports Group	✔		
■ Managing Partner of Operating Capital Partners	✔		
■ Director of Levelset	✔		

Other directorships and offices held during the last five years

- Not applicable

Biography

Michael Gollner is an experienced entrepreneur, investor and member of several boards of directors. His expertise spans the media and technology sectors and the field of business transformation. Holder of an MA in international studies from the University of Pennsylvania and an MBA from the Wharton School, Michael Gollner began his career in investment banking at Marine Midland Bank from 1985 to 1987, Goldman Sachs from 1989 to 1994 and Lehman Brothers from 1994 to 1999.

With a passion for technology and media – sectors little understood by the market at the time – in 1999 he joined Citigroup Venture Capital (which later became Court Square Capital) as its Managing Director, Europe.

He founded investment firm Operating Capital Partners in London in 2008. As Managing Partner, Michael Gollner supports the development of a portfolio of companies in around 20 countries, mostly in the technology, media and cable sectors. On a day-to-day basis, he handles issues relating to data processing and business model transformation. Thanks to his expertise in this area, he is a director of Levelset, a payments platform in the construction sector.

Michael Gollner is also Executive Chairman of Madison Sports Group, which he founded in 2013. The group promotes the Six Day Series of professional cycling events, which have enjoyed great success worldwide.

Michael Gollner has been a member of the Board of Directors of Axway Software since 2012 and of the Board of Directors of Sopra Steria since 2018, where he brings the perspective of a business financing specialist from the English-speaking world who is closely involved in the operational aspects of the companies he manages or supports.

NOËLLE LENOIR

Independent Director

Number of shares in the Company owned personally: **1**

- Member of the Nomination, Governance, Ethics and Corporate Responsibility Committee

Business address:
28 boulevard Raspail
75007 Paris – France

Nationality: French **Age:** 72

Date of first appointment: 09/06/2020
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2021

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
Attorney-at-law, Noëlle Lenoir Avocats	✔		
Vice-Chairwoman of the International Chamber of Commerce (French delegation)			
Chairwoman of the Legal Commission of "Grand Paris/Ile de France"			
Member of the Académie Française des Technologies			
Director of Cluster Maritime de France			
Director of HEC			
Other directorships and offices held during the last five years			
Director of Valéo and Compagnie des Alpes	✔		✔
Chairwoman of the Science and Ethics Committee of Parcoursup			
Chairwoman of the Ethics Committee of Radio-France			

Biography

Noëlle Lenoir is a lawyer, former judge and politician, with expertise in ethics, professional conduct and European affairs.

A graduate of the *Institut d'Études Politiques de Paris,* she earned her law degree from the Université de Paris and began her career at the French Senate in 1972, then joined the CNIL in 1982, the French Data Protection Authority. As the CNIL's Chief Legal Officer, she supervised the implementation of the French data protection and freedom of information act (*Loi informatique et libertés*). Noëlle Lenoir joined the Conseil d'État (France's highest administrative court) in 1984 as a *maître de requêtes* (master of petitions) where she carried out the roles of Government Commissioner (now known as Public Rapporteur). She then became head of the French Minister of Justice's office, before being appointed by the Prime Minister to carry out an investigation into bioethics law. Her report was used as the basis for drawing up the first law on bioethics in France.

The first woman appointed to France's Constitutional Council (1992 to 2001), she also chaired UNESCO's International Bioethics Committee from 1992 to 1999 and was Chairwoman of the European Bioethics Group on Science and New Technology at the European Commission (1994 to 2001).

She later taught law at Columbia University in New York and University College London, before returning to France in 2002 when she was appointed Minister for European Affairs. In this position, she notably took part in negotiations with accession countries in Central and Western Europe to prepare their integration into the European Union.

Subsequently, Noëlle Lenoir practised as a lawyer (specialising in digital and data protection law, internal and international investigation, compliance and anti-corruption, labour, competition and European law) before being appointed the first Chief Ethics Officer of the French National Assembly, where she served from 2012 to 2014, reviewing the statements of interest submitted by members and drafting initial recommendations based on members' code of conduct.

Since then, she has chaired Ethics Committees at Radio France and the Parcoursup platform, further expanding her expertise relating to social issues.

Noëlle Lenoir has contributed many articles to law journals and is the author of several books and numerous reports. She has hosted programmes and moderated debates notably on BFM Business and France 24, and has been a columnist and contributor to L'Express, La Tribune and France Culture. She has taught at a range of prestigious schools and universities. She is Chairman of the "Cercle des Européens", a forum for decision-makers to engage in dialogue with European leaders.

Noëlle Lenoir is also currently the Vice-Chairwoman of ICC France and the Chairwoman of the Legal Commission of "Grand Paris/Ile de France", responsible for formulating proposals on the region's appeal as a legal centre.

In 2020, Noëlle Lenoir set up her own firm specialising five main areas – corporate social responsibility and compliance (climate litigation, duty of vigilance and anti-corruption responsibilities), data protection, public business law and European law, as well as internal and international investigations.

JEAN-LUC PLACET

Independent Director

Number of shares in the Company owned personally: **100**

- Chairman of the Compensation Committee
- Member of the Nomination, Governance, Ethics and Corporate Responsibility Committee

Date of first appointment: 19/06/2012
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2021

Business address:
PwC, 63, rue de Villiers
92208 Neuilly sur Seine – France

Nationality: French **Age:** 68

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Partner at PwC	✔		
■ Chairman of IDRH SA	✔		
Other directorships and offices held during the last five years			
■ Member of the Conseil Économique, Social et Environnemental			
■ Chairman of Fédération Syntec			
■ Member of the Statutory Committee of MEDEF			
■ Chairman of EPIDE			

Biography

Jean-Luc Placet has spent much of his career as a management, organisation and human resources consultant for large organisations.

After graduating from the ESSEC business school, he began his career at Saint-Gobain's marketing department before joining the marketing department of monthly business magazine L'Expansion. He joined consulting firm IDRH in 1981 and became its Chairman and CEO in 1992. Ever since then, he has overseen IDRH's expansion at the same time as being heavily involved in employers' organisations (MEDEF and Syntec Informatique) as well as France's Economic, Social and Environmental Council.

IDRH joined PwC in 2016, retaining Jean-Luc Placet as its Chairman. He is also a PwC partner.

In his role as Chairman and CEO of IDRH, Jean-Luc Placet has supported numerous ministries and French multinational, drawing on his ability to harness the power of people to transform organisations. By putting employee commitment at the heart of the corporate plan, he helps fuel Sopra Steria Group's strategic thinking in this area. Compensation and governance have also been key areas of focus during his career.

His elected duties on various Syntec bodies, including chairing Fédération Syntec (2011-2014) and European federation Feaco (2007-2012), give him a broad overview of the social challenges posed by business transformation at the international level. He has also contributed to the work of France's Economic, Social and Environmental Council on labour relations and new forms of management.

As a member of the Executive Committee and subsequently the Statutory Committee of MEDEF, Jean-Luc Placet also gained further expertise in the governance and operation of executive bodies. He draws on the full range of this expertise in his role as Chairman of Sopra Steria Group's Compensation Committee.

SYLVIE RÉMOND

Independent Director

Number of shares in the Company owned personally: **152**

- Member of the Compensation Committee

Business address:
Société Générale
75886 Paris Cedex 18 – France

Nationality: French

Age: 57

Date of first appointment: 17/03/2015
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2022

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Group Chief Risk Officer, Société Générale Group			
■ Director of Sogecap (Société Générale Group)	✔		
Other directorships and offices held during the last five years			
■ Director of SGBT, Luxembourg (Société Générale group)	✔	✔	✔
■ Director of Rosbank, Russia (Société Générale group)	✔	✔	
■ Director of KB Financial Group, Czech Republic (Société Générale group)	✔	✔	
■ Director of ALD SA, France (subsidiary of the Société Générale group)	✔		✔

Biography

Sylvie Rémond has over 35 years' experience in customer relations, structured finance and risk management. She has been Société Générale's Group Chief Risk Officer since 2018 and a member of its Executive Committee since 2011.

After graduating from the ESC Rouen business school, Sylvie Rémond joined Société Générale in 1985. She held a number of positions in the Individual Client division, where she gained an understanding of retail banking, and subsequently the Large Corporate division, where she developed a flair for customer relations, with a heavily international focus.

She joined the Structured Finance Department in 1992, where she helped numerous businesses fulfil their strategic plans by structuring acquisition finance and leveraged deals.

In 2000, Sylvie Rémond was appointed Head of Corporate and Acquisition Finance Syndication, a role in which she developed her knowledge of international financial and debt markets.

In 2004, she was appointed Head of Credit Risk for the Corporate and Investment Banking business. Supported by a large team of experts, she was involved in signing off all financing deals where the bank was lead arranger. After being appointed Deputy Group Chief Risk Officer in 2010, she was notably responsible for managing the impact of the financial crisis on the bank's lending book.

In 2015, she moved back to the commercial side of the business as Global Co-Head of Coverage and Investment Banking, overseeing a broad range of activities from financing to equity.

Sylvie Rémond was appointed Group Chief Risk Officer in 2018. She manages all of the group's credit, market and operational risks so that senior management can focus on transforming the bank in a way that is both profitable and resilient, in response to the challenges posed by increasingly strict regulations.

She has also served on the risk and audit committees of a number of French and foreign subsidiaries of Société Générale Group, bolstering her experience of corporate governance in listed and unlisted companies.

MARIE-HÉLÈNE RIGAL-DROGERYS

Independent Director

Number of shares in the Company owned personally: **100**

- Chairwoman of the Audit Committee

Business address:
École Normale Supérieure de Lyon
15, parvis René Descartes
BP 7000 – 69342 Lyon Cedex 07 – France

Nationality: French **Age:** 50

Date of first appointment: 27/06/2014
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2023

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Adviser to the President, École Normale Supérieure de Lyon			
■ Director of Axway Software	✔		✔
■ Expert member of the Advisory Board, Institut Mines-Télécom (IMT) Albi-Carmaux			
Other directorships and offices held during the last five years			
■ Consultant and Partner of Ask Partners			

Biography

A trained scientist, Marie-Hélène Rigal-Drogerys has a sound understanding of the world of higher education, research and innovation, and of the public sector more generally, which she combines with an operational and executive approach to strategy and organisation.

Marie-Hélène Rigal-Drogerys has a PhD in mathematics and a DEA postgraduate degree in theoretical physics. She began her career as a lecturer and researcher at the University of Montpellier and subsequently at the École Normale Supérieure de Lyon. In 1998, she moved into the world of financial audit. In this field, she worked for key accounts in industry, services and the public sector and faced new and specific challenges. As a Senior Manager with the Mazars Group, she managed the financial audit of Sopra until 2008.

Marie-Hélène Rigal-Drogerys then worked as a Consulting Partner at Ask-Partners. From 2009 to 2017, she helped businesses and organisations transition to new models.

As Adviser to the President of the École Normale Supérieure de Lyon, she has been working since 2017 to help the institution emerge as a world-class university.

Throughout her career, she has naturally brought multiple stakeholders together to help decision-making bodies seek solutions in complex and changing situations.

In her role as Chairwoman of Sopra Steria's Audit Committee, Marie-Hélène Rigal-Drogerys strives to integrate the strategic, business and human dimensions, with a constant focus on taking into the account the far-reaching transformation the Group is currently undergoing.

She also draws on these skills as a Director of Axway Software and an expert member of the Board of the IMT Mines Albi-Carmaux engineering and management school.

JEAN-FRANÇOIS SAMMARCELLI

Independent Director

Number of shares in the Company owned personally: **500**

- Member of the Audit Committee
- Member of the Nomination, Governance, Ethics and Corporate Responsibility Committee

Business address:
Sopra Steria Group
6 avenue Kleber – 75116 Paris – France

Nationality: French **Age:** 70

Date of first appointment: 15/04/2010
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2021

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
Chairman of the Supervisory Board, NextStage	✔		✔
Director of Crédit du Nord	✔		
Director of Boursorama	✔		
Non-Voting Director of Ortec Expansion	✔		
Other directorships and offices held during the last five years			
Director of RiverBank, Luxembourg	✔	✔	
Member of the Supervisory Board of Société Générale Marocaine de Banques	✔	✔	
Director of Société Générale Monaco	✔		

Biography

Jean-François Sammarcelli is a graduate of the École Polytechnique and spent his entire career at Société Générale until his retirement in 2015. He held top-tier positions there, giving him in-depth expertise in executive management, finance and control.

In particular, as Director of Real Estate Business from 1995 to 2000, Jean-François Sammarcelli oversaw the policy of restructuring the bank's real estate business during the 1990s real estate crisis. He worked for the investment banking business from 2000 to 2004, first as Chief Operations Officer and subsequently as Chief Financial Officer and then Co-Head of the department responsible for relations with corporate and financial institution key accounts. During this period, he was involved in the global reorganisation of SGCIB after the internet bubble burst.

He then continued his career at Société Générale in the retail bank, where he served as Network Director, France, Deputy CEO and finally Head of Retail Banking, France.

Sopra Steria Group's Board of Directors benefits from Jean-François Sammarcelli's extensive and varied experience in the banking world, which has long been a strategic vertical market for the Group. Furthermore, he has served in executive management roles and as a director in a group recognised as a pioneer in digital transformation and innovation in customer relationships.

Heavily involved in governance at Société Générale and its subsidiaries, as well as at groups where he has served as an independent director, Jean-François Sammarcelli also brings experience of corporate tie-ups.

JESSICA SCALE

Independent Director

Number of shares in the Company owned personally: **10**

- Member of the Compensation Committee
- Member of the Nomination, Governance, Ethics and Corporate Responsibility Committee

Business address:
Sopra Steria Group – 6 avenue Kleber
75116 Paris – France

Nationality: French and British

Age: 58

Date of first appointment: 22/06/2016
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2022

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: Listed company
■ Chairwoman of digitfit	✔		
■ Independent consultant specialising in the challenges posed by the digital transformation			
Other directorships and offices held during the last five years			
■ Not applicable			

Biography

Jessica Scale founded digifit, a hub that provides strategy consulting for senior executives, in 2014. She helps companies grow by taking advantage of the opportunities offered by the digital, social and environmental transitions.

A graduate of Sciences Po Paris and holder of a PhD in political science, she has taught strategy at Sciences Po Paris since 1990.

Jessica Scale began her career in strategy consulting (at Bossard and PwC) working for key account clients in a wide range of industry sectors.

In 2002, she moved into the tech sector, where she worked for major players, first as Transformation Director at IBM Global Services and then as Vice-President of Sales and Marketing at Unisys Europe, which she joined in 2005. She took on further international responsibilities in 2008, when she became Director of Global Outsourcing at Logica-CGI, where she was later appointed Global Client Director. As Director, France at Logica-CGI from 2010 to 2013, she also gained in-depth experience of issues connected with governance, ethics and labour relations.

Jessica Scale has written numerous articles and books, including in particular *Bleu Blanc Pub: Trente Ans de Communication Gouvernementale en France*, which remains a landmark work for anyone seeking to understand major public communication campaigns.

She has long been involved in international entrepreneurship networks, with a particular focus on promoting women in business, and is keenly interested in the issue of the raison d'être of companies.

Jessica Scale's multicultural and operational experience dealing with digital, strategic and social issues at the international level enriches strategic thinking on Sopra Steria Group's Board of Directors.

HÉLÈNE BADOSA

Director representing the employees

Number of shares in the Company owned personally**: none**

- Member of the Compensation Committee

Business address:
Sopra Steria Group – 6 Avenue Kleber
75116 Paris – France

Nationality: French **Age:** 62

Date of first appointment: Works Council meetings on 27-28/09/2018
Date term of office began: 23/09/2020
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2023

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: Listed company
■ Lead Engineer			
■ Member of the Board of Directors of the Traid-Union trade union			
■ Manager of two SCIs			
Other directorships and offices held during the last five years			
■ Member of the Regional Economic Commission - SSG Auvergne-Rhône-Alpes			
■ SSG - Lyon’s employee representative affiliated with the Traid Union trade union			
■ Union representative with the Lyon and Aix-en-Provence CHSCT (Health, safety and working conditions commission)			

Biography

Hélène Badosa has worked at Sopra Steria Group for over 20 years. Alongside her professional role, she has also long experience of employee representative bodies.

With a master’s degree in information systems, Hélène Badosa began her career running a department at EDS’s data processing centre and went on to become a SAP ERP consultant.

She joined Sopra Steria Group in 2001, heading up numerous engineering projects in France and abroad. She is currently a testing specialist for one of Sopra Steria’s key account clients. Thanks to her experience in a broad range of roles, she has in-depth knowledge of issues in the field and the technological environment.

Keen to ensure that employees’ voices are heard amid the digital business transformation, Hélène Badosa has also held various corporate offices over the course of her career. As employee representative at EDS and subsequently Sopra Steria, trade union representative on the Lyon and Aix-en-Provence Health, Safety and Working Conditions Committees, member of the Auvergne-Rhône-Alpes Regional Economic Committee and member of the Board of Directors of Traid-Union, she is resolutely committed to employee representation. In particular, the tie-up between Sopra and Steria involved significant work with employees to ensure that the two companies’ cultures merged successfully.

Hélène Badosa joined Sopra Steria’s Board of Directors in 2018 as Director representing the employees. She brings her vision as an employee with a keen eye for synergies between the company’s and employees’ development.

DAVID ELMALEM

Director representing the employees

Number of shares in the Company owned personally**: none**

Business address:
Sopra Steria Group – 37 Chemin des Ramassiers
31770 Colomiers – France

Date of first appointment: 23/09/2020
Date term of office began: 23/09/2020
Date term of office ends: General Meeting to approve the financial statements for the financial year ended 31/12/2023

Nationality: French **Age:** 38

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Project leader			
Other directorships and offices held during the last five years			
■ Not applicable			

Biography

David Elmalem joined Sopra Steria Group in 2008.

He successively served in testing, business analysis and project management roles as an integrator for complex air traffic control systems.

David Elmalem holds an engineering degree from the ENAC civil aviation academy, and has a passion for aeronautics and new technologies.

With a constant focus on putting the Group's strategy into action, he has built up a dual set of business line and IT expertise that makes him highly attuned to the needs of aeronautics clients, helping them make their digital transformation a success. As an example, he took part in the SESAR (Single European Sky ATM Research) programme to modernise Europe's air traffic management systems, coordinating input from major players in this field, including a number of Sopra Steria clients (such as Airbus, Thales and Eurocontrol).

A true believer in putting people first, he takes a proactive role in the professional development of his team and his colleagues, leads a community of aeronautics enthusiasts within his business unit, and is an impassioned advocate of digital services professions for engineering students.

Elmalem joined Sopra Steria's Board of Directors in 2020 as a Director representing the employees.

He serves as a link between the employees and the Board of Directors, ensuring their voices are heard amidst an unprecedented economic and social situation.

Owing to their professional experience as well as activities pursued outside the Company, the members of the Board of Directors have all acquired expertise in the area of management and some of them also have gained expertise in the Company's industry sector.

In addition, to the best of the Company's knowledge, none has:

- any conflict of interest affecting the exercise of his/her duties and responsibilities;
- any family relationship with another member of the Board of Directors, with the exception of Éric Pasquier, who is related to Pierre Pasquier;
- any conviction during the last five years in relation to fraudulent offences;
- been incriminated and/or been the focus of an official public sanction issued by statutory or regulatory authorities, nor barred by a court from serving as a member of a supervisory board, board of directors or other management body of an issuer or from taking part in the management or conduct of an issuer's business affairs at any point during the past five years;
- been involved in any bankruptcy proceedings or been subject to property sequestration during the last five years as a member of a board of directors, a management body or a supervisory board.

Furthermore, there are no service agreements binding the members of governing and management bodies to the issuer or to any one of its subsidiaries that provide benefits upon the termination of such agreements.

1.3. Preparation and organisation of the work of the Board of Directors

1.3.1. REGULATORY FRAMEWORK GOVERNING THE BOARD OF DIRECTORS, ITS ORGANISATION AND ITS WORKING PROCEDURES

The organisation and working procedures of the Board of Directors are governed by law, the Company's Articles of Association and the Board's own internal rules. Each of the permanent Board Committees has adopted its own charter approved by the Board of Directors setting forth how it should operate.

a. Legal provisions

The working procedures of the Board of Directors are governed by Articles L. 225-17 et seq. and L. 22-10-2 et seq. of the French Commercial Code. The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation.

b. Provisions in the Articles of Association

The rules governing the organisation and procedures of the Board of Directors are set forth in Articles 14 to 18 of the Articles of Association. The Articles of Association are available on the Group's website (Investors section).

c. Internal rules and regulations of the Board of Directors

The internal rules and regulations of the Board of Directors were last amended on 22 October 2020. The purpose of the revision was to adapt it to the requirements of the Pacte Law, those of the Law simplifying company law and the latest changes to the AFEP-MEDEF corporate governance code, as well as the decisions made by the General Meeting of the Shareholders.

The internal rules and regulations define the roles of the Board of Directors, its Chairman and the Chief Executive Officer, and specify the conditions for the exercise of their prerogatives. They also provide that prior approval by the Board of Directors is required for certain decisions "that are highly strategic in nature or that are likely to have a significant impact on the financial position or commitments of the Company or any of its subsidiaries". The internal rules and regulations are available on the Group's website (Investors section).

They also set out the number, purpose and composition of the committees tasked with preparing certain matters for the Board of Directors, and give specific provisions for its three standing committees, namely:

- the Audit Committee;
- the Nomination, Governance, Ethics and Corporate Responsibility Committee;
- the Compensation Committee.

The internal rules and regulations provide that the Board of Directors may create one or more ad hoc committees and that those committees may, in the performance of their respective duties and after having duly informed the Chairman, hear matters brought to them by the Group's managers and use the services of external experts at the Company's expense.

The internal rules and regulations also address the following issues: summary of powers under applicable law and the Articles of Association, meetings, information received by the Board of Directors, training of members, evaluation of the Board, travel expenses, confidentiality, Non-Voting Directors, social and economic council representatives, and discretionary and other ethical obligations, in particular regarding conflicts of interest, related-party agreements or stock exchange transactions. A procedure for assessing routine agreements has been added as an appendix.

1.3.2. MEETINGS OF THE BOARD OF DIRECTORS

a. Number of meetings held during the financial year

An annual schedule is drawn up detailing the work of the Board. This schedule may be changed where justified by special events or deals. The Board of Directors met nine times in 2020, of which three meetings were not on the annual schedule, but were arranged to consider exceptional events (pandemic, cyberattack).

b. Directors' attendance

Financial year 2020	Board of Directors	Audit Committee	Nomination, Governance, Ethics and Corporate Responsibility Committee	Compensation Committee
Number of meetings	9	7	7	8
Attendance rate	99%	93%	100%	98%

The Board of Directors' attendance rate in 2020 was 98%.

No Director was absent from more than one Board meeting.

In accepting their appointments as Directors, all members of the Board of Directors agree to devote the time and attention necessary to fulfil their duties. Directors are required to be present at every meeting of the Board of Directors as well as those of its committees on which they serve, unless they are unable to attend due to an emergency situation or other legitimate reason.

All Board members also agree to resign from their positions should they feel they are no longer able to fully assume their responsibilities. They must inform the Chairman of the Board of Directors of any change in their professional situation that might affect their availability.

The Board of Directors decided in February 2012 to remove the fixed portion of compensation required by Article L. 225-45 of the French Commercial Code. In accordance with the policy approved by the General Meeting, this compensation is allotted in full based on actual attendance at meetings of the Board of Directors and its committees.

c. Items of business

The Board of Directors was kept regularly informed of the activities of the three permanent committees through reports by their respective Chairmen on the work performed between each meeting of the Board of Directors.

The main items of business in 2020 were:

- approval of the financial statements for the year ended 31 December 2019;
- approval of the interim financial statements for the first half of 2020;
- 2020 budget;
- quarterly performance;
- review of draft financial communications;
- approval of management forecasts and corresponding reports;
- review of the Audit Committee's work and recommendations (in particular those concerning the financial statements and the finance policy, internal control and risks, external audit);
- control of related-party agreements;
- continuation or removal of previously authorised agreements;
- authorisation to guarantee commitments by subsidiaries controlled by the Group;
- the Group's strategy;
- external growth transactions and business disposals;
- review of the recommendations of the Compensation Committee, in particular those relating to the compensation policy for company officers and the financial and non-financial criteria used for the variable portion of the Chief Executive Officer's compensation;
- review of the work and recommendations of the Nomination, Governance, Ethics and Corporate Responsibility Committee, and in particular those concerning:
  - the composition of the Board of Directors and its Committees (selection and appointment of new Directors, decisions on reappointing Directors whose term of office is expiring, composition of the committees),
  - qualification of Independent Directors,
  - the working procedures of the Board of Directors and changes to its internal rules and regulations,
  - the reduction in Directors' terms pursuant to the Articles of Association,
  - the use of the findings of the formal self-assessment,
  - the training arranged for the newly designated Directors representing the employees;
- the company policy on workplace and pay equality and the targets for bringing more women into senior management positions;
- the Group's operational governance;
- the notice of, and the preparations and participation arrangements for the Combined General Meeting on 9 June 2020;
- the decision not to pay out a dividend in respect of the 2019 financial year;
- impact of the Covid-19 pandemic;
- information security. The cyberattack that targeted the Group in October 2020 was discussed at a special meeting in December 2020.

1.3.3. COMMITTEES OF THE BOARD OF DIRECTORS

a. The Audit Committee

The composition and functioning of the Audit Committee are governed by the Board of Directors' internal rules and regulations and by a charter that is reviewed at regular intervals by the Committee and approved by the Board of Directors on 26 July 2018.

Its current members are:

- Marie-Hélène Rigal-Drogerys, Chairwoman (Independent Director);
- Michael Gollner (Independent Director);
- Éric Pasquier;
- Jean-François Sammarcelli (Independent Director).

This composition provides the blend of financial accounting and knowledge of the business and its business lines that are crucial for the Committee's work. Three of the four members have spent all or part of their career in investment banking, lending, including as chief financial officer or as a Statutory Auditor and have developed expertise in finance and risk management. The individual skills of each member of the Committee are set out in Section 1.2.4 "Key skills required for the Board of Directors" of this chapter, pages 56 to 57. Their professional experience is summarised in Section 1.2.8 "Detailed presentation of the members of the Board of Directors" of this chapter, pages 60 to 73.

The Committee meets six times a year on average and in any event no fewer than four times a year. They generally break down as follows:

- two meetings to review the interim and annual financial statements, respectively;
- three meetings to monitor internal control and risk management systems and review internal audit;
- one meeting to review external audit.

Without prejudice to the expertise of the Board of Directors, the Audit Committee elucidates decisions through its work and recommendation and approves the provision of services other than the certification of the accounts. It submits its findings and recommendations to the Board of Directors to inform the Board's decisions.

In the performance of its duties, the Committee may:

- receive any internal documentation necessary for its purposes;
- hear any person affiliated with or external to the Company;
- where applicable, commission independent experts to assist it at the Company's expense;
- expedite an internal audit with the consent of the Chairman of the Board of Directors.

The Audit Committee Charter gives a precise definition of the Committee's remit and explicitly states the principal matters excluded from that remit. The Committee's main responsibilities include:

- financial statements and financial policy:
  - overseeing the procedure for preparing and processing accounting and financial information,
  - reviewing the financial statements and off-balance sheet commitments,
  - monitoring that accounting policies have been applied consistently and are pertinent,
  - reviewing financial policy;

- internal control and risk:
  - assessing the effectiveness of the systems put in place by management to identify, assess, manage and control financial and non-financial risks,
  - monitoring the functioning of the internal control and risk management system with respect to the preparation and processing of accounting and financial information,
  - monitoring the functioning of the internal control and risk management system with respect to the prevention of corruption and influence peddling,
  - periodic review of the various risk mapping exercises, mapping of the risk of corruption and influence peddling and mapping of CSR risks,
  - monitoring internal audit and associated work, particularly as regards procedures relating to the preparation and processing of accounting, financial and non-financial information;
- external audit:
  - managing the statutory audit of the financial statements by the Statutory Auditors,
  - ensuring compliance with requirements for the independence of the Statutory Auditors,
  - prior authorisation of non-audit services,
  - issuing a recommendation to the Board of Directors concerning the Statutory Auditors to be proposed to the shareholders at the General Meeting.

The Committee met in person seven times in 2020. The attendance rate for Committee members was 93%. All members were present at the two meetings preceding the review of the financial statements by the Board of Directors. The Statutory Auditors, the Chief Financial Officer and his deputy, the Director of Internal Audit and the Director of Internal Control are invited to and attend all meetings as a matter of course.

Its meeting on the annual financial statements is held at least twenty-four hours before that of the Board of Directors. Prior to that, two preparatory sessions are held to address issues of methodology or specific points on the preparation and presentation of the financial statements as well as risk exposure, including social and environmental risks.

The main items of business in 2020 were as follows:

- *with regard to monitoring the procedure for preparing accounting and financial information and financial policy:*
- review of cash-generating units and asset impairment testing for 2019,
- presentation of Sopra Banking Software and its business (organisation and business model in particular),
- progress made on the Sparda project in Germany,
- approval of the financial statements for the year ended 31 December 2019,
- presentation by the Statutory Auditors of the results of the statutory audit, interim reviews and the accounting options adopted,
- review of the 2020 interim financial statements,
- the Group's credit lines (amount of guaranteed credit lines, maturity, monitoring of covenants),
- off-balance sheet commitments and guarantees given under the delegated authority of the Board of Directors,
- a guarantee granted to UK pension funds,
- information about related party transactions,
- a plan to shorten the time taken to draw up and approve the financial statements for the financial year;
- *with regard to monitoring the effectiveness of internal control and risk management procedures*:

- With regard to the Internal Control Department:
  - review of the organisation and work by the department in charge of internal control and risk management,
  - three risk mapping exercises (overall exercise, mapping of the risk of corruption and influence peddling and mapping of risk relating to CSR risks – duty of vigilance),
  - review of the presentation of risk exposure, including social and environmental risks, for the draft 2019 Universal Registration Document,
  - monitoring of improvements to the anti-corruption system (Sapin II Law),
  - monitoring of the update to the Group rules,
- With regard to the Internal Audit Department:
  - organisation of the internal audit function and the work programme for 2020,
  - findings of internal audit reports,
  - the "audit universe" (terminology used for the Group's key processes),
  - checks on the exhaustiveness of the internal audit function's coverage of the Group,
  - follow-up on implementation of recommendations from internal and external audit assignments,
  - significant changes in the Company's legal environment,
  - With regard to the consideration of non-financial risks:
  - the presentation by the independent third party in charge of the audit and the statement of non-financial performance;
- *with regard to the management of the statutory audit of the financial statements:*
  - statutory audit engagement (scope, work schedule, fees for the past year, budget),
  - the independence of the Statutory Auditors,
  - prior authorisation for services other than the certification of the accounts;
- *with regard to the Committee's own organisation and activities:*
  - overview of the Audit Committee's activities in 2019,
  - key priorities for 2020,
  - the annual work schedule.

The Statutory Auditors were heard by the Independent Directors sitting on the Committee, with no members of management in attendance. The same was true of the Director of Internal Audit. Éric Pasquier, CEO of Sopra Banking Software, abstained from attending these hearings reserved for independent Committee members.

Minutes are prepared after every meeting and are then approved at the beginning of the following meeting.

When requests by the Audit Committee cannot be satisfied immediately, they are subject to a formal follow-up procedure in order to ensure that they are addressed in full at the various meetings scheduled throughout the year. Ten specific requests were formulated using this approach in 2020 and were, or will be, added to the meeting agendas established on the basis of the Committee's annual work plan.

b. The Nomination, Governance, Ethics and Corporate Responsibility Committee

The composition and functioning of the Nomination, Governance, Ethics and Corporate Responsibility Committee are governed by the Board's internal rules and regulations and by a charter that is reviewed at regular intervals by the Committee and was approved by the Board of Directors on 25 February 2021. Its current members are:

- Kathleen Clark Bracco, permanent representative of Sopra GMT – Chairwoman;
- Éric Hayat;
- Noëlle Lenoir (Independent Director);
- Pierre Pasquier;
- Jean-Luc Placet (Independent Director);
- Jean-François Sammarcelli (Independent Director);
- Jessica Scale (Independent Director).

The Chairman of the Board of Directors sits on the Nomination, Governance, Ethics and Corporate Responsibility Committee. The Committee hears the Chief Executive Officer on the items of business as necessary.

The Committee has no decision-making powers of its own, but rather submits its findings and recommendations to the Board of Directors in support of the Board's decisions. In the performance of its duties, the Committee may:

- receive any internal documentation necessary for its purposes;
- hear any person affiliated with or external to the Company;
- where applicable, retain the services of independent experts at the Company's expense to assist it.

The Committee's main responsibilities are as follows:

- Nominations and governance:
  - selecting and preparing appointments of members of the Board of Directors and executive company officers,
  - proposing and managing changes it deems beneficial or necessary to the procedures or composition of the Board of Directors,
  - carrying out the annual review of the plan for unforeseen departures by the Chairman of the Board of Directors and the Chief Executive Officer,
  - evaluating the Board of Directors and the effectiveness of corporate governance,
  - verifying that good governance rules are applied at the Company and its subsidiaries,
  - assessing whether Board members may be deemed independent in view of deliberations by the Board of Directors on this subject;
- Business ethics and corporate responsibility:
  - verifying that the Group's values are observed, defended and promoted by its company officers, executives and employees,
  - checking that there are rules of conduct which address competition and ethics,
  - ensuring that the anti-corruption framework operates effectively and that the Company's Code of Conduct, training, whistleblowing framework and disciplinary system as provided for in French law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and modernisation of business life are all fit for purpose;
  - assessing Company policy on sustainable development and corporate responsibility and its alignment with the Sopra Steria Group's commitments to human rights, international labour standards, the environment and the fight against anti-corruption,
  - ensuring that the Company has implemented an anti-discrimination and diversity policy:
    - preparing for the Board of Directors' annual review of the Company's policy on workplace and pay equality;
    - reviewing Executive Management's proposed objectives, action plan and arrangements for increasing the proportion of women in senior management positions and tracking progress.

The Committee met seven times in 2020, with an attendance rate of 100%. Items of business included:

- concerning appointments and governance:
  - members of the Board of Directors (see Section 1.2.3 "Selection process"),
  - the search for new Directors and proposals to reappoint Directors whose terms of office are nearing their end in 2020,
  - composition of the committees and in particular the participation of Directors representing employees on specialist Board committees,
  - the results of the formal assessment process of the Board of Directors and its committees,
  - organisation and effectiveness of the Group's governance and annual review of the plan for unforeseen departures by the Chairman of the Board of Directors and the Chief Executive Officers,
  - verification of Company compliance with the AFEP-MEDEF Code,
  - qualification of Independent Directors,
  - changes to the internal rules and regulations of the Board of Directors,
  - the draft rules for designating the Director representing the employee shareholders,
  - changes to the rules (charter) of the Committee to state that, in the event of a split vote, the Independent Directors cast the deciding vote;
- concerning ethics and corporate responsibility:
  - the Company's policy on workplace and pay equality, and the diversity policy,
  - the targets for increasing the proportion of women in senior management positions, together with the action plan and measures proposed by Executive Management;
  - the testimony given by the Sustainable Development Director on the "zero net emissions" target by 2028 set by the Group;
  - the anti-corruption framework introduced by the Company and how it performed during the past year;
  - review of the draft Universal Registration Document for 2019.

Minutes are prepared after every meeting and are then approved at the beginning of the following meeting.

c. The Compensation Committee

The composition and functioning of the Compensation Committee are governed by the Board's internal rules and regulations and by a charter that is reviewed at regular intervals by the Committee and was approved by the Board of Directors on 25 February 2021. Its current members are:

- Jean-Luc Placet, Chairman (Independent Director);
- Hélène Badosa (Director representing the employees);
- Kathleen Clark Bracco, permanent representative of Sopra GMT;
- Éric Hayat;
- Sylvie Rémond (Independent Director);
- Jessica Scale (Independent Director).

The Committee has no decision-making powers of its own, but rather submits its findings and recommendations to the Board of Directors in support of the Board's decisions.

In the performance of its duties, the Committee may:

- receive any internal documentation necessary for its purposes;
- hear any person affiliated with or external to the Company;
- where applicable, retain the services of independent experts at the Company's expense to assist it.

The Committee's main responsibilities are as follows:

- recommend to the Board of Directors compensation policies applicable to company officers;
- verifying the application of rules determined for the calculation of variable components of compensation;
- where applicable, offering recommendations to Executive Management on the compensation of the company's principal executives;
- obtaining an understanding of pay policy and ensuring that this policy is in line with the Company's interests and enables it to reach its objectives;
- preparing decisions related to employee share ownership and employee savings plans;
- preparing the policy for awarding performance shares;
- verifying the quality of the information communicated to shareholders concerning compensation, benefits in kind, and options received by executive company officers, and compensation in accordance with Article L. 225-45 of the French Commercial Code.

The Committee hears the executive company officers at the start of its meetings for general information and on each item of business as necessary.

Minutes are prepared after every meeting and are then approved at the beginning of the following meeting.

The Committee met eight times in 2020, with an attendance rate of 98%. Items of business included:

- compensation policy of the Chairman of the Board of Directors;
- the Chief Executive Officer's compensation policy and in particular criteria and targets associated with his variable compensation;
- the recommendations to the Board of Directors concerning variable compensation paid to the Chief Executive Officer in respect of financial year 2019;
- compensation policy for members of the Board of Directors;
- review of the fairness ratio;
- expiry of a long-term incentive plan based on performance shares and determination of targets for similar plans currently in force;
- the review of the draft Registration Document for 2019 and in particular the draft report on corporate governance;
- apportionment of compensation referred to in Article L. 225-45 of the French Commercial Code in respect of financial year 2019.

1.3.4. ORGANISATION AND ASSESSMENT OF THE BOARD OF DIRECTORS

a. Access to information for members of the Board of Directors

Dissemination of information – preparatory materials

Article 4 of the internal rules and regulations states:

- "each member of the Board shall receive all information required in the performance of his mission and is authorised to request any documents deemed pertinent;
- in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and preliminary reflection, provided that confidentiality guidelines allow the communication of this information;
- the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning events or operations that are significant for the Company. This information shall include copies of all press releases disseminated by the Company".

The members of the Board of Directors receive a monthly summary report on Sopra Steria Group's share performance. This report describes and analyses developments in the share price and trading volumes, putting them into perspective by highlighting main trends in macroeconomic data and financial markets as well as comparisons with the main comparable companies.

Board members receive all press releases intended for investors and are invited to the presentations of the Company's full-year and half-year results.

They are also invited to the beginning-of-the-year meeting held for Group management and receive certain internal publications.

Dedicated electronic platform for Directors

An electronic platform, based on Axway Software's Syncplicity solution, is used to provide secure access to documentation on all types of devices: computers, tablets and smartphones. Members of the Board of Directors can view or download items made available for them or upload their own items for sharing or storage within this environment. This platform was set up following the findings of the formal assessment of the Board of Directors undertaken in 2016. Its installation was possible thanks to the availability of a high-performance cloud solution managed by the Group's technical staff and offering a sufficiently robust guarantee that the data stored would not be accessible to any unauthorised persons, including technical staff.

Additional information at meetings

The Chief Executive Officer and the Chief Financial Officer are invited to Board meetings, subject to certain exceptions. Thanks to their participation, additional information that may be useful to discussions is made available. They do not take part in the consideration of matters that involve the Chief Executive Officer.

Depending on the items of business before a given Board meeting, other operational managers or outside consultants may be invited to attend. This is the case, in particular, for strategic presentations and discussions of external growth transactions.

Training

Article 5 of the internal rules and regulations states: "Any member of the Board may, on the occasion of his/her appointment or at any point during his term in office, engage in training he/she feels is necessary for the performance of his duties".

Following the appointment of the Directors representing the employees, a specific training plan was implemented to orientate new Directors. The content and format of this orientation training was approved by the Board of Directors after consultation with the individuals concerned and with the Nomination, Governance, Ethics and Corporate Responsibility Committee.

In 2020, two Directors availed themselves of the option to receive training either on taking up office or during their terms of office. These training sessions were delivered by the company or external organisations, depending on Directors' requests.

All Chairmen of Board Committees are members of the IFA (French Institute of Directors), as is the Secretary of the Board of Directors.

b. Preventing conflicts of interest

Duty of disclosure and abstention

Members of the Board of Directors must inform the Board of any current or potential conflicts of interest in which they could be directly or indirectly involved.

Pursuant to the recommendations laid down in the AFEP-MEDEF Code, the internal rules and regulations state that members of the Board of Directors facing an actual or potential conflict of interest must not participate in associated decision-making. Naturally, they are not present at and do not take part in any related vote.

Control of related-party agreements

Monitoring of related-party agreements is governed by law, the Company's Articles of Association and the Board's own internal rules. Proposed new agreements are reviewed prior to being signed. In addition, the Board of Directors is called upon at the beginning of each year to review the purpose and application of agreements set to continue to run, in order to assess whether they still meet the criteria on which their initial approval was based.

No new agreements were authorised during financial year 2020.

Nature	Tripartite agreement between Sopra GMT, Sopra Steria Group and Axway Software	Éric Hayat Conseil
Subject	Advisory and assistance services in the areas of strategy, finance and control	Business development advisory and assistance services to Executive Management (strategic operations)
Detailed description	§1.1.4	§1.1.6
Income (financial year ended)	€139K	€0K
Expense (financial year ended)	€1,214K	€209K
Persons concerned	Pierre Pasquier, Éric Pasquier, Kathleen Clark Bracco	Éric Hayat
Agreement already approved at a General Meeting	Yes	Yes

At its meeting on 20 February 2020, the Board of Directors unanimously agreed to downgrade the current agreement that nowrelates only to the domiciliation in Annecy of Axway Software in the amount of €13K. Sopra Steria Group SA hosts most of theGroup's French companies (including Sopra Banking Software, Sopra HR Software and I2S) and invoices them for lease costsaccording to the surface area they use. The same applies to the lease granted to Axway Software under market conditions.

The Statutory Auditors' special report on related-party agreements is included in full at the end of Chapter 6 - "2020 Parent Company Financial Statements" of this Universal Registration Document (pages 262 to 263).

Monitoring of routine agreements entered into at arm's length

At its meeting of 24 October 2019, the Board of Directors voted, at the recommendation of the Audit Committee, to adopt a procedure for regularly assessing whether agreements pertaining to routine transactions entered into at arm's length meet the necessary criteria.

In particular, this procedure provides for the following:

- arrangements for identifying agreements subject to prior review by the Board of Directors;
- the assessment by the Board of Directors of agreements that have not been subject to such controls – any persons directly or indirectly affected by such an agreement may not take part in this assessment.

The Board adopted the principle of an annual assessment, with the first such assessment undertaken at its meeting of 20 February 2020.

c. Assessment of the Board of Directors and its committees

In accordance with the recommendations of the AFEP-MEDEF Code in this area:

- each year, at least one discussion by the Board of Directors is devoted to its operating procedures and ways in which they might be improved;
- at least every three years, a formal assessment. The Board of Directors thus conducted a formal assessment of its operations at end-2019, led by the Nomination, Governance, Ethics and Corporate Responsibility Committee. The previous such assessment took place in 2016.

The Nomination, Governance, Ethics and Corporate Responsibility Committee proposed that the Board of Directors proceed with a self-assessment based on a questionnaire, with responses to be collected anonymously. To this end, the Committee drew up a draft questionnaire containing 35 items divided into five sections:

- members of the Board of Directors;
- information provided to Directors;
- meeting procedures and content;
- relations between the Board of Directors and its committees;
- assessment of individual contributions.

In particular, the aims of this questionnaire were to:

- evaluate to what extent the composition of the Board of Directors actually represents all shareholders and allows it to fulfil its role and responsibilities efficiently. The questionnaire also focused on the Directors' contributions to meetings, their complementarity, independence and level of commitment, as well as their understanding of the Company's business activities, and the manner in which they update and refresh their skills and knowledge;
- ascertain the quality of the information made available to Board members and their level of satisfaction with the responses provided to their questions and the handling of their requests;
- identify potential opportunities for improvements relating to the work procedures and encompassing all aspects, from the annual work schedule to the minutes of meetings;
- evaluate the preparation of discussions by the Board's committees and the contribution of their work to the quality of exchanges at Board meetings;

Once the Board had approved the questionnaire and analysed individual responses, an overview of the findings was examined and discussed by the Nomination, Governance, Ethics and Corporate Responsibility Committee. The Committee also discussed an overview of its own self-assessment and the concurrent self-assessment undertaken by the Compensation Committee. It reported on its work to the Board of Directors at the Board meeting of 20 February 2020.

The Audit Committee has conducted its own self-assessment for a number of years using a questionnaire that covers its composition and its working procedures, the way in which its work is organised and its ability to fulfil its responsibilities. The Committee compares its procedures with the best practices established by similar bodies in other companies. Lastly, it familiarises itself with any changes in the regulatory environment. It takes into account the conclusions of this work to improve its own working procedures.

Self-assessment by the Board of Directors and its committees has identified opportunities for improvement, notably relating to its composition, information provided to members of the Board of Directors, particularly between meetings, minutes of the committees' work, and more in-depth work on key environmental issues by the committee tasked with overseeing corporate responsibility. Practical solutions were found to the areas requiring improvement that had been identified. These were then presented to the Board of Directors, which approved them. The process concluded with a meeting on 20 October 2020.

2. Compensation policy

2.1. Policy outline

Compensation policy applicable to company officers is determined by the Board of Directors. While paying particular attention to the stability of the principles used to determine and structure compensation for executive company officers, the Board of Directors re-examines their compensation packages on an annual basis to verify their fit with the Group's requirements. It is supported by the Compensation Committee, which helps the Board prepare for decisions.

The Board of Directors considers that applying the compensation recommendations laid down in the AFEP-MEDEF Corporate Governance Code protects the Company's interests and encourages executives' contribution to business strategy and the Company's long-term success.

The work of the Compensation Committee continues throughout a cycle of preparatory meetings that run from the final quarter of the previous financial year to the first quarter of the current financial year. In general, three meetings are either wholly or partly dedicated to this work, though sometimes as many as five such meetings may be held. Preparing recommendations on the Chief Executive Officer's annual variable compensation and long-term incentive plans takes up the most time due to the need to determine the associated performance conditions.

The Board of Directors generally discusses the strategic approach over the same period; since 2019, this discussion has taken into account social and environmental issues associated with the Company's business. For the past several years, the Group has been pursuing an independent, value-creating plan that combines growth and profitability. Priorities are adjusted each year based on the current state assessment undertaken at the end of the previous year.

The Committee reviews the current compensation policy applicable to company officers. It is then informed of estimates of how far the Chief Executive Officer has achieved his targets. These forecasts are refined in the course of the Committee's various meetings. At the beginning of the year, the Compensation Committee determines the extent to which quantifiable targets set for the previous year have been achieved and assesses the achievement of qualitative targets. To this end, it meets with the Chairman of the Board of Directors and familiarises itself with any information that might be used in this assessment.

The Committee also takes into consideration the Group's pay policy and decisions on fixed and variable compensation payable to the members of the Group Executive Committee. It takes into account comparisons with other companies made available to it. However, sector consolidation has significantly reduced the number of companies allowing for a direct and relevant comparison.

The Committee also looks at steps that could be taken to give employees a stake in the company's financial performance and, where applicable, considers the implementation of employee share ownership plans and/or long-term incentives aimed at the Company's and its subsidiaries' management. The Board of Directors considers that employee and executive share ownership makes a lasting contribution to the company's longstanding priority focus on independence and value creation by ensuring that employees' and executives' interests are fully aligned with those of the company's shareholders.

When the Board of Directors reviews the budget for the current financial year, the company's numerical targets are a known quantity. The Compensation Committee takes them into account when determining the Chief Executive Officer's quantifiable targets for the financial year. It holds a further meeting with the Chairman of the Board of Directors to discuss potential qualitative targets.

The Compensation Committee then presents its recommendations to the Board of Directors, which discusses them and makes decisions without the interested parties in attendance. These recommendations relate to the Chief Executive Officer's variable compensation for the previous financial year, fixed compensation payable to the Chairman of the Board of Directors, and the Chief Executive Officer's fixed and variable compensation for the current financial year. These recommendations are generally presented at the same time as recommendations on long-term incentive plans aimed at management, up to now including the Chief Executive Officer, employee share ownership schemes and, as the case may be, proposed additional incentive payments put forward by Executive Management. The Committee also presents its observations on the apportionment of the compensation referred to in Article L. 225-45 of the French Commercial Code and, where it deems necessary, proposes adjustments to existing rules. The total amount of the compensation referred to in Article L. 225-45 of the French Commercial Code subject to approval by the shareholders is agreed when the Board of Directors meets to prepare for the General Meeting of Shareholders.

As regards variable compensation, the Compensation Committee proposes the quantifiable criteria to be taken into account together with any qualitative criteria, as the case may be. It makes certain that the criteria adopted are mainly quantifiable and that criteria are precisely defined. As regards quantifiable criteria, it generally determines a threshold below which variable remuneration is not paid, a target level at which 100% of compensation linked to the criterion in question becomes payable and, as the case may be, an upper limit where there is the possibility that a target may be exceeded. Performance is assessed by comparing actual performance with the target broken down into thresholds, targets and upper limits, as the case may be.

Long-term incentive plans are based on awarding rights to shares. They are subject to the condition of being with the company over a period of time and performance conditions meeting targets set in the same way as for variable compensation.

Independently of the compensation policy, the company covers or reimburses company officers' travel expenses (transportation and accommodation).

The Nomination, Governance, Ethics and Corporate Responsibility Committee and the Compensation Committee have four members in common, enabling the Compensation Committee to take the work and assessments of the Nomination, Governance, Ethics and Corporate Responsibility Committee into account as it carries out its own work.

The procedure for determining compensation policy applicable to company officers and the timing of that procedure are intended to ensure that all worthwhile information is taken into account when recommendations are drawn up and when the Board of Directors makes its final decision, so as to ensure that those decisions are as coherent as possible and aligned with the Company's strategy.

The compensation policy applies to newly appointed company officers. However, in exceptional circumstances, notably to enable new executive company officers to be appointed, the Board of Directors may temporarily waive application of the compensation policy, in keeping with the interests of the company and where necessary to secure the company's long-term success or viability. This option may only be adopted if there is a consensus within the Board of Directors over the decision to be made (i.e. no votes against), and may result in items of compensation not laid down in the compensation policy being awarded, though any such items would be subject to ex post approval at the following General Meeting of Shareholders.

2.2. Executive company officers

The Compensation Committee made recommendations concerning the compensation policy for executive company officers, which was reviewed by the Board of Directors at its meeting on 25 February 2021.

Note that application of the compensation policy and the payment of variable and exceptional components of compensation pursuant to this policy is subject to shareholder approval at an Ordinary General Meeting.

2.2.1. COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Financial year 2021 and following

The Board of Directors decided, on the recommendation of the Compensation Committee, not to make any changes to the compensation policy applicable to the Chairman of the Board of Directors, or to his annual fixed compensation.

COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Items of compensation	Comments
Annual fixed compensation	Determination by the Board of Directors, acting on a recommendation by the Compensation Committee
Annual variable compensation	Not applicable
Variable deferred compensation	Not applicable
Multi-year variable compensation	Not applicable
Deferment periods; option of asking for variable compensation to be returned	Not applicable
Exceptional compensation	Possible, by decision of the Board of Directors, but contingent upon very specific circumstances with substantial consequences on the role and activity of the Chairman of the Board of Directors Payment subject to shareholder approval of all items of compensation at an Ordinary General Meeting and in all circumstances capped at 100% of annual fixed compensation
Share options, performance shares and any other long-term items of compensation	Not applicable
Compensation referred to in Article L. 22-10-14 of the French Commercial Code	Application of Directors' compensation policy
Any other benefits	Company car
Severance pay/benefit payable upon change of duties	Not applicable
Non-compete payment	Not applicable
Supplementary pension plan	Not applicable

2.2.2. COMPENSATION PAID TO THE CHIEF EXECUTIVE OFFICER

Financial year 2021 and following

The Board of Directors decided, on the recommendation of the Compensation Committee, not to make any changes to the Chief Executive Officer's annual fixed compensation.

At present, the guidelines for the structure of the Chief Executive Officer's annual variable compensation, as determined by the Board of Directors, are as follows:

Criteria	Type	% of AVC*	% of AFC*
One or more targets	Quantifiable	75%	45%
One or more targets	Qualitative	25%	15%
TOTAL		**100%**	**60%**

* *AVC: annual variable compensation; AFC: annual fixed compensation.*

The increase in the weighting of qualitative targets in the variable compensation of the Chief Executive Officer (changed from 10% to 25%) resulted from the wish to increase the share of medium-term targets, whether these related to the social and environmental implications of the Group's business activities or its organisation and strategy.

For 2021, the targets associated with the variable compensation of the Chief Executive Officer were approved as follows:

Criteria	Type	% of AVC*	% of AFC*
Operating margin on business activity	Quantifiable	45.0%	27.0%
Organic revenue growth	Quantifiable	30.0%	18.0%
Subtotal: Quantifiable criteria		**75.0%**	**45.0%**
Implementation of leadership structure and application of key Group policies	Qualitative	10.0%	6.0%
Progress towards meeting the target of increasing the proportion of women in senior management positions by 2025	Qualitative	7.5%	4.5%
Progress towards meeting the target of zero net emissions by 2028	Qualitative	7.5%	4.5%
Subtotal: Qualitative criteria		**25.0%**	**15.0%**
TOTAL		**100.0%**	**60.0%**

**AVC: Annual variable compensation; AFC: Annual fixed compensation*

The specific quantifiable target values are not disclosed in advance for confidentiality reasons and so as not to interfere with financial communications. Targets are set at levels that are designed to be both demanding and motivating. They aim to help the Group meet – and if possible exceed – its targets.

Based on the targets adopted, an amount equivalent to 60% of the annual fixed compensation cannot be exceeded. Even so, in the event of an outstanding performance relative to the quantifiable targets, the Board of Directors may, after consulting the Compensation Committee, authorise the integration of targets being exceeding, subject to the cap on annual variable compensation set at 100% of annual fixed compensation. Effective payment of the Chief Executive Officer's variable compensation will, in any event, be subject to shareholder approval at an Ordinary General Meeting.

Conversely, the Board of Directors may consider that the Group's performance does not merit payment of variable compensation in respect of the financial year in question, irrespective of the extent to which any qualitative targets may have been achieved. In such cases, it proposes to the shareholders that no variable compensation be paid in respect of that financial year.

Lastly, in exceptional circumstances (e.g. in the event of an exogenous shock), if the Group's results were such that the normal system of variable compensation for employees and Executive Committee members needed to be suspended, the Compensation Committee would review the situation of the Chief Executive Officer and could, as the case may be, recommend to the Board of Directors that it ask the shareholders at the General Meeting to approve an improvement to his variable compensation if that would serve the Company's interests.

The Compensation Committee formulated its recommendation to the Board of Directors in consideration of the strategy, the Group's circumstances and the goal of boosting its performance and competitiveness over the medium to long term. It also focused on driving the Group's transformation and taking into account the social and environmental implications of its business activities through qualitative targets.

At the present time, the Compensation Committee is evaluating whether it might be possible and appropriate to put in place a new long-term incentive plan in 2021 or 2022, under the authorisation to be requested at the General Meeting of 26 May 2021, based on awarding performance shares to management. Except in response to a necessity relating to the situation of the Group or its environment, on which the Board of Directors would provide a report, any new plan decided upon during the year would have the same features as the previous plans, with the potential addition of a target related to corporate social responsibility. The weighting of such a criterion, should it be decided to introduce a new one, would not exceed 10% of the total.

The performance share plans put in place by the Group in 2016, 2017 and 2018 all had the following features in common:

- for all recipients, the granting of shares was subject to continued employment at the end of the three-year vesting period. However, this condition could be waived in whole or in part, in derogation of the foregoing and on an exceptional basis (in practice fewer than 2% of departures);
- achievement of the performance condition was measured by calculating the average annual target achievement rates, with each of the criteria given an equal weighting; the three criteria related to organic consolidated revenue growth, operating profit on business activity (expressed as a percentage of revenue) and free cash flow;
- strict targets were set over the entire plan period (the year of allotment and the two following years). These targets were at least equal to any publicly disclosed guidance or, for targets expressed as a range, at least the minimum level of the guidance range disclosed; the target achievement rate for each of the three plans was 66.1%, 63.5% and 63.5%, respectively;
- The Chief Executive Officer, Vincent Paris, was subject to the same rules as all the other recipients under these plans. However, the Board of Directors decided that he must retain at least 50% of the vested shares allocated to him under these plans throughout his entire term of office;
- Vincent Paris agreed not to hedge any performance shares until the applicable holding period had expired.

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER (PRINCIPLES ALSO APPLICABLE FOR ANY DEPUTY CHIEF EXECUTIVE OFFICERS)

Items of compensation	Comments
Annual fixed compensation	Determination by the Board of Directors, acting on a recommendation by the Compensation Committee (taking into account the responsibilities held, experience, plus internal and external benchmarking)
Annual variable compensation	Amount: ■ 60% of annual fixed compensation if objectives are met ■ capped at 100% of annual fixed compensation ■ criteria: • 75% based on one or more quantifiable objectives • 25% based on meeting one or more precisely defined qualitative objectives consistent with the Group's strategy and organisation, its corporate responsibility policy and/or the assessment of the company officer's performance ■ payment subject to shareholder approval of all items of compensation at an Ordinary General Meeting
Variable deferred compensation	Not applicable
Multi-year variable compensation	Not applicable
Deferment periods; option of asking for variable compensation to be returned	Not applicable
Exceptional compensation	Applicable, by decision of the Board of Directors, in case of very specific circumstances (spin-off and listing of a subsidiary, merger, etc.) Payment subject to shareholder approval of all items of compensation at an Ordinary General Meeting and in all circumstances capped at 100% of annual fixed compensation
Share options, performance shares and any other long-term items of compensation	Eligibility for long-term incentive plans set up by the Group for its senior managers (Capped at 100% of annual compensation if targets are met per plan) These plans are subject to continued employment and to strict performance conditions based on targets that are at least equal to any guidance targets disclosed to the market Vesting period of at least three years Obligation to hold 50% of the shares that will vest under these plans for the entire duration of the recipient's term of office Commitment not to engage in any hedging transactions with respect to performance shares held until the expiry of these plans or of the applicable holding period
Compensation referred to in Article L. 22-10-14 of the French Commercial Code	Not applicable (except in case of appointment by the Board of Directors of the Company. Appointments held at Group subsidiaries do not give rise to any compensation)
Any other benefits	Company car; contribution to the GSC unemployment insurance for executives
Severance pay/benefit payable upon change of duties	Not applicable
Non-compete payment	Not applicable
Supplementary pension plan	Not applicable

2.3. Board of Directors

2.3.1. COMPENSATION PAID TO DIRECTORS OF THE PARENT COMPANY

Compensation policy applicable to members of the Board of Directors stipulates that the compensation referred to in Article L. 225-45 of the French Commercial Code must be apportioned in full between members participating in meetings of the Board and its committees (including both Directors and non-voting members) in proportion to their actual attendance at those meetings, whether in person or by telephone or video conference.

The total amount of that compensation is divided up in such way that an amount is reserved and then apportioned among the members of the Board of Directors and its committees as follows:

- 60%: Board of Directors;
- 20%: Audit Committee;
- 10%: Compensation Committee;
- 10%: Nomination, Governance, Ethics and Corporate Responsibility Committee.

Additional weightings are applied based on attendance, as follows:

- a coefficient of 2.0 applied to attendance by Chairmen at meetings of the committees they chair (each meeting attended counts double);
- a coefficient of 1.2 applied to attendance by Directors who live outside France at meetings of the Board and its committees. However, this extra weighting does not apply to Directors who are employees of a Group company.

Compensation policy applicable to members of the Board of Directors is focused on regular attendance and encourages participation in one or more committees. It aims to compensate the increased burden placed upon Directors who live outside France. It compensates the additional work undertaken by Committee Chairmen as well as their responsibility to the Board of Directors. Committee Chairmen organise and oversee the work of their committees before reporting to the Board of Directors.

2.3.2. COMPENSATION PAID TO DIRECTORS OF SUBSIDIARIES

Directorships held at Company subsidiaries are not compensated.

3. Standardised presentation of compensation paid to company officers

3.1. AFEP-MEDEF Code tables

OVERVIEW OF COMPENSATION, OPTIONS AND SHARES GRANTED TO PIERRE PASQUIER, CHAIRMAN OF THE BOARD OF DIRECTORS (TABLE 1 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	2019	2020
Compensation awarded in respect of the financial year	€535,880	€533,644
Value of stock options granted during the financial year	-	-
Value of performance shares granted during the financial year	-	-
Value of other long-term compensation plans	-	-
TOTAL	**€535,880**	**€533,644**

STATEMENT SUMMARISING COMPENSATION PAID TO PIERRE PASQUIER, CHAIRMAN OF THE BOARD OF DIRECTORS (TABLE 2 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	2019		2020	
	Amount awarded	Amounts paid	Amount awarded	Amount paid
Fixed compensation	€500,000	€500,000	€500,000	€500,000
Annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allotted in respect of directorship (L. 22-10-14)	€27,330	€23,268	€27,944	€27,330
Benefits in kind	€8,550	€8,550	€5,700	€5,700
TOTAL	**€535,880**	**€531,818**	**€533,644**	**€533,030**

As Chairman and CEO of Sopra GMT – the holding company that plays an active role in managing Sopra Steria Group – Pierre Pasquier received fixed compensation of €60,000 from that company in respect of his duties there (leading the Sopra GMT team), as well as compensation of €14,400 under Article L. 22-10-14 of the French Commercial Code in respect of financial year 2020. This compensation was not rebilled to Sopra Steria Group (see Section 1.1.4 of this chapter, page 53).

As Chairman of the Board of Directors of Axway Software, as indicated in its Universal Registration Document, he also received fixed compensation from that company in the amount of €138,000 and compensation in respect of Article L. 22-10-14 of the French Commercial Code of €18,996.

OVERVIEW OF COMPENSATION, OPTIONS AND SHARES GRANTED TO VINCENT PARIS, CHIEF EXECUTIVE OFFICER (TABLE 1 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	2019	2020
Compensation awarded in respect of the financial year	€775,816	€609,021
Value of stock options granted during the financial year	-	-
Value of performance shares granted during the financial year	-	-
Value of other long-term compensation plans		-
TOTAL	**€775,816**	**€609,021**

STATEMENT SUMMARISING THE COMPENSATION OF VINCENT PARIS, CHIEF EXECUTIVE OFFICER (TABLE 2 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	2019		2020	
	Amounts awarded	Amounts paid	Amount awarded	Amount paid
Fixed compensation	€500,000	€500,000	€500,000	€500,000
Annual variable compensation	€265,000	-	€97,500	€265,000
Exceptional compensation	-	-	-	-
Compensation allotted in respect of directorship (L. 22-10-14)	-	-	-	-
Benefits in kind	€10,816	€10,816	€11,521	€11,521
TOTAL	**€775,816**	**€510,816**	**€609,021**	**€776,521**

Relative proportions of fixed (€500,000) and variable (€97,500) compensation are 84% and 16% respectively.

CALCULATION OF 2020 ANNUAL VARIABLE COMPENSATION

Requirement	Type	Potential amount as % of AVC(1)	Potential amount in €	Threshold	Target	Ceiling	Achieved	Amount awarded in €
Consolidated revenue growth	Quantifiable	45%	€135,000	N/A	-3,0%	N/A	-4,8%	€0
Consolidated operating margin	Quantifiable	45%	€135,000	6.5%	7.5%	N/A	7.0%	€67,500
Criterion related to Group organisation: Creation of an environment conducive to introducing the role of Group COO(2)	Qualitative	5%	€15,000	N/A	N/A	N/A	Objective 100% achieved	€15,000
Criterion related to corporate social responsibility Contribution to the Group's goal of becoming carbon neutral	Qualitative	5%	€15,000	N/A	N/A	N/A	Objective 100% achieved	€15,000
TOTAL		**100%**	**€300,000**					**€97,500**

Performance criteria were applied as anticipated at the time they were determined.

Total compensation is in keeping with the compensation policy and contributes to the company's long-term performance insofar as it is the result of an incentive to drive profitable growth based on the added value provided by the Group's services.

Qualitative targets incentivised the executive to take a medium-term view by improving how efficiently the Group is organised and taking account of corporate responsibility requirements.

(1) AVC: Annual variable compensation

(2) Chief Operating Officer

STATEMENT OF COMPENSATION RECEIVED BY NON-EXECUTIVE COMPANY OFFICERS (TABLE 3 OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES, JANUARY 2020)

	2019		2020	
(amounts rounded to the nearest euro)	Amount awarded	Amount paid	Amount awarded	Amount paid
Astrid Anciaux				
Compensation allotted in respect of directorship	€20,038	€19,697	€13,867	€20,038
Other compensation	-	-		-
Hélène Badosa (designated by the Works and Economic Council at its meeting on 23 September 2020)				
Compensation allotted in respect of directorship (reversion to a trade union)	€24,972	€3,940	€23,809	€24,972
Other compensation	-	-		-
André Einaudi (appointed by the shareholders at the General Meeting of 9 June 2020)				
Compensation allotted in respect of directorship			€4,622	
Other compensation				
David Elmalem (designated by the Works and Economic Council at its meeting on 23 September 2020)				
Compensation allotted in respect of directorship (reversion to a trade union)			€4,623	
Other compensation				
René-Louis Gaignard (designated by the Works Council at its meeting on 27 and 28 September 2018 – resigned on 2 January 2020)				
Compensation allotted in respect of directorship (reversion to a trade union)	€17,176	€3,940		€17,176
Other compensation	-	-		-
Michael Gollner (appointed by the shareholders at the General Meeting of 12 June 2018)				
Compensation allotted in respect of directorship	€26,266	€18,182	€49,380	€26,266
Other compensation	-	-		-
Éric Hayat				
Compensation allotted in respect of directorship	€35,554	€30,961	€36,455	€35,554
Other compensation	-	-		-
Noëlle Lenoir (appointed by the shareholders at the General Meeting of 9 June 2020)				
Compensation allotted in respect of directorship			€6,934	
Other compensation				
Javier Monzón (appointed by the shareholders at the General Meeting of 12 June 2018 – resigned on 1 September 2019)				
Compensation allotted in respect of directorship	€17,688	€8,473		€17,688
Other compensation	-	-		-
Éric Pasquier				
Compensation allotted in respect of directorship	€42,765	€32,197	€38,243	€42,765
Other compensation	-	-		-
Jean-Luc Placet				
Compensation allotted in respect of directorship	€43,777	€32,243	€42,838	€43,777
Other compensation	-	-		-
Jean-Bernard Rampini, Non-Voting Director				
Compensation allotted in respect of directorship	€17,176	€19,697	€13,867	€17,176
Other compensation	-	-		-
Sylvie Rémond				
Compensation allotted in respect of directorship	€14,313	€17,727	€25,057	€14,313
Other compensation	-	-		-
Marie-Hélène Rigal-Drogerys				
Compensation allotted in respect of directorship	€65,493	€55,227	€61,499	€65,493
Other compensation	-	-		-

(amounts rounded to the nearest euro)	2019 Amount awarded	2019 Amount paid	2020 Amount awarded	2020 Amount paid
Gustavo Roldan de Belmira (term of office ended at the close of the General Meeting of 12 June 2018 – designated by the Social and Economic Committee to continue in this position at its meeting on 31 January 2020)				
Compensation allotted in respect of directorship (reversion to a trade union)	-	€14,977	€11,556	-
Other compensation				
Jean-François Sammarcelli				
Compensation allotted in respect of directorship	€49,015	€33,983	€45,386	€49,015
Other compensation	-	-		-
Jessica Scale				
Compensation allotted in respect of directorship	€35,554	€24,047	€36,455	€35,554
Other compensation	-	-		-
Solfrid Skilbrigt				
Compensation allotted in respect of directorship	€20,038	€19,697	€13,867	€20,038
Other compensation	-	-		-
Sopra GMT				
Compensation allotted in respect of directorship	€42,845	€34,532	€43,598	€42,845
Other compensation		-		
Other terms of office ending in 2018				
Compensation allotted in respect of directorship	-	€72,364		-
Other compensation				
TOTAL	**€472,670**	**€476,732**	**€472,056**	**€472,670**

The difference between the total amount of compensation stated in Article L. 225-45 of the French Commercial Code to be allocated for 2019 and 2020 (€500,000) and the totals shown in the table above is due to the amount awarded to Pierre Pasquier in respect of his role as Director (€27,330 in 2019 and €27,944 in 2020). These amounts are shown in table 2 “AFEP-MEDEF Code of Corporate Governance for Listed Companies, January 2020”.

It should also be noted that:

- as regards Sopra GMT, a legal entity serving as a Director, the implementation of the tripartite framework agreement for assistance entered into between Sopra GMT, Sopra Steria Group and Axway Software in 2011 resulted in the invoicing to Sopra Steria Group by Sopra GMT of a net amount of €1,074,801 excluding VAT (see Section 1.1.4 of this chapter and the Statutory Auditors’ special report on related-party agreements provided at the end of Chapter 6, "2020 Parent Company Financial Statements" of this Universal Registration Document, on pages 262 to 263);
- Éric Hayat Conseil, a company controlled by Éric Hayat, provided consulting services for business development in strategic operations, billed in the amount of €208,500 excluding VAT under an agreement renewed in October 2018 (see Section 1.1.6 of this chapter and the Statutory Auditors’ special report on related-party agreements provided at the end of Chapter 6, "2020 Parent Company Financial Statements" of this Universal Registration Document, on pages 262 to 263).

SHARE SUBSCRIPTION AND PURCHASE OPTIONS GRANTED TO EXECUTIVE COMPANY OFFICERS DURING THE FINANCIAL YEAR (TABLE 4 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

None.

SHARE SUBSCRIPTION AND PURCHASE OPTIONS EXERCISED BY EXECUTIVE COMPANY OFFICERS DURING THE FINANCIAL YEAR (TABLE 5 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

None.

PERFORMANCE SHARES AWARDED TO EACH EXECUTIVE COMPANY OFFICER DURING THE FINANCIAL YEAR (TABLE 6 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

None.

PERFORMANCE SHARES NO LONGER SUBJECT TO A HOLDING PERIOD DURING THE FINANCIAL YEAR FOR EACH EXECUTIVE COMPANY OFFICER (TABLE 7 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	Number and date of plan	Number of shares becoming available during the financial year
Vincent Paris	24/02/2017 LTI B plan	952 shares with no minimum holding period 953 shares with a minimum holding period for the entire term of office **1,905 SHARES**

This allotment is based on the achievement of the performance conditions set out in the rules for this plan :

2017

Sopra Steria Group performance targets and criteria	Threshold	Target	Results	% Achieved	Weighting	% Achieved (Year)
Organic revenue growth	2.0%	4.0%	3.5%	75%	1/3	
Operating profit on business activity *as % of revenue*	8.3%	8.6%	8.6%	100%	1/3	58.33%
Free cash flow(1)	€170m	€200m	€110m	0%	1/3	

2018

Sopra Steria Group performance t argets and criteria	Threshold	Target	Results	% Achieved	Weighting	% Achieved (Year)
Organic revenue growth	3.0%	5.0%	4.9%	95%	1/3	
Operating profit on business activity *as % of revenue*	8.5%	9.0%	7.5%	0%	1/3	40.00%
Free cash flow(1)	€160m	€200m	€170m	25%	1/3	

2019

Sopra Steria Group performance targets and criteria	Threshold	Target	Results	% Achieved	Weighting	% Achieved (Year)
Organic revenue growth	4.0%	6.0%	6.5%	100%	1/3	
Operating profit on business activity *as % of revenue*	7.5%	8.1%	8.0%	83%	1/3	92.16%
Free cash flow(1)	€150m	€200m	€197m	93%	1/3	
						% Achieved (Plan)
TOTAL – PLAN B						**63.50%**

For information, since the targets linked to the LTI C plan of 16 February 2018 were also 63.5% achieved, Vincent Paris will receive a definitive grant of 1,905 shares on 1 April 2021 subject to a condition of continued employment. He is required to retain at least 952 of these shares until his term of office as Chief Executive Officer comes to an end.

To help ensure that the interests of the Chief Executive Officer and the shareholders are aligned over the long term, the Board of Directors required the Chief Executive Officer to hold, for the entire duration of his term of office, at least 50% of the performance shares received under long-term incentive plans. The shares that Vincent Paris is required to hold therefore make up a growing proportion of his annual fixed compensation (around 50% at 31/12/2020 based on the closing share price).

RECORD OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED – INFORMATION ON SHARE SUBSCRIPTION OR PURCHASE OPTIONS (TABLE 8 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

None.

(1) Result established as per the plan regulation

OVERVIEW OF PERFORMANCE SHARE GRANTS – INFORMATION ON PERFORMANCE SHARES (TABLE 9 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

See Section 5.4 of Chapter 5, "2020 Consolidated Financial Statements" of this Universal Registration Document and see Section 4.2.2 of Chapter 6 « 2020 Parent Company Financial Statements » of this Universal Registration Document (respectively pages 182 to 183 and 236).

STATEMENT SUMMARISING THE MULTI-YEAR VARIABLE COMPENSATION OF EACH EXECUTIVE COMPANY OFFICER (TABLE 10 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

None.

EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION PLANS, ALLOWANCES OR BENEFITS DUE ON THE CESSATION OF DUTIES OR A CHANGE IN DUTIES, NON-COMPETE CLAUSES (TABLE 11 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	Employment contract		Supplementary pension plan		Allowances or benefits due or likely to become due as a result of the cessation of duties or a change in duties		Allowances for a non-compete clause	
Executive company officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Pierre Pasquier Chairman Term of office began: 2018 Term of office ends: 2024		✔		✔		✔		✔
Vincent Paris Chief Executive Officer Term of office began: 2015 Term of office ends: Indefinite	✔			✔		✔		✔

It should be noted that Vincent Paris was appointed Chief Executive Officer on 17 March 2015 and does not hold any company officer positions outside the Group. By way of an exception to the AFEP-MEDEF Code, his employment contract was not terminated and remains in abeyance.

The recommendation in this article applies to the Chairman and the Chief Executive Officer, but not to the Deputy Chief Executive Officers.

Hired on 27 July 1987 following his graduation from the École Polytechnique, Vincent Paris has spent his entire career within Sopra Steria Group or within the companies having merged since that date with Sopra Steria Group. After 26 years of employment within the Group, as part of the tie-up with Groupe Steria and as its integration was being completed, he was appointed Deputy Chief Executive Officer in January 2014, then Chief Executive Officer in April 2014, once again Deputy Chief Executive Officer in September 2014 and finally Chief Executive Officer again in March 2015. Although the criteria used to determine and structure his variable compensation – which have long been strictly in keeping with those used for the Company's senior managers – underwent changes in 2017, they remain very similar.

At present, no commitments have been entered into by the Company with regard to severance pay, a non-compete payment or a supplementary pension plan for Vincent Paris. Vincent Paris is not a member of the Board of Directors. His employment contract has been in abeyance since his first appointment as Deputy Chief Executive Officer.

In light of his career within the Group, his length of service, his circumstances, his significant contributions and the components of his compensation, the decision not to terminate his employment contract still seems to be in the best interests of the Company. A decision of this kind would carry great symbolic weight and would, in addition, be difficult to envision without an agreement to a set of terms in exchange. On the other hand, the possible disadvantages of maintaining the employment contract in abeyance have not been identified. Nonetheless, it should be noted that if Vincent Paris were no longer a company officer, his employment contract would remain in effect and would entitle him to claim retirement bonuses or termination benefits, if applicable. The employment contract in abeyance is a standard Sopra Steria Group employment contract identical to that signed by Group employees and governed by the Syntec collective bargaining agreement with no special provisions or notice period adjustment, even concerning termination or a change in position. No special payments are provided for. As things stand, only standard legal rights (*droit commun*) would apply upon the termination of the employment contract.

OTHER COMPANY OFFICERS

Other company officers	Employment contract (permanent)	Company	Supplementary pension plan		Allowances or benefits due or likely to become due as a result of the cessation of duties or a change in duties		Allowances for a non-compete clause		Amount paid in 2020
	Yes		Yes	No	Yes	No	Yes	No	
Astrid Anciaux	✔	Sopra Steria Benelux		✔		✔		✔	€121,676
Hélène Badosa	✔	Sopra Steria Group SA		✔		✔		✔	€51,661
David Elmalem	✔	Sopra Steria Group SA		✔		✔		✔	€56,283
Éric Pasquier	✔	Sopra Banking Software		✔		✔		✔	€518,510
Jean-Bernard Rampini	✔	Sopra Steria Group SA		✔		✔		✔	€209,225
Gustavo Roldan de Belmira	✔	Sopra Steria Group SA		✔		✔		✔	€55,502
Solfrid Skilbrigt	✔	Sopra Steria Group (Norway)		✔		✔		✔	€220,000

Board members may only be linked to a company or any of its subsidiaries if the link in question was established before the Board member became a company officer. It is mandatory for Directors representing the employees and for Directors representing employee shareholders.

3.2. Fairness ratios

3.2.1. CHAIRMAN OF THE BOARD OF DIRECTORS

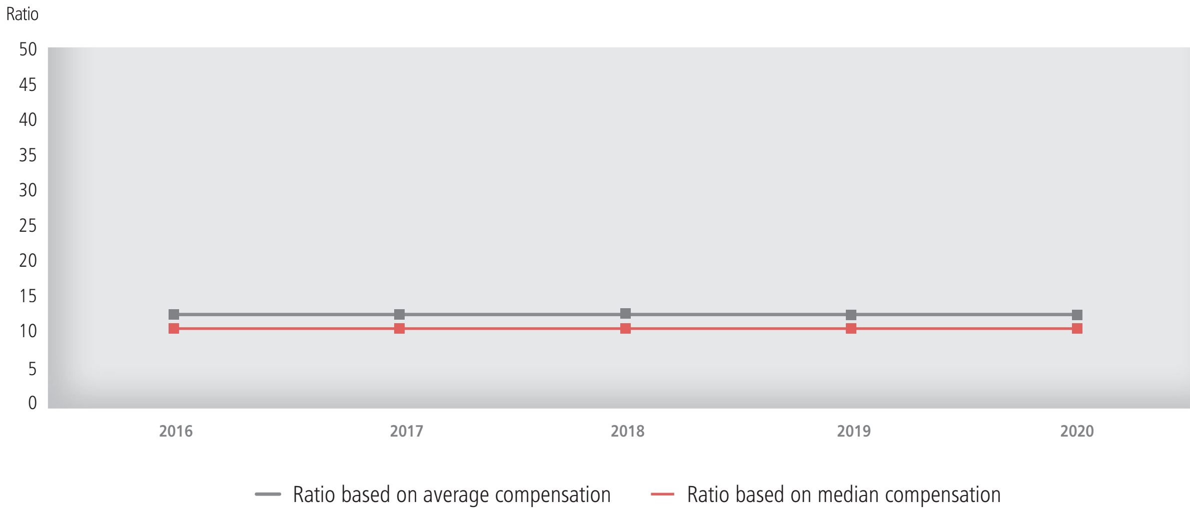
In 2017, the General Meeting of Shareholders approved a proposal to the General Meeting to suppress the variable component of compensation for the Chairman without altering the amount of his total compensation package. Under this proposal, the average amount of variable compensation paid since the last update of the fixed component in January 2011 was included within his fixed compensation, whose gross annual amount would thus be raised to €500,000 on a gross basis.

This decision by the Board of Directors aims in particular to align the structure of the compensation received by the Chairman of the Board of Directors with the AFEP-MEDEF Code (§ 25.2) without changing the overall compensation at unchanged activity levels. The Chairman of the Board of Directors continued to work full-time, as stated in Section 1.1.3 "Overview of the activities of the Chairman of the Board of Directors in 2020" of this chapter (page 52).

The chart below shows how the fairness ratios provided for by Ordinance 2019-1234 of 27 November 2019 have varied over time. It is the ratio of the Chairman of the Board of Directors' compensation to the average and median compensation of employees across the broader scope (average 86% of the workforce in France over the period).

CHAIRMAN – FAIRNESS RATIO

Ratio based on average compensation =	Compensation paid to the Chairman / Average compensation	**Ratio based on median compensation =**	Compensation paid to the Chairman / Median compensation



3.2.2. CHIEF EXECUTIVE OFFICER

Vincent Paris has spent his entire career within Sopra Steria Group or within the companies having merged since that date with Sopra Steria Group. After 26 years of employment within the Group, as part of the tie-up with Groupe Steria and as its integration was being completed, he was appointed Deputy Chief Executive Officer in January 2014 and Chief Executive Officer in March 2015. The Board of Directors thus decided to adjust his fixed annual compensation to €400,000 with effect from 1 July 2015.

The criteria used to determine and structure his variable compensation have remained strictly in keeping with those used for the Company's senior managers.

In 2017, at the General Meeting, the shareholders approved the change in the compensation policy for the Chief Executive Officer decided by the Board of Directors:

- the Chief Executive Officer's annual fixed compensation was raised to €500,000 on a gross basis, effective 1 January 2017;
- under this proposal, the Chief Executive Officer's variable compensation was set at 60% of his annual fixed compensation should the objectives be met, capped at 100% in the event of particularly outstanding performance.

The procedures used to determine annual variable compensation were also revised in the interests of clarity and compliance with AFEP-MEDEF recommendations. Of the criteria taken into account, two-thirds (i.e. 40% of annual fixed compensation, if targets are fully met) was based on the quantifiable target (operating margin on business activity) and one-third (i.e. 20% of annual fixed compensation, if targets are fully met) was based on one or more qualitative targets. The precisely defined qualitative objectives are consistent with the Group's strategy and organisation, its corporate responsibility policy and/or the assessment of the company officer's performance.

For financial year 2018, the quantifiable objective of operating margin on business activity and the three qualitative objectives in line with strategy and with regards to the Group's organisational, governance and HR transformation priorities, were unanimously approved by the Board of Directors at its meeting of 16 February 2018, without the Chief Executive Officer being present.

While noting the progress made by the Group in 2018, particularly on the cash generation front, the Compensation Committee took into consideration the implications for all the various stakeholders (employees and management, shareholders) of the shortfall in the operating margin on business activity relative to the targets set at the beginning of the year. At the end of its review, it concluded that the Group's performance was not sufficient to justify the payment of variable compensation in respect of the 2018 financial year. After due consideration, the Board of Directors approved the recommendation made by the Compensation Committee.

Vincent Paris was eligible for all three performance share plans decided on by the Board of Directors in 2016, 2017 and 2018. A total of 9,000 rights to performance shares have thus been awarded to Vincent Paris, in accordance with the authorisation given by shareholders at the General Meeting of 22 June 2016, compared with the 316,500 rights granted to all the other recipients under these plans, with 5,794 shares effectively deliverable. The vesting periods for the three plans in question were extended from 24 June 2016 to 31 March 2021.

The chart below shows how the fairness ratios provided for by Ordinance 2019-1234 of 27 November 2019 have varied over time. It presents:

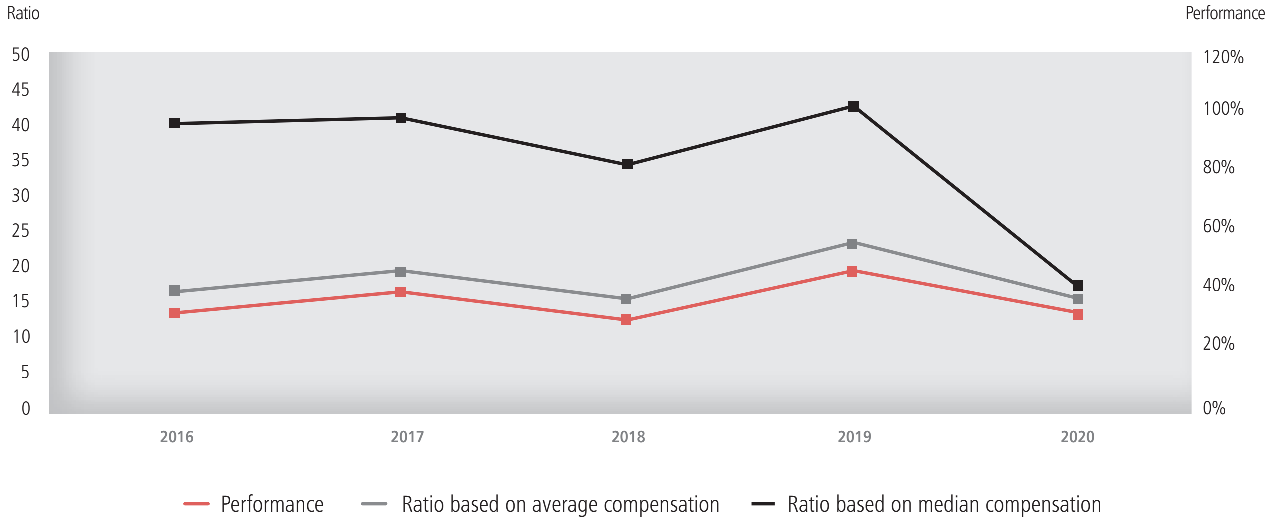
- the change in the company's performance level in relation to the extent to which the Chief Executive Officer achieved his quantifiable targets (financial performance of the company);
- the change in the amount and composition of the Chief Executive Officer's total compensation;
- ratios calculated relative to the average and median compensation of employees across the broader scope (average 86% of the workforce in France over the period).

CHIEF EXECUTIVE OFFICER – FAIRNESS RATIO

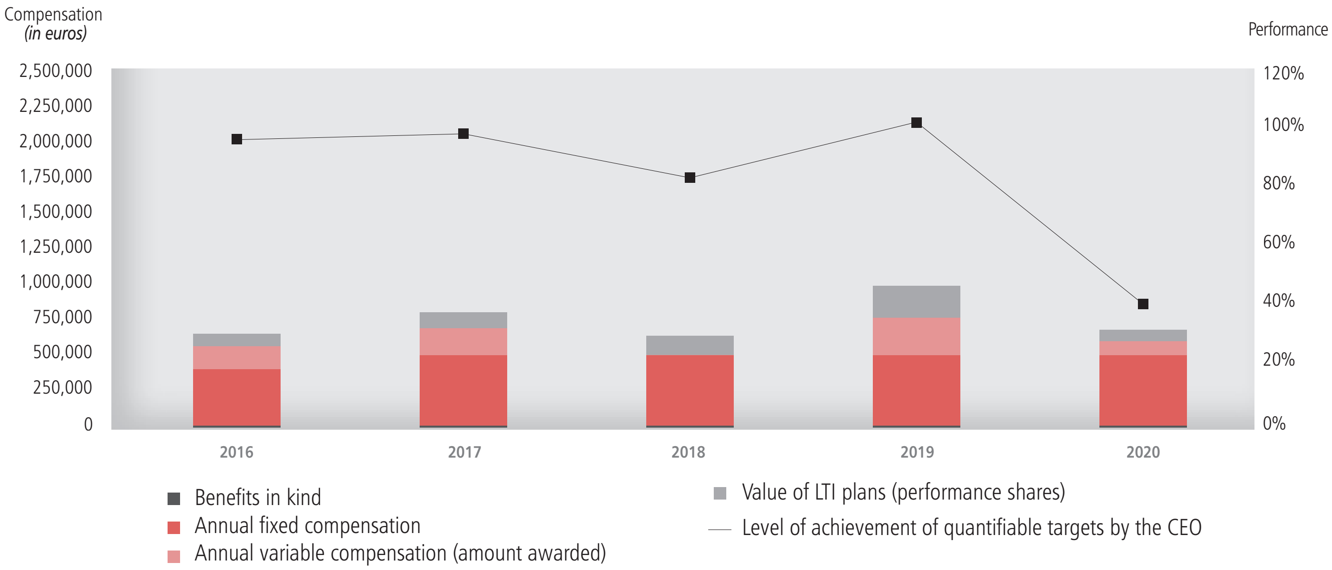
The chart has been prepared using the ratio calculated across the broader scope.

Ratio based on average compensation = $\dfrac{\text{Compensation paid to the Chief Executive Officer}}{\text{Average compensation}}$

Ratio based on median compensation = $\dfrac{\text{Compensation paid to the Chief Executive Officer}}{\text{Median compensation}}$



CHANGE IN THE PERFORMANCE AND COMPENSATION OF THE CHIEF EXECUTIVE OFFICER



The apparent change in performance in 2020 was partly due to a methodological issue: one of the two quantifiable targets (revenue growth) only had a target level, without a threshold. As such, it could not be partly achieved. Its value is 0, with a weighting of 50% in the performance assessment.

3.2.3. FAIRNESS RATIO TABLE

	2016	2017	2018	2019	2020
Compensation paid to the Chairman	€530,341	€529,077	€531,818	€535,880	€533,644
Compensation paid to the Chief Executive Officer	€663,777	€814,958	€646,847	€1,004,548	€692,946

Broader scope (Sopra Steria Group, Sopra Banking, I2S and Beamap)	**2016**	**2017**	**2018**	**2019**	**2020**
Average annual salary	**€46,601**	**€48,106**	**€48,502**	**€50,157**	**€50,514**
Ratio Chairman compensation/Average salary	11	11	11	11	11
Ratio Chief Executive Officer compensation/Average salary	14	17	13	20	14
Median annual salary	**€40,190**	**€41,179**	**€40,873**	**€42,595**	**€42,611**
Ratio Chairman compensation/Median salary	13	13	13	13	13
Ratio Chief Executive Officer compensation/Median salary	17	20	16	24	16

Sopra Steria Group SA	**2016**	**2017**	**2018**	**2019**	**2020**
Average annual salary	**€46,168**	**€47,500**	**€47,832**	**€49,389**	**€49,844**
Ratio Chairman compensation/Average salary	11	11	11	11	11
Ratio Chief Executive Officer compensation/Average salary	14	17	14	20	14
Median annual salary	**€39,738**	**€40,550**	**€40,357**	**€42,017**	**€42,072**
Ratio Chairman compensation/Median salary	13	13	13	13	13
Ratio Chief Executive Officer compensation/Median salary	17	20	16	24	16

Performance	**2016**	**2017**	**2018**	**2019**	**2020**
Level of quantifiable targets achieved by the CEO	**98%**	**100%**	**85%**	**104%**	**47%**
Consolidated operating margin	8.0%	8.6%	7.5%	8.0%	7.0%
Organic consolidated revenue growth	5.2%	3.5%	4.9%	6.5%	-4.8%
Free cash flow	€150.6m	€111.4m	€173.1m	€229.3m	€203.5m

Note: The Chief Executive Officer's variable compensation is linked not only to the Group's financial performance, but also to its non-financial performance. Sections 2.2.3 "Diversity and equal opportunity" and 4.4 "Future outlook" concerning actions to protect the environment, in Chapter 4, "Corporate responsibility" of this Universal Registration Document (on pages 108 to 111 and 131, respectively) report on the Group's performance in terms of corporate social responsibility. This performance is also reflected in the compensation paid to the Chief Executive Officer through one or more qualitative targets.

Comments on methodology:

Compensation paid to the Chairman corresponds to the amounts owed as shown in the AFEP-MEDEF tables.

Compensation paid to the Chief Executive Officer corresponds to the amounts owed as shown in the AFEP-MEDEF tables. However, performance shares effectively delivered or deliverable subject to being with the company at the end of the vesting period are redistributed over each of the years covered by the plan depending on achievement of the performance conditions set. They are measured at fair value at the time of allocation.

Average and median annual compensation paid to employees has been calculated on the basis of a population representing on average 86% of employees in France over the period (temporary exclusions from the scope are due to technical difficulties in processing data over all of the five years but calculations made in 2019 showed that the result did not changed beyond the first decimal point). Compensation taken into account includes fixed compensation, variable compensation, bonuses of any kind, performance share plans (measured at fair value), matching employer contribution shares within the framework of employee share ownership plans, and incentives.

The company's performance is presented in relation to the percentage of achievement of the quantifiable targets set for the Chief Executive Officer by the Board of Directors. These targets concern financial performance (operating profit on business activity and organic growth). The performance level is calculated relative to the target value bestowing the right to 100% of variable compensation for the target achieved without taking account of the trigger thresholds used to calculate variable compensation (i.e. actual level/target level). The weighting of each of these criteria within the overall performance level is the same as the weighting used for the variable compensation of the Chief Executive Officer. For 2020, as the limit set by the Board of Directors for negative organic growth in consolidated revenue was exceeded, the resulting performance level was set at 0%. Other data representative of performance are published data prepared in accordance with applicable standards at the time of publication.

3.3. Result of the shareholder consultation on compensation paid to executive company officers (General Meeting of 9 June 2020)

RESULT OF THE SHAREHOLDER CONSULTATION ON COMPENSATION PAID TO THE CHAIRMAN

		For		Against		Abstain
Resolution	**Ordinary General Meeting**	**Votes**	**%**	**Votes**	**%**	**Votes**
5	Approval of the fixed, variable and exceptional items of compensation making up the total compensation and benefits of any kind paid or allotted to Pierre Pasquier, Chairman, in respect of the year ended 31 December 2019	20,726,378	98.83%	244,677	1.17%	605
7	Approval of the compensation policy for the Chairman, as presented in the Report on corporate governance pursuant to Article L. 225-37-2 of the French Commercial Code	20,874,977	99.54%	96,078	0.46%	605

RESULT OF THE SHAREHOLDER CONSULTATION ON COMPENSATION PAID TO THE CHIEF EXECUTIVE OFFICER

		For		Against		Abstain
Resolution	**Ordinary General Meeting**	**Votes**	**%**	**Votes**	**%**	**Votes**
6	Approval of the fixed, variable and exceptional items of compensation making up the total compensation and benefits of any kind paid or allotted to Vincent Paris, Chief Executive Officer, in respect of the year ended 31 December 2019	20,462,371	97.57%	508,684	2.42%	605
8	Approval of the compensation policy for the Chief Executive Officer, as presented in the Report on corporate governance pursuant to Article L. 225-37-2 of the French Commercial Code	20,283,916	96.88%	653,759	3.12%	33,985

The Board of Directors took note of the result of the shareholder consultation on compensation paid to executive company officers.

4. Departures from the guidelines set forth in the AFEP-MEDEF Code

At its meeting of 25 February 2021, the Board of Directors noted the following departures from the guidelines set forth in the AFEP-MEDEF Code after hearing the report of the Nomination, Governance, Ethics and Corporate Responsibility Committee:

- recommendation 11.3. During financial year 2020, no meetings of the Board of Directors were held fully in the absence of the Chief Executive Officer. Operational matters related to the public health crisis and the cyberattack required the Board of Directors to be kept regularly informed. It should also be noted that the Chief Executive Officer is not a Director and does not take part in discussions on the evaluation of his performance, the setting of his targets or his compensation in general.

Recommendations regarding the status and compensation of company officers:

- recommendation 23. The Board of Directors has not, to date, fixed the number of shares that must be held and registered in the name of the Chairman of the Board of Directors who co-founded of the Company. Shares held directly or indirectly through Sopra GMT by the Chairman in a personal capacity or by the Chairman's family group make up more than 10% of the Company's share capital;
- recommendation 22.1. By way of an exception to the AFEP-MEDEF Code, the Chief Executive Officer's employment contract was not terminated and remains in abeyance;

  The recommendation in this article applies to the Chairman and the Chief Executive Officer, but not to the Deputy Chief Executive Officers.

  - Hired on 27 July 1987 following his graduation from the École Polytechnique, Vincent Paris has spent his entire career within Sopra Steria Group or within the companies having merged since that date with Sopra Steria Group. After 26 years of employment within the Group, as part of the tie-up with Groupe Steria and as its integration was being completed, he was appointed Deputy Chief Executive Officer in January 2014, then Chief Executive Officer in April 2014, once again Deputy Chief Executive Officer in September 2014 and finally Chief Executive Officer again in March 2015. Although the criteria used to determine and structure his variable compensation – which have long been strictly in keeping with those used for the Company's senior managers – underwent changes in 2017, they remain very similar.
  - No commitments have been entered into by the Company with regard to severance pay, a non-compete payment or a supplementary pension plan for Vincent Paris. Vincent Paris is not a member of the Board of Directors. His employment contract has been in abeyance since his first appointment as Deputy Chief Executive Officer.
  - In light of his career within the Group, his length of service, his circumstances, his significant contributions and the components of his compensation, the decision not to terminate his employment contract still seems to be in the best interests of the Company. A decision of this kind would carry great symbolic weight and would, in addition, be difficult to envision without an agreement to a set of terms in exchange. On the other hand, the possible disadvantages of maintaining the employment contract in abeyance have not been identified. Nonetheless, it should be noted that if Vincent Paris were no longer a company officer, his employment contract would remain in effect and would entitle him to claim retirement bonuses or termination benefits, if applicable. The employment contract in abeyance is a standard Sopra Steria Group employment contract identical to that signed by Group employees and governed by the Syntec collective bargaining agreement with no special provisions or notice period adjustment, even concerning termination or a change in position. No special payments are provided for. As things stand, only standard legal rights (*droit commun*) would apply upon termination of the employment contract.

4. Corporate responsibility

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Using digital technology responsibly to accelerate positive change

Vincent Paris
Chief Executive Officer

"The Group is strongly committed to taking the challenges posed by social and environmental changes into account in its business and using digital technology to accelerate positive change"

The world is having to simultaneously reckon with unprecedented upheavals in the areas of climate, public health, society and technology. These upheavals will have a lasting impact on all economies and make populations more vulnerable. They pave the way for far-reaching changes that we must seize to transform our lifestyles and growth models.

The events of 2020 prompted greater awareness of these issues, heightening the need for citizen engagement in response to a search for meaning and purpose within society. Our policy on corporate responsibility in support of a more sustainable world resonates strongly with the current environment.

The Group is resolutely committed to taking the challenges posed by social and environmental changes into account in its business and using digital technology to accelerate positive change. The crisis has prompted us to strengthen our sustainability strategy, which we have been able to successfully leverage by working with all our stakeholders to more quickly build resilience all along our value chain.

At the heart of our employee policy, we have continued to work towards greater diversity and equal opportunities, setting ambitious targets for all Group entities. We have continued with our skills development programmes to enable us to anticipate and respond to our clients' evolving needs.

During exceptional periods when the coronavirus crisis meant working from home became a necessity, we very quickly adapted the Group's working practices and put in place measures to provide our employees with all the support they needed. We maintained employment levels, stepped up our training programmes and continued to recruit.

The digitalisation of the economy, education, training and learning has accelerated sharply in an irreversible trend that has further heightened social inequality. All Group entities have taken action to help the most vulnerable populations through extensive solidarity programmes focused on digital inclusion.

Sopra Steria has a long-established culture of solidarity at every level of the organisation. As the Sopra Steria–Institut de France Foundation celebrates its 20th birthday in 2021, we share our pride in it with all the employees and non-profit organisations who work every day with the Group's support.

Lastly, for the fourth year running the CDP has recognised Sopra Steria as a global leader on action to address climate change and protect the environment, including the Group on its climate change A-List. This renewed recognition bolsters our strategy on net zero emissions, which we aim to achieve across all our direct and indirect activities by 2028. Through this strong and decisive commitment, we want to be the partner of choice for our clients, helping them address their own environmental challenges as we develop our business.

Our ability to manage change, work together and stay the course over the long haul is a key strength that will help us, as a Group, continue to help build a more sustainable world.

Foreword

This is the third year since the new Statement of Non-Financial Performance (SNFP) was introduced. This year, as part of its Universal Registration Document, Sopra Steria is publishing a Corporate Responsibility Report incorporating information (relating to the workforce, the environment, society, human rights, anti-corruption measures and the prevention of tax evasion) relevant to the Group's key non-financial risks, as required by the SNFP rules, as well as voluntarily reporting all helpful and important labour-related, environmental and social information under the banner of Sopra Steria's corporate responsibility programme.

The Group's business model is described in the "Business model and value chain" section within the integrated overview of Sopra Steria, of this Universal Registration Document (pages 8 to 9).

Key risks and methodology together with policies, procedures and actions to manage and control these risks, including non-financial risks, are set out in Chapter 2 of this Universal Registration Document (pages 35 to 50).

1. Sopra Steria: A committed and responsible Group, making a sustainable, human and enlightened contribution

1.1. Overview of the Group's corporate responsibility strategy and governance

Our corporate responsibility approach is underpinned by the mission Sopra Steria set for itself in 2019: "**Together, building a positive future by making digital work for people**".

We firmly believe that digital technology can create opportunity and progress for all. When closely linked to humanity, it creates a virtuous circle that benefits society as a whole. Sopra Steria has chosen to be a "contributor" company involved in building a sustainable world in which everyone has a part to play.

We see our contribution as sustainable, human and guiding.

Sustainable: we see our actions – whether in running our businesses or helping our clients with their digital transformation – as part of a long-term approach. Our approach in support of a more sustainable world encompasses all our environmental, social, ethical and inclusive commitments.

Human-centred: our activities are focused on implementing projects that foster digital inclusion, equal opportunity and social open-mindedness. For a number of years now, we have been committed to education for young people, inclusion for people with disabilities and professional development for women.

Guiding: our contribution is rooted in our ability to anticipate, understand and translate the challenges posed by digital technology so as to be able to better assess their impacts on everyday life. We are thus able to help our clients meet their own sustainability challenges. We work with our ecosystem and contributing to the debate on the impact of digital technology on society in order to inform our work on the responsible use of digital technology.

The Group's corporate responsibility strategy is based on our values, convictions and a high level of commitment across the Group. We are keen to be a responsible company that mobilises all its stakeholders to help create a more sustainable world.

This strategy is shaped by seven key priorities, all aligned with the Group's business model:

- Being a leading employer that attracts the best talent, fosters employee dialogue and promotes diversity and equal opportunity;
- Being a long-lasting partner for our clients, meeting their needs as effectively as possible by providing them with the best technology as part of a responsible and sustainable value-creating approach;
- Establishing ongoing constructive and transparent dialogue with our stakeholders;
- Achieving "net zero" emissions by 2028, protecting resources and helping combat climate change;
- Acting ethically and with integrity in our day-to-day operations and across all our business activities;
- Supporting local communities by stepping up our community engagement initiatives, notably in the area of digital inclusion;
- Collaborating with our ecosystem to adapt our initiatives in response to the major changes we face;

This strategy is based on our commitment to the United Nations Global Compact and on the materiality matrix that we use to assess the non-financial challenges that the Group faces. The relevant information is set out in Section 1.1.1, "Contribution to Sustainable Development Goals through the materiality matrix", of this chapter (pages 100 to 102).

A dedicated governance structure coordinates implementation of policy and associated improvement plans.

NOUS SOUTENONS
LE PACTE MONDIAL
UN GLOBAL COMPACT

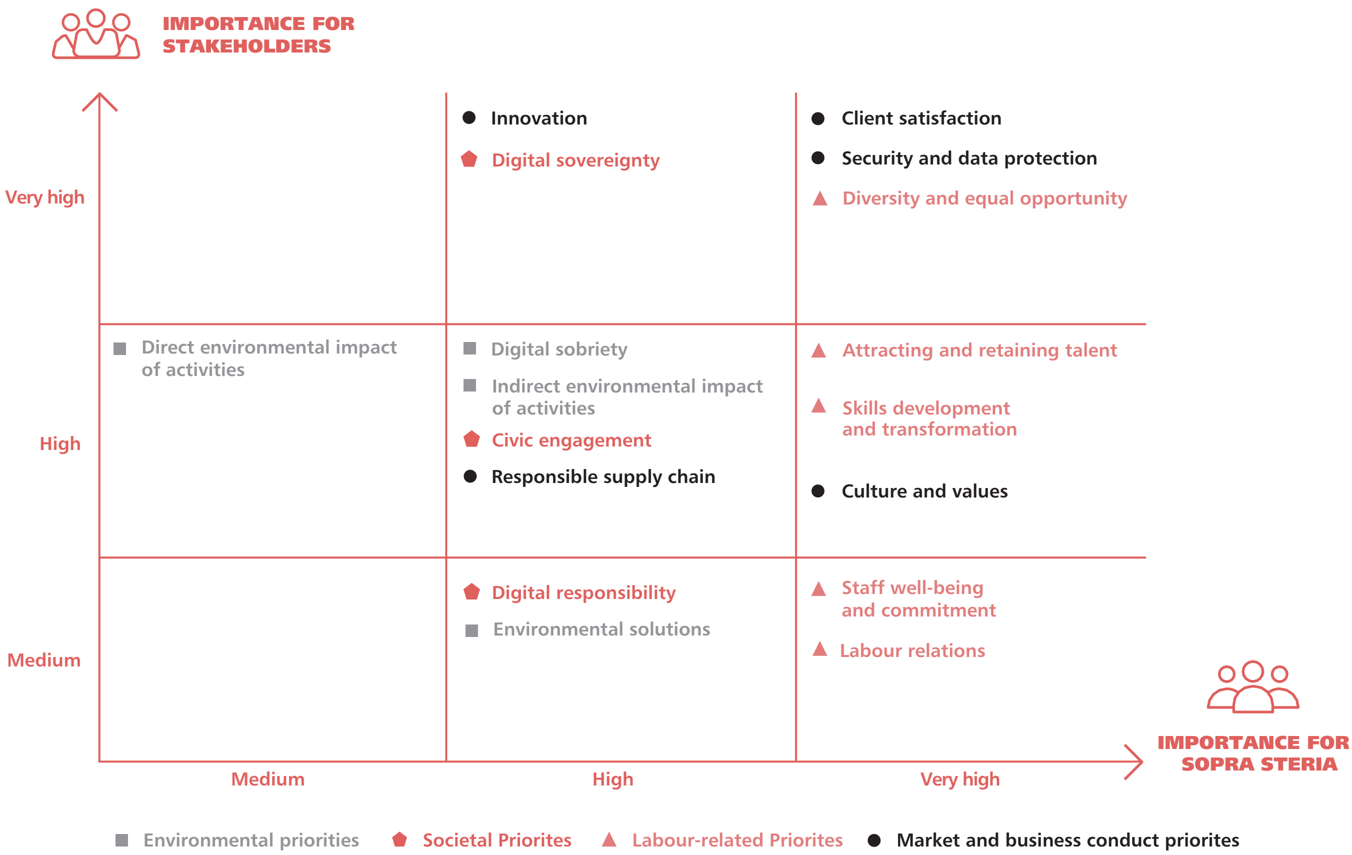
Global Compact Advanced Level – top 8%

1.1.1. CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS THROUGH THE MATERIALITY MATRIX

Materiality analysis helps identify and prioritise the most relevant material and non-financial issues for the Group and its stakeholders. Looking out to 2023, we have identified 17 priorities in the materiality matrix as being directly aligned with the Group's business model and strategy. The relevant information is set out in the introduction, "Integrated presentation of Sopra Steria", of this Universal Registration Document (pages 8 and 11).

The analysis is shown graphically in the form of a matrix plotting the significance of priorities for the Group (x-axis) against their significance for the organisation's external stakeholders (y-axis).

MATERIALITY MATRIX



The Sustainable Development Goals (SDGs) are the 17 global priorities adopted by the United Nations General Assembly for the period to 2030. Together they form a plan of action for peace, humanity, the planet and prosperity. Through its corporate responsibility programmes targeting social, societal, environmental and ethical goals, Sopra Steria directly or indirectly supports the 17 United Nations SDGs. This contribution is further detailed in the tables breaking down issues pertaining to the materiality matrix and presented under the various policies and achievements set out in this Universal Registration Document.

EMPLOYEE-RELATED PRIORITIES

Priorities	Skills development and transformation	Attracting and retaining talented employees	Well-being at work and commitment	Diversity and equal opportunity	Labour relations
Opportunities arising from priorities	Develop employability and align employee skill sets with the new client priorities	Gain recognition as the employer of choice among top industry and digital professionals	Foster employee development and build their engagement in support of a corporate plan that is meaningful and adds value for everyone involved	Eliminate all forms of discrimination, achieve a very good gender balance and promote diversity at every level of the business	Forge a constructive workplace dialogue benefiting the Group's and employees' development
Sopra Steria's direct contribution to the SDGs	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH
Sopra Steria's indirect contribution to the SDGs		3 GOOD HEALTH AND WELL-BEING; 17 PARTNERSHIPS FOR THE GOALS	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS	

MARKET AND BUSINESS CONDUCT PRIORITIES

Priorities	Client satisfaction	Innovation	Culture and value	Data security and protection	Responsible supply chain
Opportunity arising from priorities	Focus on the Group's strengths: close relationships, responsiveness, reliability and high-quality delivery Achieve and maintain leading-edge production efficiency	Support clients' digital transformation by gaining a lead in the top technologies on the market and by working with an innovative ecosystem predicated on major technological partnerships and startups	Develop a culture of entrepreneurship in our teams founded on creativity, collective endeavour and close client relationships and supported by the Group's values	Safeguard the security of operations and the confidentiality of personal and client data by implementing robust and agile frameworks, paying special attention to cybersecurity	Work with suppliers and service providers fully aligned with the Group's responsible purchasing priorities
Sopra Steria's direct contribution to the SDGs	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 17 PARTNERSHIPS FOR THE GOALS	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS
Sopra Steria's indirect contribution to the SDGs	8 DECENT WORK AND ECONOMIC GROWTH	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH		1 NO POVERTY; 5 GENDER EQUALITY; 10 REDUCED INEQUALITIES; 13 CLIMATE ACTION

SOCIETAL PRIORITIES

Priorities	Digital sovereignty	Civic engagement	Digital ethics
Opportunity arising from priorities	Help build a firm grasp of data issues across both the public and private sector	Ratchet up the commitment of the Group and its employees to foster digital inclusiveness and support the most vulnerable sections of society	Develop an ethically robust approach to applications and uses of digital technology
Sopra Steria's direct contribution to the SDGs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	5 GENDER EQUALITY; 17 PARTNERSHIPS FOR THE GOALS; 10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Sopra Steria's indirect contribution to the SDGs	8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS	1 NO POVERTY; 2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY	4 QUALITY EDUCATION; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

ENVIRONMENTAL PRIORITIES

Priorities	Environmental impact of direct activities	Environmental impact of indirect activities	Environmental service solutions	Digital sobriety
Opportunity arising from priorities	Keep the Group's business travel, office space and data centres carbon-neutral	Extend carbon-neutral approach to waste, commuting journeys and the supply chain	Inform clients about and support them with managing their own environmental challenges	Reduce digital technology's environmental footprint by developing the services delivered to clients
Sopra Steria's direct contribution to the SDGs	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Sopra Steria's indirect contribution to the SDGs	11 SUSTAINABLE CITIES AND COMMUNITIES; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS	8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 15 LIFE ON LAND	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 15 LIFE ON LAND	6 CLEAN WATER AND SANITATION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 14 LIFE BELOW WATER; 15 LIFE ON LAND

The priorities resulting from the materiality matrix, the related policies and their main results are presented in the corresponding sections of this Universal Registration Document.

In 2020, as part of the events marking the United Nations' 75th anniversary and the 20th anniversary of its Global Compact, the Group responded to the call to action launched by the organisation and joined its "Uniting Business for a Better World" pledge, along with more than 1,200 other companies worldwide, to promote peace, justice, strong institutions, adherence to the Global Compact's 10 principles and the achievement of the SDGs.

1.1.2. A CORPORATE RESPONSIBILITY GOVERNANCE STRUCTURE SUPPORTING THE GROUP'S PRIORITIES

The Chief Executive Officer, in conjunction with the Chairman of the Board of Directors, oversees the Group's corporate responsibility strategy, notably in relation to social, environmental and ethical issues. He chairs the Group's Executive Committee, which lays down operational guidelines in these areas. The Chief Executive Officer's compensation takes into account one or more criteria linked to social and environmental responsibility.

The Deputy Chief Executive Officer oversees the Group's corporate responsibility programmes. He represents Executive Management in dealings with major government and industry bodies touching on corporate responsibility issues; within the Group, he represents

Executive Management on key committees overseeing corporate responsibility. That being the case, he chairs the Corporate Responsibility and Sustainable Development (CR&SD) Committee and the Corporate Responsibility Advisory Board, both of which are described later in this document. In conjunction with the CR&SD Director, he oversees analysis of risks and opportunities relating to corporate responsibility issues.

The CR&SD Director acts as the Group's Chief Sustainability Officer. As a member of the Group's Executive Committee since 2020, she manages the Group's corporate responsibility programme and her compensation takes into account targets linked to performance under this programme. Governance of corporate responsibility is structured around this Group department and four interdependent units supported by functional and operational departments.

Group Corporate Responsibility and Sustainable Development (CR&SD) Department

Reporting directly to Executive Management, the Corporate Responsibility and Sustainable Development (CR&SD) Department establishes the framework governing the Group's corporate responsibility strategy. It coordinates action plans, manages reporting, and analyses and assesses performance. It is supported by the relevant departments and divisions and a network of representatives within each entity.

Its role is, in particular, to help entities take account of corporate responsibility goals and manage risks so as to:

- Structure policies;
- Define shared indicators to improve the consistency and coordination of the corporate responsibility strategy.

Each year, the strategy, issues and key achievements relating to corporate responsibility are presented for discussion to the Nomination, Governance, Ethics and Corporate Responsibility Committee of the Board of Directors.

Market Responsibility unit

This unit works with operational departments to help respond to requests from the Group's clients and partners. The unit is coordinated by the CR&SD Department at Group level. It is managed in close cooperation with Group departments responsible for overseeing programmes that fall within their scope: Internal Control, Legal and Purchasing.

Responsible Employment unit

Responsible employment is overseen by the Group Human Resources Department. This department coordinates work on issues linked to attracting talent, developing skills, fostering workplace well-being and promoting equal opportunity and diversity. It works with Executive Management to determine employee policy and implement associated programmes. It produces annual reporting covering all its actions.

Environmental Responsibility unit

This unit manages the programme to reduce the environmental impact of the Group's activities and its action to combat climate change. It works day-to-day with departments, both central (such as Real Estate and Purchasing, Information Systems, Industrial) and operational, and reports its activities and achievements annually. The unit, which is overseen by the CR&SD Department, is supported by a network of environment correspondents spanning all entities and countries.

The Group Environmental Sustainability Committee (GESC) is responsible for the Group's environmental programme, including climate issues. It works with the network of environment correspondents in each country. The GESC meets every two months to address environmental issues and risks identified by the network. It brings together functional expertise on climate issues to develop a strategy, implement actions and report on results.

Lastly, an Environmental Sustainability Unit was set up in 2020 to provide the Group's clients with access to expertise and tools developed in-house.

Community Engagement unit

This unit's activities are overseen by the Group CR&SD Department, which determines an engagement framework for the Group and coordinates the network of local stakeholders. In accordance with the framework laid down, each entity defines and implements community action programmes suited to the needs of its local communities. This unit oversees the actions of the Sopra Steria-Institut de France Foundation.

Two bodies rounding out the oversight system

Corporate Responsibility and Sustainable Development Committee

The Corporate Responsibility and Sustainable Development Committee (CR&SD Committee) is chaired by the Deputy Chief Executive Officer and coordinated by the CR&SD Director. Other members of this committee include the Sustainability Officer (who chairs the GESC), the Group Purchasing Director, the IT Director, the Internal Control Director, the Property Director, the Marketing and Communications Director, business and operations representatives, and representatives of the subsidiaries.

The Committee's role is to monitor the roadmap and progress against associated action plans, in relation to strategic priorities. It monitors progress on the Group's various corporate responsibility programmes.

Corporate Responsibility Advisory Board

The purpose of the Advisory Board is to provide external feedback on the various components of the Group's corporate responsibility approach. It consists of four external experts and key Group managers with responsibility for business units and major issues. In light of the coronavirus crisis, the Board met only once in 2020.

In 2020, the Advisory Board's membership included the following four independent experts:

- Marie-Ange Verdickt, former Director of Research and Socially Responsible Investment at La Financière de l'Échiquier, a company director working with institutions that champion social development;
- Patrick Bourdet, former founder and Chairman and CEO of Areva Med, an executive consultant and coach working with educational and child welfare bodies;
- Mark Maslin, Professor of Climatology at University College London (UCL), an expert in climate change and author of numerous studies and publications on climate issues;
- Frédéric Tiberghien, an honorary member of France's Council of State, Chairman of Finansol and Honorary Chairman of ORSE (Observatoire de la Responsabilité Sociétale des Entreprises – Observatory of Corporate Social Responsibility).

A new environment and climate expert, Jan Corfee-Morlot, joined the Committee in January 2021. Having previously headed up the OECD's environment and climate development programme, Jan Corfee-Morlot is now a Senior Advisor to the New Climate Economy project and lead author for the Intergovernmental Panel on Climate Change (IPCC).

The Group's corporate responsibility policies and strategies, including their social and environmental aspects, are subject to the same governance process and the same controls and disclosure procedures that apply to financial management.

On environmental matters, the GESC puts forward the most significant results, risks and opportunities to the CR&SD Committee for analysis; the CR&SD Committee in turn passes on significant results to the Internal Control department.

Internal control representatives in each country also notify the Internal Control department of potential risks. The Internal Audit department carries out an independent audit of these risks. These two departments regularly meet to exchange information and may present the most significant climate issues to the Group Executive Committee, which has authority to make decisions on such issues. They also present such issues to the Audit Committee and the Nomination, Governance, Ethics and Corporate Responsibility Committee.

1.2. Major recognition

In 2020, the Group received major recognition in the areas of corporate responsibility and sustainable development.

- The Group is ranked at Platinum level by EcoVadis, putting it in the top 1% of 3,200 companies assessed by EcoVadis in the area of corporate responsibility for the second year running.
- For the fourth year running, the CDP has awarded Sopra Steria its highest distinction by including the Group on its A List in recognition of the performance and transparency of its environment and climate programme. The Group is among the top 2.8% of 9,600 companies assessed by the CDP.
- MSCI: the Group was awarded an MSCI ESG rating of AA for the third year running.
- Vigeo: rated Advanced level, with a score of 62 out of 100, the Group ranks second in the European IT and telecoms sector.

Lastly, the Sopra Steria Group has been included in rankings produced by two French media organisations, in partnership with Statista:

- 2021 ranking of “France’s most responsible companies” published by *Le Point:* eighth in the overall ranking and second in the IT and telecoms sector, as well as:
  - 10th out of the top 50 companies in the Environment category,
  - 14th in the Social category;
- Challenges: 11th out of 75 companies in the “Climate Champions” ranking;
- Sopra Steria earned a score of A in CDP’s 2020 Supplier Engagement Leader assessment for its leadership and performance in engaging its suppliers on climate change.

In 2020, in recognition of its environmental, social and governance (ESG) performance, the Group was included in the following indices:

- Euronext Eurozone ESG Large 80;
- Euronext Eurozone 300;
- Euronext Vigeo Europe 120;
- Euronext Vigeo Euro 120;
- CDP Environment ESG FR EW;
- Euronext CDP Environment FR EOGE;
- Euronext CDP Environment FR EW;
- Ethibel Sustainability Index (ESI) Excellence Europe;
- Ethibel Sustainability Index (ESI) Excellence VM;
- Gaïa Index.

1.3. Overview of reporting scope

The Corporate Responsibility Report, presented in the 2020 Universal Registration Document, aims to set out the non-financial information that is most relevant to the Group in the context of its business model, its activities, main issues arising from the materiality matrix and the main risks facing the Group.

The information required to draw up this report is collected in accordance with a reporting procedure, available on request from Sopra Steria’s CR&SD Department. This procedure is reviewed annually to take into account changes in the Group’s scope and reporting approach and, with effect from 2018, new regulatory requirements arising from Ordinance 2017-1180 of 19 July 2017 on disclosure of non-financial information.

Based on regulations in force and taking into account the specific nature of its business activities, Sopra Steria measures the Group’s progress in four areas: Workforce, Society, Environment, Ethics and Compliance.

The environmental reporting presented complies with the framework proposed by the CDSB[1] and with TCFD[2] recommendations.

> This report includes a significant amount of information pertaining to Articles L. 225-100 and L. 225-102 of the French Commercial Code and Articles 70 and 173 of the Energy Transition for Green Growth Act, its implementing decree 2017-1265 of 9 August 2017, consistent with the general principles laid down in the guidelines of the GRI (Global Reporting Initiative) and aligned as closely as possible with the core subjects addressed by ISO 26000. A cross-reference table covering non-financial information included in the Statement of Non-Financial Performance has been added as an appendix to this document. The relevant information is set out in the, “Management Reports table” Section, of this Universal Registration Document (page 313).

Furthermore, pursuant to the seventh paragraph of Article L. 225-102-1 of the French Commercial Code, Sopra Steria has appointed Mazars as independent third party to verify that the Statement of Non-Financial Performance complies with the provisions laid down in Article R. 225-105 of the French Commercial Code and that the information provided pursuant to point 3 of the first and second paragraphs of Article R. 225-105 of the French Commercial Code, disclosed in this report pursuant to Article R. 225-105-2 of the French Commercial Code, is truthful.

(1) CDSB: For more information, see the Glossary on page 308.
(2) TCFD: For more information, see the Glossary on page 308.

Definitions of social indicators

Unless otherwise indicated, indicators are calculated on the basis of numbers of employees on permanent and temporary contracts and internship agreements. The following definitions are used:

- Permanent contract: Full-time or part-time employment contract entered into with an employee for an indefinite period;
- Fixed-term contract: Full-time or part-time employment contract entered into with an employee and expiring at the end of a specific period or on completion of a specific task lasting an estimated period;
- Frequency rate of workplace accidents in France: Calculated in business days, using the following formula: (Number of workplace accidents with work stoppage × 1,000,000)/Total number of hours worked by total workforce in the year;
- Severity rate of workplace accidents in France: (Number of working days lost due to workplace accidents × 1,000)/Total number of hours worked by all employees during the year. Work stoppages continuing on from the previous year are not counted. Work stoppages continuing on as a result of workplace accidents that occurred the previous year are not counted;
- Absence rate: Calculated in business days and on the basis of the average full-time equivalent workforce. It takes into account absences for illness, workplace accidents and accidents while travelling. It corresponds to the ratio of the number of actual calendar days' absence and the number of work days theoretically available;
- Percentage of employees with a disability: total employment units accounted for by employees with a declared disability ("disabled employment units" in France), multiplied by 1.5 where allowed under the rules applied by French government agency Agefiph (which promotes employment for people with disabilities), divided by the size of the relevant workforce. The workforce numbers used are also calculated according to the rules defined by Agefiph.

Scope of reporting

To ensure compliance with regulations, the Group has developed a reporting process for collecting the relevant data and leveraging the results in this document.

The following information (required by Article L. 225-102.1 of the French Commercial Code) has been excluded since it does not apply to Sopra Steria Group's business: combating food waste and food insecurity, promoting animal welfare and responsible food production.

Sopra Steria's corporate responsibility policy applies to all Group entities. The headcounts provided in the workforce section of this report and used in certain environmental indicators include all Group employees.

Depending on the indicator, the geographic scope is either:

- The full worldwide scope of Sopra Steria Group businesses (i.e. Sopra Steria Group);
- All Sopra Steria Group businesses in a given country (Sopra Steria France, Sopra Steria UK, Sopra Steria España, etc.). For each country, all Sopra Steria Group subsidiaries are included (Sopra Banking Software, Sopra HR Software, I2S, CIMPA, Beamap, Cassiopae, Galitt, 2MoRO, it-economics, APAK, SAB, etc.).
- As regards the scope of workforce indicators:
  - Companies consolidated in 2019 (SAB and Sopra Banking Software Senegal) and the joint venture formed with Sopra Financial Technology GmbH are included in all indicators shown. Neosphères, also acquired in 2019, is now fully consolidated by Sopra HR Software France. ADN'Co, which was acquired in January 2020 and consolidated by Galitt with effect from 1 September 2020, is an exception: indicators for Galitt include employees of ADN'Co (30 employees),
  - For Sodifrance, cxpartners, Soft-Maint, Anteo Consulting, Anteo E-Business Solutions and Mia Software, which joined the consolidated Group during 2020, only the "Total workforce Sc.qt.2.5" indicator will be calculated. The scope will be specified for each indicator;
- As regards the scope of environmental indicators (CDSB REQ-07/TCFD)[1]:
  - Headcount at companies acquired during 2020 (Sodifrance, ADN'Co, cxpartners and HoloCare AS) is included when calculating all indicators,
  - The scope of 2020 environmental reporting spans all entities over which the Group has both financial and operational control. The NHS SBS, SSCL and Sopra Financial Technology GmbH joint ventures are thus included in all indicators;
- As regards reporting policy (CDSB REQ-08/TCFD)[1]:
  - To check consistency between financial and non-financial reporting, some structural indicators common to both areas are compared and verified at various levels of detail,
  - A snapshot of the reporting process and reporting tools relating to this report is set out in the reporting protocol available on request from Sopra Steria's CR&SD Department;
- As regards the reporting period (CDSB REQ-09/TCFD)[1]:
  - Corporate responsibility reporting covers the calendar year from 1 January to 31 December 2020. Any exceptions to calendar year reporting are indicated in respect of the data concerned,
  - To check consistency between financial and non-financial reporting, some structural indicators common to both areas are compared and verified at various levels of detail.

An overview of the reporting process and reporting tools relating to this report is set out in the reporting protocol available on request from Sopra Steria's CR&SD Department.

- No corrections have been noted in relation to data published in the 2019 Universal Registration Document (CDSB REQ-10/TCFD)[1].

(1) CDSB REQ: For more information, see the Glossary on page 308

2. Social responsibility: A committed and responsible collective effort

The Group is a participant in the United Nations Global Compact and supports the UN Sustainable Development Goals 3, 4, 5, 8, 10, 11 and 17 related to employment.

It adheres to the principles and fundamental entitlements of the Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1948 and the European Union's Charter of Fundamental Rights, and abides by the eight fundamental conventions of the International Labour Organisation (ILO).

The Group is notably committed to:

- Complying with European Community and domestic labour law and collective bargaining agreements in each country where the Group operates or, if necessary, put in place measures intended to improve relations between management and labour;
- Upholding, in particular, freedom of association and the right to collective bargaining in each relevant country, the elimination of forced or compulsory labour and the effective abolition of child labour.

The Group's corporate responsibility policy is aligned with these commitments. More generally, it aims to abide by the principles of equal opportunity and non-discrimination. The goal is foster a caring work environment where everyone feels recognised and valued irrespective of origin, gender, age or disability.

The Group's ambition is to attract the best professionals and anticipate future skills requirements through a broad training offering. These ambitions and a working environment nurturing professional development and well-being help to attract and retain its talent.

Governance

All matters relating to talent management, employee training and diversity are managed by the Group Human Resources Director, supported by a network of country and/or subsidiary Human Resources Directors. The Group Human Resources Director reports directly to Sopra Steria's HR Transformation Director, who is a member of the Executive Committee.

2.1. 2020 context

The unprecedented economic crisis resulting from the Covid-19 pandemic has had a range of effects, from declines in business levels and a sharp slowdown in recruitment to cancellations of events and the need to move training online, with a pronounced impact on most indicators.

Against this backdrop, the Group nevertheless took pains to maintain and strengthen relationships with employees, applicants and students across all geographies, despite lockdown measures.

With all employees working from home, regular surveys of the employee climate were carried out and support and communication measures implemented to ensure that the Group continued to listen to and maintain close contact with employees. The relevant information is set out in Section 2.3.3, "Working conditions and organisation" of this chapter (page 114).

The Group also reaffirmed its desire to maintain commitments given to applicants and students before the crisis so as to welcome them in the best possible conditions in spite of a complex and unprecedented situation.

2.2. Responsible employment challenges

Digital technology is a strategic sector of the economy and a real necessity at a time when society must reinvent itself while also maintaining a long-term vision.

The Sopra Steria Group is transforming itself to increase its value to clients by addressing their business challenges, combining its various service offerings as part of an end-to-end approach and incorporating digital technology at every level. It seeks to continually develop the abilities of its teams, to ensure that they can constantly adapt to technological and market changes.

Against this backdrop, Sopra Steria's ambitions in relation to responsible employment practices entail five types of challenges for the Group:

- As regards **attractiveness**, **attracting and retaining** the very best digital professionals to support the Group's development;
- As regards **skills maintenance and development**, maintaining and developing employees' skills to proactively meet clients' current and future needs;
- As regards **diversity and equal opportunity**, addressing major public interest issues and preventing any form of discrimination, with a focus on promoting access to employment for people with disabilities, gender equality in the workplace and access to employment for young people;
- As regards **labour relations**, forging with employee representatives a constructive dialogue and negotiations to plan ahead for and support the major changes affecting the Group;
- As regards **health and safety**, offering an environment conducive to quality of life in the workplace.

Given the nature of the Group's business, not all the labour-related challenges set out above are main risks for the company as defined in the Statement of Non-Financial Performance. Only attractiveness and skills maintenance and development are main risks for the Group and treated as such in the "Risk factors" section. The relevant information is set out in Section 1, "Risk factors", chapter 2 of this Universal Registration Document (pages 36 to 42).

Policies, actions and achievements associated with these five challenges are described below.

2.2.1. ATTRACTING AND RETAINING MORE TALENT

Employee engagement, motivation and skills are key factors in the Group's success and depend on its ability to attract and retain talent.

To attract and retain more talent, the Group must be a leading player in the digital sector, acting boldly and decisively. To meet this challenge, three innovative policies have been implemented to promote close contact with applicants and employees through personalised support. These policies form part of a long-term strategy aimed at ensuring the transparency of our HR practices. They are broken down as follows:

- **The employer brand policy** aims to increase awareness of the Group among applicants and employees through HR marketing and communications campaigns designed to share the Group's values;
- **Recruitment policy** is based on the principles of equal opportunity and non-discrimination. This proactive policy contributes to the national effort to foster access to employment for young people by taking on young graduates, interns and work-linked training students. It is aligned with new uses for digital technology and the transparency demanded by today's job seekers. This policy is structured around four types of actions:
  - Promoting jobs in the digital field to attract more young people and, in particular, women,
  - Making a meaningful difference: offering an enriching experience through innovative civic projects. The relevant information is set out in Section 2.2.3, "Diversity and equal opportunity", of this chapter (pages 109 to 111),
  - Facilitating transparency to meet applicants' expectations: free exchanges between employees and applicants via platforms like PathMotion and Glassdoor,
  - Fostering international mobility: offering students and employees opportunities to broaden their career paths;
- The **retention policy** seeks to respond to employees' expectations and needs. It is based on a robust induction and integration programme and supported by close relationships between management and staff. The induction and integration programme is a key ingredient in the retention not only of new recruits but also of employees joining the Group through mergers and acquisitions. The policy is served by an action plan structured around three key areas of focus:
  - A **specific induction** process adapted to the appropriate level of experience, together with a common "Get on board" seminar aimed at all new recruits. There are two tracks: one for young people and the other tailored to inductees' seniority. These two processes help new recruits gain an understanding of and share the Group's culture, values and fundamentals
  - An **ongoing career and skills** assessment and development process to maintain staff employability. The relevant information is st out in Section 2.2.2, "Maintaining and developing skills", of this chapter (pages 108 to 109),
  - An international **Group employee share ownership programme** to give all employees a more meaningful stake in the company's performance.

2020 achievements

- **Attractiveness:** Many events continued to run, with modules and forums adapted to a digital format. Virtual events were held to maintain ties with students and give them opportunities to get to know the Group's business areas. The Group's position in rankings was affected by the Covid-19 crisis. Since rankings rely on a certain volume of responses, some organisations decided not to produce a ranking this year due to low numbers of responses.
  - 614 school initiatives, compared with 1,000 in 2019 (76% of scope: Belgium, Denmark, France, Germany, India, Italy, Morocco, Norway, Poland, Spain, United Kingdom),
  - LinkedIn: 23% more followers (336,762 compared with 274,000 in 2019),
  - **Sopra Steria recognised by employees and applicants:**
    - Happy Trainees France: while Sopra Steria was once again accredited in 2020, no ranking was drawn up due to the Covid-19 crisis. For reference, Sopra Steria ranked ninth in the 2019 Happy Trainees ranking,
    - Happy Trainees World: the Group was not accredited in 2020 due to the difficulty of hosting interns and work-linked training students in some countries as a result of the Covid-19 crisis. The Group ranked seventh in the 2019 Happy Trainees World ranking,
    - Happy Candidates: the Group was certified for the second year running,
    - Potential park: Sopra Steria held on to its place in the top 20. Technical problems meant the Potential park audit could not be carried out under optimal conditions, resulting in the Group falling four places (from 15th to 19th among French companies in the top 100 CAC 40 and SBF 120 companies ranked in relation to their use of digital channels for recruitment in 2019),
    - Universum: amid the unprecedented circumstances of 2020, Sopra Steria maintained its connections with students by way of virtual events. The Group needs to further step up its presence in schools to build its relationships with students, thus strengthening the Group's position as a preferred employer. Down six places from 75th to 81st place, based on a sample of 36,917 students,
    - The Group was recognised as an "Open Company" by Glassdoor;
- **Mobility**: the internal mobility portal was overhauled and is now accessible to all Group entities in France. There were 78 intragroup staff transfers in 2020 (275 in 2019), but no interns or work-linked training students (76 in 2019), and 13 destinations, compared with 17 in 2019;

- **Recruitment**: the Group maintained commitments given to applicants who had signed an employment contract or internship agreement before the first lockdown was announced in March. However:
  - With lockdown measures severely affecting the global economy, the number of new hires declined correspondingly; 6,133 new hires (vs. 10,844 in 2019), with an increase in the proportion of women (34%, vs. 33.1% in 2019). Recruitment remained strong among under-25s, accounting for 29.5% of new hires (vs. 35% in 2019),
  - The number of interns and work-linked training students declined significantly: 846 interns hosted in 2020, vs. 1,562 in 2019 (64% of scope: Austria, Belgium, France, Germany, Italy, Luxembourg, Morocco, Poland, Spain, Switzerland and Tunisia); 557 work-linked training students in 2020, vs. 837 in 2019 (41.8% of scope: France),
- **Retention**: keeping in contact with and retaining employees were both key priorities. The induction process was adapted to a virtual format as soon as the first lockdown was announced in March to ensure that new recruits were given a proper welcome. A major HR communications campaign was also rolled out, including working from home best practice guides, in-house surveys, regular communications, and so on,
  - **Overhaul of the induction process**: the new induction programme, "Immediate Boarding", offering a range of online training options, guides and training sessions, was rolled out in digital format. Three face-to-face sessions and 15 remote sessions were held, delivering training to over 1,500 new recruits in an immersive and innovative environment. This training included input from key internal stakeholders, video interviews, workshops and live feedback,
  - **Employee share ownership**: an employee share ownership programme to give all employees a more meaningful stake in the company's performance.

GREAT PLACE TO WORK

Launched in 2019, Sopra Steria's survey of its entire workforce (82% participation rate), conducted with the help of Great Place to Work (GPTW), forms part of an overarching approach to transformation in which the Group's employees are the key stakeholders. In 2020, the Group responded to the needs that employees had expressed the previous year, especially for more information on HR processes or during review cycles, as well as for more opportunities for informal chats with management, by running workshops in all entities to develop and implement initiatives to address them: training of 16 Great Place to Work project managers by GPTW in early 2020, networking and community building, with programmes such as Mood and Morale in the UK, Together Sopra Steria in Spain, and Restoacasa in Italy. Norway topped the Great Place to Work ranking for the fourth year in a row. Germany, Italy and Switzerland secured Great Place to Work certification. The Great Place to Work survey will be run again in 2021.

HUMPACT

Sopra Steria came in second place, out of a total of 250 companies analysed in France, in the 2020 *Grand Prix Humpact Emploi* France, a ranking released by the ESG rating agency Humpact that recognises companies having implemented the most exemplary social policies for employment in France.

2019-2021 performance indicators

- Target of scoring 4/5 on Happy Trainees world within three years: no score in 2020. For reference, 3.88 out of 5 in 2019, in line with target (put on standby due to Covid-19).
- Target of a 25% increase in social media followers: up 23% in 2020. These figures underscore the level of interest and engagement in the Group's communities. It should be noted that Sopra Steria opted to post less in 2020 and reassessed the number of campaigns planned to promote the Group's activities.
- Target of increasing % of employees under 30: up 0.2 percentage points between 2019 and 2020, in line with target.

2.2.2. MAINTAINING AND DEVELOPING SKILLS

The digital revolution, the expectations of the next generation and the uncertain environment we are currently navigating all mean we must constantly be developing our employees' skills so as to:

- Respond even better to client expectations and serve the Group's strategy;
- Sustain motivation and develop employee engagement;
- Develop performance and maintain employability.

To meet these challenges, the Group has implemented a number of initiatives:

- **Annual updates of the Group's digital Core Competency Reference Guide** to provide a shared framework for understanding our businesses, appraising employees and supporting career development;
- **Provision of a common performance appraisal system** based on ongoing dialogue between employees and their managers and resulting in an individual development plan;
- **Annual implementation of the "People Dynamics"** process to identify far-reaching changes affecting our businesses over the next one to three years (emerging jobs where there is positive pressure, and/or that are sustainable or sensitive) and draw up HR action plans for integrating, maintaining and developing the required current and future skills.

These initiatives are supplemented by a proactive training policy, which constitutes one of the primary vehicles for adapting our people's skills. This policy is supported by the Group Executive Committee and an Academy. The goal of this policy is to ensure that the Group has access to the appropriate skills at all times and in all places, particularly as project cycles accelerate. To achieve this goal, the following initiatives are being implemented across the Group:

- Changes to the Academy to make it more cross-functional and more closely aligned with each country's needs: creation of business line, subsidiary and corporate Academies;
- Refresh of the Academy offering and training courses, notably including "Group fundamentals, management", "Induction for new employees", "Business-specific courses", technology courses (cloud, agility, end-to-end), commerce course;
- Accelerated digitisation of programmes and availability of new e-learning platforms.

2020 achievements

The circumstances surrounding the Covid-19 crisis led to a more rapid expansion of digital training offerings. The Group also rolled out a reskilling policy to address production overcapacity in some entities and business sectors hit particularly hard by the crisis.

- Update and rollout of the Group's **Core Competency Reference Guide**, now including video portraits giving an overview of the Group's businesses to show them in a clearer light (100% of scope);
- All **employees are assessed** against the same criteria. There were 4,117 promotions, with women accounting for 35% of the total. The number of promotions represents 9.8% of the permanent contract workforce in post all year long(1) (94% of scope for promotions);
- The scope of the People Dynamics approach was extended to cover the whole of the Group;
- Decline in the number of training hours delivered to 1,207,065 hours, including 16,700 hours of reskilling, representing a slight decrease of 4.4% relative to 2019, when 1,263,354 hours of training were delivered (100% of scope; workforce excluding interns). This decline was due to several factors, including the impact of the Covid-19 pandemic and the greater proportion of online training, with an average number of training hours adapted to the prevalence of remote training;
- In France, the budget allocated to training equates to 4.6% of total payroll (42.8% of scope);
- Digitisation of training offering:
  - 90% of employees trained through e-learning modules, up from 88% in 2019,
  - 88.4% of employees trained through e-learning modules, excluding compliance modules, up from 28% in 2019,
  - 8% of employees completed Group compliance e-learning modules, down from 82% in 2019, given that no new Group compliance e-learning modules were launched in 2020.

2019-2021 performance indicators

- Development of digital training offering: goal of training 30% of employees via digital channels (excluding Group compliance e-learning) within three years achieved at 88.4%, thus well beyond the target.

2.2.3. DIVERSITY AND EQUAL OPPORTUNITY

The Group reaffirms its commitment to combat discrimination, based on the principle of equal opportunity. The Group is keen to create a caring environment where everyone works together to foster inclusion and well-being. As such, it endeavours to recruit employees from a diverse range of backgrounds and to treat all employees fairly. This approach is underpinned by four inclusive policies:

- A gender equality policy;
- A disability policy;
- An intergenerational policy;
- A policy promoting diversity and access to employment for young people.

The gender diversity policy is designed to develop women within the Group and support their career development at every level of the business. This policy is implemented through specific actions to ensure that women are ultimately represented at every level of the company – particularly in **management positions and on senior management bodies** – in proportion to their percentage of the total workforce.

a. Increasing the proportion of women in the workforce and in management positions

The Group has implemented a diversity programme backed by Executive Management, "TogetHER For Greater Balance", to involve employees in an innovative collective intelligence exercise designed to tease out ideas and best practice. This long-term programme is helping raise awareness of the need to increase the proportion of women in the digital sector, where they are significantly under-represented. It also aims to promote initiatives and success stories, which are gathered and shared throughout the year. They are made available via a dedicated platform accessible to all employees. The goal of sharing initiatives in this way is to inject fresh momentum by inspiring people and encouraging interaction between countries.

The six types of initiatives collectively identified and implemented are as follows:

- **Setting numerical targets** to track changes in how well women are represented within the workforce and in management positions (proportion of women recruited; overall proportion of women in the workforce; proportion of women promoted);
- **Launching Group awareness campaigns** under the "TogetHER for Greater Balance" banner, backed by Executive Management, to reaffirm the Group's commitment to diversity;
- **Training employees at every level** to lead the cultural and behavioural change needed to allow women to advance (addressing the impact of stereotypes on decision processes, sexual harassment, sexism, etc.);
- **Supporting career development** for women through mentoring programmes;
- **Promoting role models** through testimonials, talks, webinars, and internal and external multimedia campaigns involving inspiring women in the Group;
- **Fostering gender diversity networks** to identify and attract women in the digital sector through talks, notably at secondary schools and higher education institutions.

b. Increasing the proportion of women in senior management positions

Building on its experience with the gender equality programme Toget'HER for Greater Balance, the Group's Executive Management has drawn up an action plan and targets to increase the proportion of women in senior management positions, in line with the recommendations of the AFEP-MEDEF code.

In the context of this action plan, senior management positions are broadly defined as including all of the highest echelons in the Group's organisation: the Executive Committee, of course, but also "upper management", corresponding to the 3% of employees on permanent employment contracts belonging to the two highest echelons. This second, less visible category is very important for the functioning of the Group's organisation and includes future Executive Committee members.

(1) A promotion corresponds to a change of level/classification relative to the permanent contract workforce at 31 December a year earlier.

On Executive Management's recommendation, the Board of Directors has approved the following targets:

- Increasing the proportion of female Executive Committee members from 12% to 30%;
- Raising the proportion of women in upper management positions initially from 15% to 20%, thus a 33% increase.

The Board of Directors has set a time frame of five years to achieve these targets (thus by 2025). For several years, robust measures have been in place to actively promote gender equality within the Company and its Group. These measures function well. Their results are evaluated each year by the Social and Economic Committee for France and then by the Board of Directors. Although great progress has been made along these lines, this approach has not led to a significant increase in women moving into senior management positions. Executive Management is therefore moving forward with a more exacting programme, implemented for a large proportion of the Group's workforce, given that it operates in an industry environment that tends to be male dominated. Ambitious goals cannot therefore be set uniquely by taking a medium-term view. Nevertheless, the Board of Directors has adopted an intermediate target relating to the proportion of women in upper management, which will need to reach 17% by mid-2023.

- Procedures for implementation

The Chief Executive Officer has put in place a specific operational the proportion of women in senior management positions, which is being monitored by the Chairman of the Board of Directors.

- Action plan to advance female leadership ("FID")

The aim of this action plan is to help more women move into roles at the Group's highest levels and ultimately to ensure that they are represented at every level in proportion to their percentage of the total workforce.

In order to achieve the Group's targets, a set of initiatives are required, which have been grouped into four priority areas:

1. Proactive plan to promote female talent by identifying candidates and facilitating their access to the highest levels of the organisation;
2. Proactive recruitment plan to help meet the targets for female representation at the levels concerned alongside internal promotion procedures;
3. Adjustments to HR and managerial practices to encourage gender equality, for example by ensuring participation by women in the HR structures for manager evaluation and selection;
4. Support actions for talented women to encourage and secure their move into senior management positions by setting up specific training, coaching and mentoring programmes.

The Board of Directors will monitor the implementation and results of this action plan and will report on its progress in the universal registration document. In addition, the implementation of this plan will be among the qualitative targets set for Executive Management in 2021.

2020 achievements

- **Group commitment**: "In support of retraining for women in the digital sector" manifesto sponsored by Syntec Numérique (41.8% of scope: France) to increase the recruitment of and proportion of women in jobs in the digital field (33.3% of new hires under the retraining programme were women, vs. 32.3% in 2019).
- **More women in the workforce and in management positions**: women represented 32.5% of the workforce in 2020 (32% in 2019) and 34% of new staff (33.1% in 2019), despite a drop in female enrolments in information and communications technology degree programmes (13% of all students in this area in 2016, down from 15% in 2011)[(1)]. Of the 10% most senior positions, 18.6% were held by women (compared with 17.96% in 2019).
- **A Group awareness campaign**, "TogetHER for Greater Balance", is launched annually by Executive Management. Aimed at all 44,768 employees, the campaign aims to reaffirm the Group's commitment to increase the proportion of women in the workforce and in management positions. Individual countries run their own initiatives to coincide with International Women's Day on 8 March; examples include lecture series in the United Kingdom, France and Spain where experts in the field address employees and senior managers.
- **Rollout of training programmes both Group-wide and at country level, for example**:
  - Group "Gender Equality Tour" training programme: 16 sessions were run in France as well as eight international and multicultural sessions in five languages, bringing together equal numbers of men and women from 16 countries, 60% of whom were managers (94% of scope: Belgium, Brazil, Côte d'Ivoire, France, Germany, India, Italy, Luxembourg, Morocco, Netherlands, Norway, Poland, Spain, Switzerland, United Kingdom, United States),
  - Sexual harassment training: 3,605 employees received training in preventing sexual harassment, as in India with the long-running Prevention of Sexual Harassment (POSH) programme and in France, where the existing module was improved and expanded. A training programme designed in conjunction with representatives of management and labour was launched, with two pilots rolled out to a group of HR Directors and employee representatives. The programme is to be rolled out to all employees in 2021;
- **Programmes supporting women to more quickly increase the proportion of women in management (47% of scope: France, Germany, India, United Kingdom):**
  - A total of 137 women took part in a mentoring programme;
  - Mentoring programmes were rolled out in various countries. These programmes mainly revolve around training (on topics like leadership, building stronger networks, etc.), individual coaching and close mentoring by a member of the relevant Management Committee or Executive Committee.
- **Campaigns promoting role models**:
  - "Super Banking Women", a serie of 22 videos from 13 Group countries highlighting the careers of inspiring women at Sopra Banking Software shared on social media: 300,000 total views (8% of scope),
- **Gender diversity networks**: over 1,600 employees are members of gender diversity networks (in Belgium, Denmark, France, Germany, India and the United Kingdom) working for greater diversity in the digital sector by including more men in the approach. Due to the Covid-19 pandemic, there were few opportunities in all these countries to give talks at secondary schools and conferences. Instead, webinars were held with the aim of promoting the role of women in the digital sector.

2021 targets: The "FID" action plan to increase female representation in senior management positions will be launched in 2021 and will include a five-year target.

(1) "Women in the digital age", European Commission study, 2016 : https://op.europa.eu/en/publication-detail/-/publication/84bd6dea-2351-11e8-ac73-01aa75ed71a1/language-fr

- **2021-2025 indicator**: **women to make up 30% of Executive Committee members and hold 20% of senior management positions by 2025** (with an intermediate target of 17% for women in senior management positions by 2023).

In 2021, Sopra Steria signs the **UN Women Charter** and endorses the **7 WEPs** principles.

A disability policy aiming to favour the recruitment and continued employment of people with disabilities through innovative initiatives in the areas of recruitment, adapting the work environment, training and awareness.

The Group has reaffirmed its commitment and joined the ILO Global Business and Disability Network, an initiative run by the International Labour Organization (ILO). This network of businesses aims to share international best practice to improve the recruitment and induction of employees with disabilities.

The Group is committed to complying with local legislation, regulations and recommendations concerning employment for people with disabilities.

Differences in how disability is defined from country to country mean we are not able to collect consistent and comparable data.

2020 achievements

- The Group reaffirmed its commitment by signing the “Manifesto promoting inclusion in economic life for people with disabilities”.
- The Group signed the ILO Global Business and Disability Network Charter.
- The proportion of employees with disabilities rose: 2.21% (41.8% of scope: France).
- Plan put in place to listen to and support employees with disabilities during the Covid-19 crisis.
- Awareness campaign in France and internationally.
- Assistance for 106 secondary school students with disabilities.
- Employees took part in the Challenge Innovation Awards to foster the emergence of solutions that improve day-to-day life and increase independence for people with disabilities. Three award-winning projects outside France will be supported by the *Mission Handicap* disability team.

Goals for 2021: Increase the proportion of employees with disabilities in France from 2.21% to 2.75% by 2023.

The Group’s intergenerational policy aims to attract talented young people while ensuring that different generations continue to be represented. The Group promotes knowledge and skills transfer – a key component of its intergenerational policy – by appointing a mentor for every new recruit aged under 26.

2020 achievements

- Balance preserved in terms of age representation: 7% of the workforce was under 25 years of age (compared with 10% in 2019) and 9.9% was over 55 (compared with 8.7% in 2019).
- Introduced a phased retirement system to facilitate the transition to retirement.

A diversity and youth employability policy to ensure access to education for all and integrate young graduates into the world of work. This policy is in line with the principle of equal opportunity and is geared towards recruiting and developing talented young people. In pursuing this policy, the Group launches specific additional actions for young people from disadvantaged areas in order to:

- **Provide career guidance:** inform students about our business as soon as they enter secondary school;
- **Listen and build relationships:** help young people of secondary school age understand the business world;
- **Provide training for digital sector jobs:** foster inclusion and reintegration into employment for out-of-work young people.

2020 achievements

- **385 secondary school and university students** interacted directly with Sopra Steria employees (41.8% of scope: France):
  - **Providing career guidance to 256 secondary school students from disadvantaged areas:** hosted as part of their fourth-year work experience to learn about jobs in the digital sector and demystify algorithms (unplugged activity), in partnership with the non-profit organisation *Tous en Stage*,
  - **Listening and building relationships: 106 secondary school students** under the banner of the *HandiTutorat* programme in partnership with nine engineering schools. **23 students** in higher education mentored in partnership with non-profit organisation *Article 1*;
- **342 young graduates helped to move back into employment** through training designed to foster access to employment (43% of scope: France and Tunisia):
  - 171 unemployed young people recruited and trained in digital skills (France), 33.3% of them women (up from 32.3% in 2019), in partnership with work integration organisations such as *Ensemble Paris Emploi Compétences* (EPEC), the *Pôle Emploi* public employment centres or the *Maison des Jeunes Talents*,
  - The intake of 171 candidates recruited in Tunisia in 2019 continued their four-year retraining programme. Candidates recruited (48% of whom are women) hold bachelor’s degrees or equivalent and receive help towards obtaining a postgraduate engineering degree. In particular, they are awarded scholarships covering their study costs for four years, receive personalised mentoring to help them fit in throughout the programme, and follow a specific training plan;
- **35 grants awarded to secondary school and university students with disabilities** to support them through their academic careers, in partnership with the FEDEEH.

Goals for 2021: Rerun initiatives and strengthen momentum at Group level.

2.2.4. LABOUR RELATIONS

Labour relations are a key driver of performance for an economy in support of an inclusive collective underpinned by the Group's values. The Group's adhesion to the UN Global Compact is in keeping with its commitment to uphold freedom of association and recognise the right to collective bargaining, in line with the principles of the ILO's eight fundamental conventions.

Sopra Steria seeks to implement measures intended to improve professional relations between the company and its employees even in countries that do not have an institutional framework governing the recognition of employee representatives' status. Non-discrimination policies and procedures are implemented with regard to employee representatives.

Against this backdrop and in accordance with legislation in force in each country where the Group operates, Sopra Steria is committed to establishing constructive dialogue with employee representatives on matters relating to corporate strategy and the company's economic, financial and employee policy.

The initiatives brought about by collective bargaining increase employees' sense of belonging, ensuring that all staff are committed to the corporate plan and that the challenges posed by digital transformation are met.

The Group supports and advocates these principles in its Code of Ethics, available on the Group website and thus accessible to all stakeholders.

Governance

Responsibility for labour relations in each country lies with the Chief Executive Officer and the HR Director. They are responsible for:

- Holding regular updates with representatives of management and labour to respond to employee expectations;
- Putting in place all bodies required by legislation in force in their country.

The Group's governance is exercised through regular (weekly, monthly and annual) steering meetings attended by the various companies' HR Directors to ensure that the approach to labour relations is consistent with Group policy.

2020 achievements

- 56 foundational labour agreements signed and implemented (compared with 49 in 2019);
- 326 agreements in force, compared with 291 in 2019;
- 74.2% of employees covered by a collective bargaining agreement or company-wide agreements, compared with 71.8% in 2019.

Goal for 2021: Labour relations remain a main issue for the Group's future development and for the successful implementation of new agreements.

2.2.5. HEALTH AND SAFETY

Sopra Steria's **workplace health and safety policy** complies with regulatory requirements in each country in which the Group has a presence. It forms part of a preventive approach to occupational risk aimed at protecting employees' and subcontractors' health and safety, improving their working conditions and promoting workplace well-being.

The Group's businesses are concentrated in the service sector and do not involve any high-risk activities, notably in respect of workplace accidents, which occur very rarely and are related purely to the hazards of everyday life (the Group has a very low workplace accident frequency rate).

This policy of prevention and support to promote health and well-being in the workplace is underpinned by a systematic approach based on a five-point action plan:

1. **Deliver detection and prevention training and awareness-raising:** roll out training and awareness plans to prevent accidents and improve employee health and safety;
2. **Provide employees with a psychological counselling and support unit:** this unit, staffed by psychologists, is completely independent of the company and can be accessed anonymously, confidentially and free of charge at any time;
3. **Analyse protection and welfare arrangements and travel and repatriation insurance cover** in each country;
4. **Form a network of stakeholders** working in the field;
5. **Monitor and analyse indicators** of absence and workplace accidents.

Governance

The Group Human Resources Director is supported by a network of country and/or subsidiary Human Resources Directors. Each country and/or subsidiary is subject to its own country's legislation. Health and safety committees in each country ensure that specific processes and measures are implemented at the local level. These measures concern, in particular, buildings (security of premises, furnishings, heating and air conditioning, etc.) and food (canteen, water, etc.).

2020 achievements

- **Training and awareness-raising:**
  - Covid-19 awareness-raising (Group): live events, occupational stress training, guides,
  - Training in safety rules and emergency first aid: 94.4% of employees are covered by training programmes to prevent accidents and improve employee health and safety (Belgium, France, Germany, India, Italy, Luxembourg, Norway, Poland, Spain, Sweden, Switzerland, Tunisia, United Kingdom, United States),
  - Sopra Steria launched new training for the Human Resources function on quality of life in the workplace. This training is designed to boost HR employees' skills and ability to address issues in this area,
  - Health and safety training: 1,245 employees trained (41.8% of scope: France);
- **Psychological counselling unit:** 82.2% of Group employees are eligible for this service (Belgium, France, Germany, India, Poland, Scandinavia, United Kingdom).
- **Continuation of the exercise to map personal insurance** and prevention measures in each country and analyse results (including social security cover, death benefit cover, early retirement and retirement), exercise to be continued in 2021.

Indicators:

- Two occupational illnesses recognised in France by CPAM, the national health insurance body (42.8% of scope: France),
- The absence rate was 2.5% in 2020, compared with 2.6% in 2019 (42.8% of scope: France),
- The workplace accident frequency rate fell significantly in 2020 to 1.26%, compared with 2.47% in 2019 (42.8% of scope: France). This decline was linked to the lockdown measures,
- The severity rate was 0.013%, compared with 0.033% in 2019 (42.8% of scope: France). This significant decline was also linked to the lockdown measures.

Goal for 2021: The aim is to build on initiatives launched in 2020 amid the pandemic to continue to roll out shared tools for use across the Group. A training and awareness campaign will be rolled out to employees on a phased basis to encourage them to identify risks and accidents and flag them up to a network of designated representatives.

2.3. Other labour-related information

2.3.1. JOBS AND THE WORKFORCE

For many years, the Group's growth has been backed by a proactive employment policy of recruiting talented individuals and developing employees' skills.

External growth is also a strong driver of the Group's development and increased business volumes. Thanks to the various acquisitions completed in 2020 (1,192 employees), the Group can offer a comprehensive response to its clients' needs in the areas of transformation and competitiveness.

At 31 December 2020, Sopra Steria Group had a total of 45,960 employees (44,768 employees excluding 2020 acquisitions, compared with 45,153 at end-2019), mainly based in France, Germany, India, Scandinavia, Spain and the United Kingdom, which together account for 89.4% of the Group's workforce.

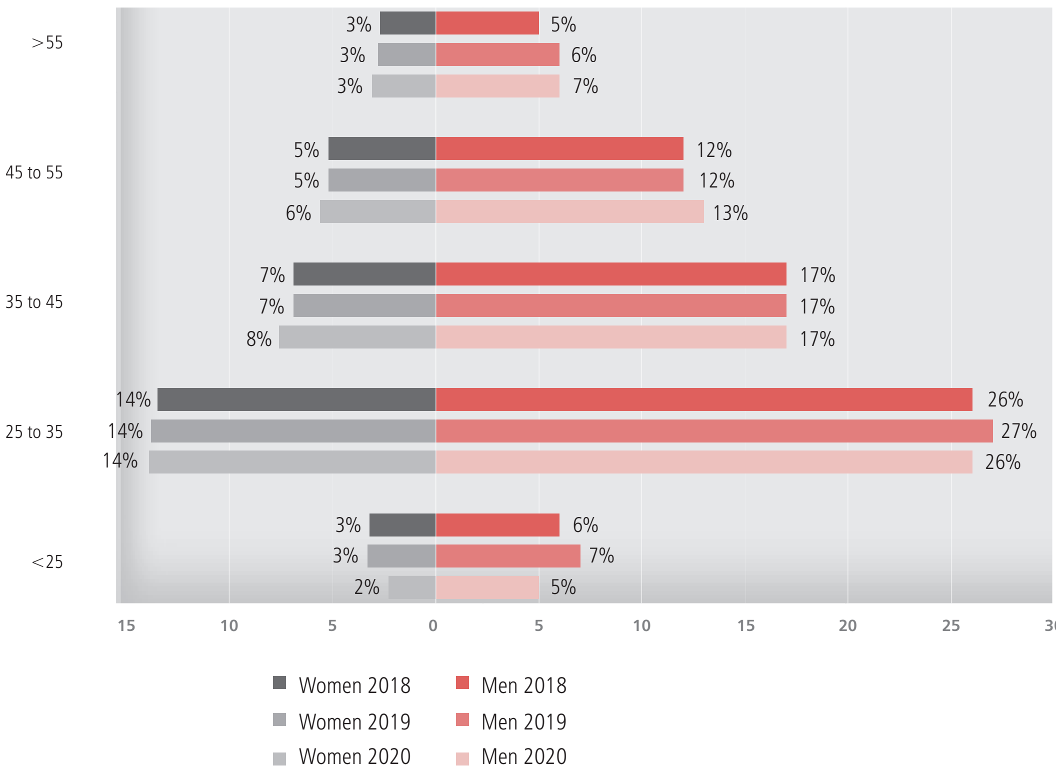
The decline in the workforce noted for the Group's reporting scope (excluding acquisitions) is tied to the impact of the Covid-19 pandemic on the global economy, resulting in lower business levels across all industry sectors. This decline in business activity impacted the service centres in India and Spain to the greatest extent, as they were hit hard by the economic difficulties affecting the aviation sector in particular. This was compounded, for India, by the decline in business process services (BPS) delivered for public sector clients in the United Kingdom, following the repatriation of these services as requested by the clients. This led to an increase in the workforce in the United Kingdom, because the services could no longer be delivered in teleworking in India, upon the client's request.

The proportion of permanent contracts, which was slightly higher in 2020 (96.7% in 2020, compared with 96.1% in 2019), and that of temporary contracts, which was slightly lower (2.9% in 2020, compared with 3.3% in 2019, excluding interns) demonstrate the Group's long-standing commitment to offer stable jobs while favouring the professional integration of young people on permanent contracts and on work placements (100% of fixed-term contracts were for work-linked training students in 2020, compared with 96.1% in 2019).

The Group's employee attrition rate of 13.6% marked a significant decline (17.7% in 2019). This decrease is a result of the economic impact of the Covid-19 crisis.

In France, redundancies or dismissals accounted for 2.4% employees leaving the Group in 2020, compared with 2.3% in 2019 (scope: France).

The age pyramid illustrated below, showing a breakdown of the Group's workforce (excluding acquisitions) by gender and age, has remained stable for the past three years, with a very slight increase in the proportion of women, particularly in the 35-45 and 25-35 age brackets.



The average age of employees on permanent contracts is 38.7 years (compared with 37.8 in 2019), with an average length of service of 7.7 years (compared with 7.1 years in 2019), a slight increase from 2019 due mainly to the decline in recruitment.

The proportion on women in the Group's workforce increased very slightly, from 32% in 2019 to 32.5% in 2020, with women holding 29.9% of engineering, consulting and project management positions (up from 29.3% in 2019). It remains higher than the overall proportion of women in scientific careers (28%). Progress was made in Spain and the United Kingdom, with a significant increase in the proportion of women recruited in these countries.

2.3.2. COMPENSATION

The Group's **compensation policy** is a management tool based on recognising each individual's contribution to the Group's performance, over and above the requirements of local legislation. It is based on the principle of fair treatment and supported by a system of personalised annual performance appraisals for all employees. Compensation offered is in line with local regulations and exceeds the minimum wage (where one exists) in countries in which the Group has a presence.

Principles governing the breakdown of and changes in compensation apply across the Group and are based on the following:

- Fixed compensation: in keeping with the level of responsibility, consistent with the Group's Core Competency Reference Guide;
- Variable compensation: to encourage individual and collective performance for some employees, notably managers, sales staff and experts;
- An international Group employee share ownership programme to give all employees a more meaningful stake in the company's performance.

2020 achievements

- The ratios set out below are the fruit of a policy aimed at harmonising HR processes so as to promote fair treatment across all countries in which the Group operates:
  - Ratio for the top 1 % of high earners in the Group (99.9% of the Group excluding interns, work-linked training students and acquisitions): 86.9 % of employees work in a country where the average of the top 1 % of salaries is less than 4.5 times the average salary in the country, a higher percentage than in 2019,
  - **Senior executive fairness ratio:** The relevant information is set out in Section 3.2, "Fairness ratio", chapter 3, "Corporate Governance" of this Universal Registration Document (pages 91 to 95).

RATIO OF THE AVERAGE TOP 1% OF SALARIES TO THE AVERAGE ANNUAL SALARY

	% 2020*	% (2019)**	% (2018)***
Under 4.5	86.9%	85.5%	84%
4.5 ≤ x ≤ 5	13.0%	14.4%	16%
Over 5	0.0%	0.2%	0%

* *99.9% of the Group workforce (excluding interns and acquisitions).*
** *99.8% of the Group workforce (excluding Cassiopae Tunisia, interns and acquisitions).*
*** *78% of the workforce (Benelux, France, India excluding Cassiopae, Italy, United Kingdom and Scandinavia; excluding interns and acquisitions).*

2.3.3. WORKING CONDITIONS AND ORGANISATION

The Group's policy on the organisation of work schedules, designed to promote work/life balance, is structured around a five-point action plan:

- Ensuring a satisfactory work rate;
- Valuing day-to-day work;
- Prompting healthy ways of working;
- Managing teams with care and authenticity;
- Promoting healthy lifestyles and a healthy environment.

All Group countries switched to working from home to limit the risk of spreading Covid-19.

2020 achievements

- As a result of the Covid-19 crisis, new working arrangements were introduced in 2020, with all employees Group-wide working from home. These new arrangements were supported by communications campaigns, guides for managers and employees, and specific training programmes.
- Well-being was a major focus of attention, with the HR community focusing on working conditions for each and every employee. Listening and support mechanisms were put in place.
- 6.1% of Group employees were part-time (compared with 5.9% in 2019). Part-time working is never a requirement: it depends on both the employee's individual choice and compatibility with the department or project concerned.
- Tools were rolled out to facilitate working from home: practical guides for managers and staff, webinars on workplace ergonomics.
- Work/life balance: the "right to disconnect" was introduced and working from home was rolled out across all countries as a result of the Covid-19 crisis (70.4% in 2019).
- SBS Wellness Programme: 25 remote sports sessions were run, with an average of 90 employees per session (5.7% of scope: France, Benelux, MEA, Germany).

3. Societal responsibility: Engaging all our stakeholders to build a positive future for all

Sopra Steria is a leading partner in digital transformation for major companies and organisations. With the world in the grip of an economic and social crisis, it is vital that we continue to develop relationships of trust and transparent dialogue with our stakeholders. The Group stepped up its interaction with stakeholders in 2020 by involving them in its commitments to the environment, diversity, equal opportunities and the most vulnerable populations. The Group also makes all the expertise and tools developed for its environmental programme available to clients to help them address their challenges.

Sopra Steria is a signatory to the United Nations Global Compact in the Global Compact Advanced reporting category and supports the Global Compact's ten principles in the areas of human rights, international labour standards, the environment and anti-corruption.

Sopra Steria responds to the United Nations Sustainable Development Goals 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16 and 17 related to society.

3.1. Creating value for shareholders

In an approach where collective action is essential, we are working with our staff, our customers, our partners, our suppliers and civil society to provide sustainable answers. Together, we want to take responsible and ethical steps to make innovation work for as many people as possible and have a positive impact on society as a whole.

3.1.1. SUMMARY OF VALUE CREATION FOR STAKEHOLDERS

Thanks to the relevance of its policy and associated programmes to addressing key social issues, the Group is one of the most engaged and high-performing businesses in the area of corporate responsibility.

To help it be a "contributor" company and build a sustainable world, Sopra Steria engages all its stakeholders in a collaborative approach that generates value for all.

Amid the Covid-19 crisis, the Group's teams have been working with the whole of Sopra Steria's ecosystem to develop innovative business continuity solutions for clients and help the most vulnerable individuals.

SUMMARY OF RECOGNITION RECEIVED AS WELL AS COMMITMENTS AND INITIATIVES TO SUPPORT STAKEHOLDERS

CLIENTS

- Rise to second place in **KPMG and Syntec Numérique's 2020 Grand Angle digital services and ICT company ranking**
- Sopra Steria targets **"net zero" emissions** by 2028
- **Ecovadis "Platinum"** level certification achieved in 2020 and ranked among the **top 1%** of companies assessed by EcoVadis for the second year in a row
- **CDP A List** for the fourth consecutive year reflecting the Group's environmental performance
- **NelsonHall:** ranked among the leaders in **digital experience consulting services** and recognised as a leader in **cloud infrastructure brokerage and orchestration services**
- **ISG Provider Lens™:** leader in four areas of its Public Cloud - Solutions & Services study
- Second place in the IT and telecoms sector in ***Le Point*'s ranking of France's most responsible companies**
- Sopra Banking Software ranked no. 1 in Lending Solutions and no. 3 in Universal Banking Solutions in the **IBS Intelligence Sales League Table** for 2020
- Sopra HR Software added to the Major Contenders category of Everest Group's **Multi-Country Payroll Solutions PEAK Matrix®** for 2020

EMPLOYEES APPLICANTS

- **"FID" action plan** to step up the increase in female representation at upper management levels
- Sopra Steria joined the **ILO Global Business and Disability Network**
- **Happy Candidates** accreditation for the second year running in 2020
- **Happy Trainees France** accreditation awarded in 2020 for the first time
- Sopra Steria recognised as an **"Open Company"** by Glassdoor
- Sopra Steria Norway topped the **Great Place to Work ranking** for the fourth year in a row
- Sopra Steria Germany, Italy and Switzerland secured **Great Place to Work certification**
- **Over 700 employees volunteered to help environmental causes** through the Green Lights (France) and Sustainability Champions (United Kingdom) networks
- **Two community outreach platforms** for employees, covering both voluntary work and skills sponsorship initiatives

SHAREHOLDERS INVESTORS

- Sopra Steria came in second place in the **2020 *Grand Prix Humpact Emploi* France**
- Sopra Steria belongs to the following indices:
  - **Euronext Eurozone ESG Large 80**
  - **Euronext Eurozone 300**
  - **Euronext Vigeo Europe 120**
  - **Euronext Vigeo Euro 120**
  - **CDP Environment ESG FR EW**
  - **Euronext CDP Environment FR EOGE**
  - **Euronext CDP Environment FR EW**
  - **Ethibel Sustainability Index (ESI) Excellence Europe**
  - **Ethibel Sustainability Index (ESI) Excellence VM**
  - **Gaia Index**

PARTNERS

- **50 startups** added to the Group's value proposition in Europe under the Sopra Steria Ventures programme
- Adoption by Sopra Steria Next of the ***Institut du Numérique Responsable***'s charter on responsible use of digital technology
- Partnerships with the **leading market vendors**: Axway, AWS, Dassault Systèmes, Google, IBM, Microsoft, Orange, Oracle, OVH, PEGA, SAP and Salesforce
- Partnerships with **universities and research institutes** to pursue **innovation-related** projects
- Main sponsor of the "Digital, Governance and Sovereignty" academic chair at **Sciences Po**
- Sponsor of the "Cybersecurity and Digital Sovereignty" academic chair at the **IHEDN**

SUPPLIERS

- **Over 72%** of the Group's purchasing volume covered by EcoVadis CSR supplier ratings
- Sopra Steria earned a score of A in CDP's **2020 Supplier Engagement Leader** assessment for its leadership and performance in engaging its suppliers on climate change
- Inclusive purchases made via STPA comprising sheltered workshops and other organisations that specifically employ people with disabilities in France
- Streamlined access provided to suppliers applying **diversity and equal opportunity** criteria
- **Science Based Targets initiative (SBTi) target** incorporating suppliers' environmental commitments
- Inclusion in the **"net zero" emissions** programme of our purchases of goods and services that are part of supply chain

CIVIL SOCIETY

- **More than 160** projects supporting local communities and regions
- **Over 1,100** volunteers on community outreach programmes
- **More than 540,000** participants in **Make.org's *Grande Cause Environnement*** initiative, of which Sopra Steria is a founding partner
- Three of the winning projects from the 2020 Sopra Steria Group **Innovation Awards** received support from ***Mission Handicap***
- Two projects offering digital solutions to environmental issues won the ***Entreprendre pour Demain Grand Prix*** awarded by the **Sopra Steria-Institut de France Foundation**
- Direct and indirect contribution to the **United Nations' 17 Sustainable Development Goals (SDGs)**
- Chair of **Global Compact France**'s GC Advanced Club and of **Global Compact Norway**'s Advisory Board
- Member of the working group organized by the **Institute of Environmental Management and Assessment (IEMA)** on disruptive technologies and the digital economy

3.1.2. ADVISORY BOARD

The CR Advisory Board consists of external figures with no financial or business interests in the Group. Through their experience and expertise in key areas falling within the Group's corporate responsibility, these advisors provide independent and relevant insights challenging and driving improvement in the Group's approach. The relevant information is set out in Section 1.1.2, "A corporate responsibility governance structure supporting the Group's priorities", of this chapter (pages 102 to 104).

3.1.3. CLIENT SATISFACTION

The primacy of customer service is one of Sopra Steria's core values and delivering customer satisfaction is a key priority. Combining added value with innovative high-performance services, the Group excels in guiding its clients through their transformation projects to help them make the most of digital technology.

To supplement arrangements already in place to regularly interact with clients, at the end of 2019 and beginning of 2020 the Group launched a new "Customer Voice" survey in key countries asking clients to rate the quality of their relationship with the Group. Over 200 clients gave their opinions through more than 480 interviews. The qualities highlighted mainly revolved around expertise, listening, proactivity, partnership, engagement and professionalism. This survey will be rerun across the entire Group in early 2021.

Following lockdowns resulting from the Covid-19 crisis, the Group helped its clients quickly adapt their working arrangements. The agility of and speed of intervention by Sopra Steria staff, as well as the quality of services provided, harnessing the full potential of digital technology, enabled clients to maintain good levels of activity. The Group's responses in a wide range of contexts were very warmly welcomed by clients, thus strengthening local relationships of trust.

3.2. Innovation and strategic partnerships

We are a trusted partner to our clients, bringing them the best technology to develop innovative solutions. Thanks to a network of leading experts, startups and major technology partners, we work with our clients to build solutions that meet their requirements for sustainable performance.

3.2.1. CO-DESIGN TO MOBILISE COLLECTIVE INTELLIGENCE

Developing a collaborative approach fosters creativity in the design of services, uses, processes, organisational structures and shared strategies. By involving business experts, end users and technical experts, this approach shortens the design phase, optimises processes and helps maximise access to digital technology.

3.2.2. DIGILABS: DEVELOPING DIGITAL CO-INNOVATION

Digital co-innovation – a driver of value creation in the digital revolution – brings together Sopra Steria staff and clients to work on technologies like virtual reality, augmented reality, the Internet of Things, artificial intelligence, data science, blockchain, robotics, mobility and cybersecurity. This approach is supported by the Group's DigiLabs – spaces dedicated to innovation – as well as by centres of excellence, to foster the emergence of innovative solutions. In 2020, Sopra Steria had 22 DigiLabs spread across the key geographical regions in which the Group operates.

3.2.3. NEXT: A SPACE DEDICATED TO A NEW CLIENT EXPERIENCE

NEXT, opened in May 2019, is a leading space dedicated to dialogue and joint development. We help our major clients untangle a situation, explore new ideas and come up with responses that meet their expectations.

Located in premises in the heart of Paris measuring almost 1,000 square metres, the NEXT team helps organise high-impact client events designed to engage sustainable transformation. This encompasses feasibility studies, programme scoping, business model definition and new product and service design.

3.2.4. A STRATEGY OF PARTNERING WITH LEADING MARKET VENDORS

To help it respond to client needs, particularly in relation to digital transformation, Sopra Steria partners with some of the largest software vendors and technology players in the market.

Based on close day-to-day relationships and a governance structure with its own dedicated management, coordinated at Group level by a Corporate Alliance Officer, these partnerships ensure that Sopra Steria staff have a high level of expertise in market-leading solutions and technologies. This enables us to offer our clients optimal efficiency in project implementation through an approach built on co-innovation, industrialisation and R&D.

These alliances enable us to take advantage of partner expertise and solutions in the area of sustainable IT such as environmental footprint calculators and eco-design tools, and to take part in the development of environmentally friendly artificial intelligence solutions.

The Group's strategic partners include Axway, AWS, Dassault Systèmes, Google, IBM, Microsoft, Orange, Oracle, OVH, PEGA, SAP and Salesforce.

As an example, during the health crisis, teams worked with Salesforce to develop an innovative solution named Q@Home that allows users to go online and pre-book time slots to enable them to safely visit stores, restaurants, post offices and pharmacies while observing social distancing requirements.

3.2.5. SOPRA STERIA VENTURES: BUILDING AN INNOVATIVE EUROPEAN DIGITAL ECOSYSTEM

Sopra Steria is working to address the strategic challenges faced by each of the major industry sectors in which it operates, positioning itself as an architect and integrator of innovative solutions.

Sopra Steria Ventures is working with over 50 start-ups, involving them in projects, investing in their equity, either directly or through investment funds in targeted areas, or setting up joint ventures.

These partnerships support solutions produced by the Group's specialised software vendors: Sopra Banking Software, Sopra HR Software and Sopra Real Estate Software. They also help address business challenges facing the Group's key industry sectors, in specific areas of expertise or emerging technologies.

Lastly, through Sopra Steria Ventures, the Group is affirming its stance on digital sovereignty in France and Europe by supporting only European start-ups.

MOBILISING CIVIL SOCIETY WITH MAKE.ORG:

At the end of 2019, Sopra Steria became a founding partner of the *Grande Cause Environnement* initiative "How can we immediately work together for the environment?" launched by Make.org. This cause aims to mobilise civil society and citizens to combat climate change and work to protect the environment. Make.org is an independent, citizen-based platform that promotes mass engagement and cooperation in civil society. Its aim is to have a direct, systemic and decisive impact by bringing together a coalition of stakeholders: businesses, foundations, non-profit organisations, media, schools and universities, and citizens. The *Grande Cause Environnement* initiative involves Sopra Steria and its employees working together to move from ideas to action in the space of three years. Over half a million citizens took part in the consultation, including nearly 3,000 Sopra Steria employees, with 2.3 million votes cast for 13,600 proposals put forward. A strong consensus emerged around civil society expectations in seven key areas: waste, energy and resources, nature and biodiversity, food and agriculture, transport, education and fiscal policy. Sopra Steria made an organisational consultant with expertise in the energy and environment sectors available to the Make.org Foundation for seven months to manage the transformation phase. The work done during this phase helped identify, coordinate and manage the shared development of around ten tangible, sustainable projects with other partners of the *Grande Cause Environnement* initiative. Ten or so Sopra Steria employees also took part in transformation workshops aimed at drawing the action plan.

The action plan is scheduled to be publicly announced in May 2021. During this final phase, the selected projects will be launched. Projects will be managed, implemented and measured in conjunction with partners, with the aim of making a genuine impact on French society. The Group will also encourage its employees to take part in implementing these projects through a skills sponsorship programme.

Through being fully involved in Make.org's *Grande Cause Environnement* initiative, Sopra Steria wishes to strengthen its commitment to the responsible use of digital technology to address both social and environmental issues.

3.2.6. SUPPORT FOR RESEARCH AND ACADEMIC INSTITUTIONS

Artificial intelligence

Following the Villani report, the French Government launched an artificial intelligence (AI) plan. This plan encompasses a number of initiatives including the establishment of four Interdisciplinary Artificial Intelligence Institutions and a *Grand Défi* (Key Challenge) in relation to Trustworthy AI. Sopra Steria is participating in both these initiatives. The Group is thus partnering with the Toulouse Interdisciplinary Artificial Intelligence Institution, which aims to facilitate the use of AI for human-critical applications. Research topics cover the acceptability of AI (including its social acceptability), vehicle certification and human-robot collaboration for use in Industry 4.0.

The Trustworthy AI Key Challenge aims to build a platform that will produce standardised components to ensure that AI can be trusted in use. It will draw, in particular, on the findings of ANITI (Artificial and Natural Intelligence of Toulouse Institute), one of the Interdisciplinary Artificial Intelligence Institutions to which the Group is contributing. This platform will be delivered by Sopra Steria as part of a consortium of ten industrial and technological partners.

The results will be applicable to all of the Group's sectors and verticals.

Other international initiatives

Group entities in Belgium, France, Germany, Norway, Spain and the United Kingdom regularly work together on innovation projects with research institutes and universities. In particular, they contribute to work in education and research, involve researchers in their projects and develop innovative solutions.

In Norway, Sopra Steria is working with Oslo University Hospital on the HoloCare solution. This work involves research and development into a new holographic imaging solution that will be used by medical staff during surgery. In Germany, employee volunteers have worked with the University of Dortmund to develop a connected drill to showcase the benefits offered by the Internet of Things. In the United Kingdom, Sopra Steria is involved in work on carbon pricing and in working groups looking at disruptive technologies and the digital economy. In Benelux, Sopra Steria is involved in working groups looking at AI and ethics, AI and health and AI and public services. In Spain, Sopra Steria has run fundraising campaigns to finance research into Covid-19 by the IGTP Institute. In France, the Group is working with Université de Technologie de Compiègne on a thesis titled "Putting data science to work for buildings and their occupants".

3.2.7. COMMITMENTS IN SUPPORT OF DIGITAL SOVEREIGNTY

Digital sovereignty encompasses a range of complex issues such as the threat posed to our data by the extraterritoriality of US law, the manipulation of opinion by fake news and the use of personal data for business purposes. All these issues represent violations of French and European values. Various major countries, including France, are keen to assert their digital sovereignty, which is coming increasingly under threat. Action is being taken to defend and strengthen it both domestically and at the European level.

Sopra Steria has opted to align itself with these initiatives alongside state actors and institutional bodies, to share these challenges and to help build and defend digital sovereignty.

For example, back in 2019, the Group agreed to be the main sponsor of the "Digital, governance and sovereignty" academic chair at Sciences Po. Through this commitment, we encourage the chair's research and teaching work to redefine the concept of sovereignty, address shifts in sovereignty and identify new use cases amid a context of digital transformation. Work published by the chair to date includes thoughts on changes in sovereignty, studies of the impact of the coronavirus crisis on digital sector players and regulation, analysis of taxation in the digital sector, blockchain, and the digital divide. The chair has also organised lecture series on blockchain and cryptocurrency as well as two annual conferences.

Sopra Steria also sponsors the IHEDN's "Cybersecurity and digital sovereignty" academic chair, whose work covers issues relating to data management and mapping the datasphere as well as legal issues.

Sopra Steria is also a founding member of Campus Cyber and an active member of the non-profit Pôle d'Excellence Cyber (Cyber Centre of Excellence).

Through its involvement in these organisations, the Group is helping build a cybersecurity ecosystem in France and Europe.

3.3. Responsible digital technology

3.3.1. THE *EXPLORATOIRE*: THE DO TANK FOR RESPONSIBLE DIGITAL TECHNOLOGY

Created by Sopra Steria Next in 2020, the *Exploratoire* is a do tank dedicated to addressing issues raised by the changes businesses are experiencing in relation to ethics, trust and corporate responsibility. It explores possible futures while resisting the temptation to prophesy what the world of tomorrow will look like.

Its mission is to tease out, share and disseminate best practice drawing on stakeholders' ecosystems: business networks, schools, the Group's clients, institutions, foundations, and so on. It works with these stakeholders to map out approaches and methods for putting ethical questions at the heart of decisions and actions.

To help it develop tangible solutions, the *Exploratoire* has set itself three goals:

- To think globally about various issues connected with ethics, trust and corporate responsibility so as to develop a better, more holistic understanding of the complexity of changes that need to be made;
- To create a unique space where thinking on these issues can be developed and sharpened through an approach based on open dialogue and cooperation;
- To promote the sharing of experience and experimentation so as to incentivise implementation of solutions brought to light by the Exploratoire.

The *Exploratoire's* work is structured around five areas of focus: trust, ethics, sovereignty, agility and the "platform company" approach.

It tackles concrete issues that are of genuine concern to society and the business world. Its work takes a variety of forms – briefing notes, opinion surveys, decision-maker surveys, face-to-face and digital events, and experimental projects – always with the aim of working with an open ecosystem to explore operational solutions that benefit organisations.

3.3.2. SUPPORT FOR THE DIGITAL HUMANISM DEPARTMENT AT THE *COLLÈGE DES BERNARDINS*

The Group has for the past five years been working with Collège des Bernardins, a key centre for gatherings and discussion, as part of its Digital Humanism department, dedicated to the societal aspects of digital technology. Thanks to its experience as a key economic player in the digital sector, the Group is able to enrich thinking and work with researchers, scientists, experts, anthropologists and major companies to share a fresh perspective on this crucial issue for the future of humankind.

3.4. Responsible purchasing

Aligning the supply chain with corporate responsibility priorities

3.4.1. RESPONSIBLE PURCHASING POLICY

According to the Group's risk mapping exercise and the duty of vigilance, risks associated with the supply chain do not constitute a main risk factor for Sopra Steria. The relevant information is set out in Section 5.6 "Duty of vigilance and vigilance plan" of this chapter (pages 134 to 136).

The responsible purchasing programme is aimed at aligning the supply chain with the Group's priorities. The programme also seeks to manage associated risks while taking into account very strict labour-related, environmental and ethical requirements.

The Group is working to gradually reduce carbon emissions from its supply chain under its target of achieving "net zero" emissions by 2028. It aims to do this by increasing the proportion of suppliers pursuing a low-carbon strategy so as to reduce the carbon footprint of the Group's indirect activities.

With effect from 2019, all Group entities now follow a responsible purchasing approach and are subject to Group purchasing procedures. Corporate responsibility criteria must be applied to all purchases; this approach has been strengthened through the introduction of Group oversight in 2020.

Sopra Steria earned a score of A in CDP's 2020 Supplier Engagement Leader rating for its leadership and performance in engaging its suppliers on climate change.

Suppliers' charter

All suppliers must sign the Group suppliers' charter to confirm that they agree to the principles set out in it. The charter includes requirements relating to business ethics, fundamental human and environmental rights, and compliance with regulations in force.

Assessment mechanism

Suppliers are assessed via the EcoVadis platform. The assessment takes into account a range of issues: social issues and human rights, business ethics, the environment and the supply chain. For suppliers with a score of 24/100 or less (overall and/or on the "Business ethics" module), an alert is triggered by EcoVadis. The supplier is then contacted by Sopra Steria's Purchasing Department to put in place the necessary corrective actions and undergo a new EcoVadis assessment within a period of three months.

Sopra Steria's expectations for suppliers, as outlined in its responsible purchasing policy, call for an overall EcoVadis score greater than or equal to 45/100. If the overall score and/or the score on any one of the four modules (social issues and human rights, business ethics, environment, and supply chain) is less than 40/100, the supplier is considered non-compliant. In this case, the supplier is asked to refer to the areas for improvement identified in the course of its assessment to put in place a corrective action plan, which will be reassessed during the ensuing campaign.

3.4.2. 2020 KEY ACHIEVEMENTS AND RESULTS

Signature of the suppliers' charter

- In France, the system for signing suppliers up to the Groupe suppliers' charter was expanded. The charter has been signed by 1,308 suppliers, accounting for 35.5% of all suppliers in France registered with the platform at 31 December 2020.
- In the United Kingdom, efforts to sign suppliers up to the charter continued, with 539 target suppliers signed up, accounting for 46% of total purchases.

EcoVadis assessment

Since 2015, the Group has been committed to evaluating its suppliers and assessing its target suppliers representing annual expenditure of over €150K. In 2020, new assessment campaigns run by EcoVadis were extended, with the number of suppliers asked to take the assessment reaching 540, 145 of them outside France (United Kingdom, Belgium, Germany, Spain and India). These 540 suppliers accounted for more than 72% of the Group's total expenditure in 2020 and suppliers actually evaluated already account for 43% of the Group's expenditure. 327 suppliers underwent assessment by EcoVadis and 124 are in the process of being assessed. The assessment response rate is 83% (including suppliers in the process of being assessed).

- The average score for Sopra Steria suppliers having completed the assessment was 56.5/100, compared with an average of 42.9/100 for all suppliers of EcoVadis clients.
- 67% of suppliers reassessed in 2020 showed an improvement, gaining an average of 3 percentage points.
- The average score of suppliers not in line with Sopra Steria's expectations, assessed in 2019 via EcoVadis, showed improvement in 2020.
- No suppliers assessed or reassessed in 2020 scored less than the alert threshold of 24/100.
- An awareness and training campaign covering the assessment method used by the EcoVadis platform was delivered to all buyers and other key stakeholders in the supply chain in 2020.

Ethical and inclusive purchasing

- In France, the Group uses services provided by sheltered workshops and other organisations that specifically employ people with disabilities. The relevant information is set out in Section 2.2.3, "Diversity and equal opportunity", of this chapter (pages 109 to 111).
- In the United Kingdom, initiatives are in place to open up access to the Group's supply chain for SMEs as well as women- and diverse-owned businesses.

Reducing the environmental impact of the supply chain

- The Group's commitments, approved by the Science Based Targets initiative (SBTi), are aligned with the target of limiting the rise in average global temperatures to a maximum of 1.5°C. This commitment includes reducing greenhouse gas emissions from the supply chain. Sopra Steria also committed in 2020 to achieving "net zero" emissions by 2028. The relevant information is set out in Section 4.1.2, "Environmental targets", of this chapter (page 122).

- Proportion of suppliers with greenhouse gas emissions reduction targets: the relevant information is set out in Section 4.3.4, "Reducing GHG emissions resulting from our operations" of this chapter (pages 126 to 128).
- Purchases of renewable electricity directly from suppliers, purchases of International Renewable Energy Certificates (I-RECs) and Guarantees of Origin (GOs). In 2020, these certificates and direct purchases meant 95% of electricity consumption at the Group's offices and on-site data centres was met from renewable sources. The relevant information is set out in Section 4.3.3 "Increasing our share of renewable energy", of this chapter (page 125).
- Purchases of certified paper from sustainable sources. The relevant information is set out in Section 7.2, "Summary of environmental indicators", of this chapter (page 148).

3.4.3. MAIN OBJECTIVES FOR 2021

- Via EcoVadis, reassess target suppliers accounting for 50% of total expenditure.
- Mobilise responsible purchasing stakeholders to interact with suppliers and achieve an EcoVadis response rate of at least 80%.
- Mobilising suppliers to help them improve their ratings in EcoVadis' 2021 assessment, particularly those that did not meet Sopra Steria's standards in the 2020 assessment.
- Continuing efforts to roll out at scale the Group supplier's charter signed by suppliers.

3.5. Community and patronage

A longstanding commitment to an ethical and inclusive digital society

For many years, Sopra Steria has pursued an extensive community programme in aid of disadvantaged populations to give them access to education, employment and the benefits of digital technologies, as well as safe drinking water and improved sanitation facilities.

The unprecedented situation resulting from the coronavirus crisis in 2020 meant an increasing number of activities and procedures went digital, highlighting the dominant role played by digital technology in forming connections. However, it also exacerbated inequalities affecting those least able to access digital technology. The Group's longstanding commitment to an ethical and inclusive digital society is more relevant today than ever before. The crisis has given rise to an amazing demonstration of solidarity across all countries. Many employees have, with the Group's support, got involved in a variety of initiatives: raising funds for hospitals, supporting non-profit organisations through volunteering or skills sponsorship, taking part in coronavirus research hackathons, and many more besides.

As a leading digital player with operations in many countries, Sopra Steria implements community actions having a positive and lasting impact on society, with an emphasis on digital inclusion. These actions aim to promote social and professional integration for the most vulnerable and to protect the environment. Playing a key role in the Group's programme of actions, the Sopra Steria-Institut de France Foundation and all Group entities give shape to these commitments through projects bringing together the Group's employees and civil society stakeholders. The Foundation, which celebrates its 20th birthday in 2021, constitutes a remarkable collective adventure shared by the staff and employee volunteers who demonstrate their commitment on a day-to-day basis.

3.5.1. KEY EVENTS

- Collective engagement and actions to achieve a lasting impact:
- 162 projects supported;
- Over 1,100 volunteers;
- 9 participating clients/partners;
- 347 non-profits and schools supported;
- Over 54,000 children assisted in 49 schools in India;
- 755 students in India awarded higher education scholarships through the Sopra Steria Scholarships Programme.

3.5.2. A PROACTIVE POLICY INVOLVING THE ENTIRE ORGANISATION, EMPLOYEES AND CIVIL SOCIETY

To implement this policy, which involves the participation of more than 1,100 employees in all countries, Sopra Steria is supported by:

- A network of 23 country representatives, led and coordinated at Group level, who implement the actions decided;
- Two foundations in France and India, the latter coordinating a large educational programme along with a range of other community actions;
- Sponsorships and partnerships developed with public interest organisations;
- Community initiatives and fundraising events in several countries in which employees proactively take part, thus complementing the initiatives put in place under the Group's policy;
- Community Day, a solidarity campaign run by the Group each year, with the aim of making employees aware of the various actions carried out to support communities while encouraging volunteering. In 2020, the Group's many volunteers and heads of country entities went the extra mile to promote access to digital technology and education for those hit hardest by the crisis.

3.5.3. A FRAMEWORK FOR GROUP ACTION TO PROMOTE INITIATIVES WITH A STRONG, LASTING IMPACT

Providing access to quality education and improving employability

In India, the education programme, which has been running for a number of years, aims to combat poverty in a country with high levels of inequality. This programme is primarily aimed at children from poor rural areas, in particular girls, who can benefit from schools located close to the company's sites.

- Over 54,000 children and young people at 49 primary and secondary schools benefit from this comprehensive educational programme and are supported in their schooling by hundreds of Sopra Steria volunteers.
- To further improve access to education for these young people, Sopra Steria has developed the Sopra Steria Scholarships Programme in India to fund higher education for students from schools supported by the Group. The programme is funded by most Group countries. Since 2006, 755 students have received assistance from the Sopra Steria Scholarships Programme, with another 106 students added to the programme in 2020.

In other countries where the Group operates, various projects continued to run despite the crisis:

- Initiatives to raise awareness among young people of the risks associated with internet use, including the Are You Sure programme in Norway and Child Focus in Belgium, with

employee volunteers working either in schools or remotely through videos;
- A partnership with the Balia Foundation in Spain promoting employability for women at risk of exclusion;
- Many other local initiatives supported by employee volunteers supplementing these educational initiatives.

Developing access to digital technology for all

To make digital technology accessible to all, local initiatives involving clients, partners and employees were able to continue either before or during the crisis.

In 2020 **in France**, the Sopra Steria-Institut de France Foundation supported 17 digital community projects with a social or environmental dimension sponsored by employees. For example, non-profit organisation Adiléos runs a digital services portal for marginalised or disadvantaged people and their social workers at more than 76 social welfare organisations, with the help of ten volunteers. In 2020, the Foundation rewarded the winners of the *Prix Entreprendre pour Demain*, which recognises talented students and young entrepreneurs, taking as its theme "Responsible digital transformation for the good of the planet" (see insert). During the crisis, the Foundation made large donations to four public interest organisations that launched initiatives aimed at those hit hardest: the Make.org Foundation, *Fondation Simplon*, non-profit *Vendredi* and *Maisons d'Enfants de la Côte d'Opale*.

In Norway, Sopra Steria continues its support for social entrepreneurship, with employees engaging in pro-bono missions and volunteering to provide computing classes for female immigrants. Coding lessons for hospitalised children were able to continue remotely with the help of volunteers.

Employee engagement platforms

Throughout the Covid-19 crisis, many employees have expressed an interest in taking part in public interest initiatives. The Group has set up digital platforms to support and manage employee engagement in this area in France and the United Kingdom. In France, 20,000 employees can now use the *Vendredi* platform to offer volunteering or skills sponsorship to more than 500 non-profit organisations. Meanwhile, in the United Kingdom, the Tech for Good Hub was rolled out in the second half of 2020. This platform facilitates fundraising and employee volunteering in support of hundreds of non-profits.

Prix Entreprendre pour Demain

The *Prix Entreprendre pour Demain* (Entrepreneurship for tomorrow) awards of the Sopra Steria-Institut de France Foundation, aim to support community engagement among the younger generation. The awards recognise digital solutions to societal issues. The students and young entrepreneurs who win this prize receive financial sponsorship and operational guidance in successfully completing their projects, provided by mentors from the Group. In 2020, the "Responsible digital technology for the good of the planet" award was sponsored by Luc Hardy, an explorer and tech investor committed to protecting the environment. The student award went to the FarmIA team from Télécom SudParis for an agriculture project incorporating artificial intelligence. Meanwhile, the young entrepreneurs award went to the Opopop team for its project to reduce the amount of packaging used in e-commerce. In 2021, the *Prix Entreprendre pour Demain* will be dedicated to digital technology and human fragility.

Tech for Good partnerships

The Tech for Good programme, launched in 2019 in the United Kingdom, continued to support public interest initiatives in the areas of entrepreneurship and innovation. At the beginning of 2020, a thousand children at 15 schools were invited to take part in a major competition to develop their skills in these areas, in partnership with WildHearts Micro-Tyco. After being interrupted during the coronavirus crisis, the programme resumed in October in a virtual environment. Students were asked to propose a product or solution responding to one of the UN's Sustainable Development Goals, with the help of around 30 Sopra Steria volunteers.

Water rights

Sopra Steria has for several years been supporting international organisations working to protect the oceans through financial sponsorship and skills. The main organisations supported are:

- *Fondation de la Mer*: this new partnership was kicked off in 2020 to support educational initiatives aimed at young people and motivate them to protect the ocean;
- Join for Water: this project, launched in Belgium in 2019, aims to develop access to safe drinking water and improve sanitation facilities for deprived people in the Mpanga catchment in Uganda;
- Following the drinking water towers that were set up at several schools in India with the support of Planet Water Foundation, studies are being undertaken to provide new drinking water access solutions to supplement these measures.

3.6. Regional impact

Reinforcing the Group's positive regional impact

Sopra Steria has a significant impact on regions and communities, given its size, its local roots and the number of new staff joining the Group each year. It is a leading employer, with 45,960 employees across 25 countries, particularly in Europe. It is also a major recruiter in regions where the Group operates. Despite the scale of the health crisis that crippled the economy, the Group took on 6,133 new hires in 2020. The relevant information is set out in Section 2.2.1, "Attracting and retaining more talent", of this chapter (pages 107 to 108).

As a committed corporate citizen involving its entire ecosystem, Sopra Steria ensures that, in developing its business, it takes into account economic, workforce-related, environmental and social challenges facing regions in which the Group operates, in particular among struggling or highly vulnerable populations.

4. Environmental responsibility: Innovating all along our value chain

"Net zero" emissions[1] by 2028, a bold ambition served by an innovative Group policy

Climate change is the single biggest challenge facing humanity. Governments, businesses and civil society have a responsibility to act now.

Sopra Steria is a key player in the fight against climate change, recognised as one of the leading businesses in this area. In managing its operations, the Group has for many years pursued a proactive strategy of supporting the environment. It is an active contributor to international initiatives aimed at mitigating climate risks and supports the transition to a low-carbon economy.

In 2020, the Group received one of the highest accolades in relation to efforts to combat climate change: it was included on the CDP's climate change A List for the fourth year running.

Governance of environmental responsibility (CDSB REQ-01/TCFD)[2] is described in Section 1.1.2, "A corporate responsibility governance structure supporting the Group's priorities", of this chapter (pages 102 to 104).

4.1. Environmental policy, strategy and targets

This section applies the recommendations of CDSB REQ-02/TCFD[2].

4.1.1. ENVIRONMENTAL POLICY AND STRATEGY

The Group's environmental strategy is supported by a policy broken down into seven priority actions:

1. Strengthening the Environmental Management System (EMS) that provides a framework for the Group's policy;
2. Optimising the use of resources in its operations;
3. Increasing the proportion of renewable energies covering its electricity consumption;
4. Reducing direct greenhouse gas emissions from offices, data centres and business travel, as well as indirect emissions;
5. Contributing to the circular economy by optimising equipment lifespan and waste management, notably for waste electrical and electronic equipment (WEEE);
6. Ensuring the involvement and contribution of the entire value chain (employees, clients, suppliers, partners, etc.) in the continuous improvement process;
7. Embedding sustainability into the value proposition (digital sustainability, sustainable IT, impact of solutions and services on the environment).

To strengthen its policy and the associated continuous improvement process, Sopra Steria has chosen to work with top-tier international organisations whose aim is to involve businesses, states, NGOs and civil society in action to prevent climate change.

Sopra Steria supports United Nations Sustainable Development Goals 6, 7, 8, 9, 11, 12, 13, 14, 15 and 17 related to the environment.

4.1.2. ENVIRONMENTAL TARGETS

In 2019, Sopra Steria set itself targets aligned with the goal of limiting global warming to a maximum of 1.5°C (previously 2°C in 2017). The following Group targets were approved by the Science Based Targets initiative (SBTi):

- SBTi Target I: Reduce absolute greenhouse gas (GHG) emissions from Scopes 1 & 2 (offices and on-site data centres) by 42% by 2025 (baseline: 2015);
- SBTi Target II: Reduce absolute GHG emissions from Scope 3 (business travel and off-site data centres) by 21% by 2025 (baseline: 2015);
- SBTi Target III: Reduce GHG emissions per employee from Scopes 1, 2 & 3 by 85% by 2040 (baseline: 2015);
- SBTi Target IV: Ensure that the Group's suppliers, accounting for at least 70% of supply chain emissions, control their GHG emissions by 2025;
- SBTi Target V: Ensure that 90% out of these Group's suppliers, accounting for at least 70% of supply chain emissions, have set GHG emissions reduction targets by 2025.

"Net zero" emissions in 2028

In 2020, Sopra Steria committed to achieve "net zero" emissions by 2028, 22 years earlier than the target set out in UN and EU recommendations. The Group made this commitmenton the basis of the tangible results of the carbon reduction programme that it kicked off nearly ten years ago.

Sopra Steria has opted to structure its environmental reporting to meet the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) by using the framework of the Climate Disclosure Standards Board (CDSB), since it believes that this approach provides all stakeholders with greater transparency and clarity. The reference framework proposed by the CDSB and the TCFD is signposted throughout this chapter via references of the type "CDSB REQ-01 to REQ-12/TCFD[2]".

(1) *"net zero" emissions: reducing greenhouse gas emissions generated all along an organisation's value chain and offsetting residual emissions by investing in carbon capture programmes.*

(2) *CDSB REQ: For more information, see the Glossary on page 308.*

4.2. Environmental challenges: opportunities for the Group

This section applies the recommendations of CDSB REQ-03/TCFD[1].

Issues relating to the environment and the fight against climate change have been analysed for Sopra Steria. No key environmental risks were identified by the Group risk mapping exercise.

Sopra Steria reaffirms that climate action must be incorporated into the actions of all organisations. In seeking to develop solutions that benefit the environment and the climate, digital technology is a key priority for limiting risks and expanding opportunities.

The Group's material environmental risks and opportunities are published annually in Sopra Steria's responses to the CDP Climate Change questionnaire[2]. All Group risks are set out in Section 1, "Risk factors", of the chapter 2 of this Universal Registration Document (pages 36 to 42).

4.2.1. PROCESS FOR IDENTIFYING ENVIRONMENTAL ISSUES

Risks and opportunities identified at the local or national level are flagged up by correspondents to the Group Environmental Sustainability Committee (GESC), which undertakes more in-depth analysis. The findings of this analysis are presented to the relevant business unit heads at meetings of the Corporate Responsibility and Sustainable Development Committee for inclusion in action plans. Major risks are discussed at meetings of the Group Executive Committee and presented to the Audit Committee and the Nomination, Governance, Ethics and Corporate Responsibility Committee, which submit their conclusions to the Board of Directors.

The CR&SD Director is a member of the Group Executive Committee and informs the latter directly of any environmental or climate-related issues requiring particular attention and any decisions that need to be made.

4.2.2. CLIMATE RISKS & OPPORTUNITIES

In accordance with the recommendations of the TCFD, Sopra Steria has analysed **two climate scenarios**, in both qualitative and quantitative terms: the Sustainable Development Scenario (SDS) developed by the International Energy Agency (IEA), which is aligned with the Paris Agreement; and the RCP 8.5 "business as usual" scenario developed by the Intergovernmental Panel on Climate Change (IPCC). This analysis allowed for the identification of risks and opportunities for the Group's activities, over a period of 25 years beginning in 2015. Detailed information on the analysis is included in Sopra Steria's responses to the 2020 CDP Climate Change questionnaire.

As regards climate-related opportunities and risks, Sopra Steria complies with TCFD guidelines and assesses both **physical and transition risks.**

a. Physical risks

Sopra Steria's main **physical risk** relates to disruption resulting from severe flooding, which could restrict access to the Group's facilities. Climate events could damage electrical and telecommunications infrastructure, thus affecting Sopra Steria's data centres. These risks are taken into account when choosing production sites and infrastructures. Sopra Steria has also set up continuity plans at various levels of its activities and a robust system for remote working to deal with these risks. These plans and arrangements have proved their effectiveness during the Covid-19 crisis, enabling all the Group's operations to continue and allowing the Group to act with agility to maintain high levels of customer service.

b. Transition risk

Sopra Steria's main **transition risks** relate to regulatory change and reputational risk.

Uncertainty as to changes in European regulations on greenhouse gas emissions reduction targets could affect the cost or availability of offsetting projects and force businesses to comply with stricter classification requirements. The impact of regulatory change is thus built into Sopra Steria's "net zero" emissions programme, whether in relation to purchasing renewable energy, choosing environmentally efficient buildings, developing greener travel options or investing in carbon capture projects. Sopra Steria is involved in various French working groups looking at the effects of regulatory change, particularly in relation to digital sustainability.

Reputational risk is fully integrated into the Group's environmental programmes, which are now recognised as the most effective and transparent in the sector. This is key priority for the Group's development in terms of its ability to attract and retain the best talent and serve as a benchmark partner for major organisations. For example, at the international level, the Group is working with a wide range of partners in the carbon offset market to identify the most environmentally and socially responsible and ethical projects. Sopra Steria interacts with the United Nations in the context of its "Climate Neutral Now" programme to verify its selected carbon capture projects.

c. Opportunities for the Group

Sopra Steria is addressing business opportunities linked to efforts to limit climate change and protect natural resources by offering innovative solutions such as the following:

- **Sustainable IT**: stepping up the digital sobriety approach;
- **IT for Sustainability**: leveraging the potential offered by new technologies to develop innovative solutions in support of the environment and the climate.

These opportunities are set out in Section 4.3.7, "Including digital sustainability in our value proposition", of this chapter (pages 129 to 130). Sopra Steria publishes all its risks and opportunities annually in its disclosure to the CDP, in accordance with TCFD guidelines. No material risks related to the climate or sustainable development were identified within the Group in 2020.

(1) CDSB REQ: For more information, see the Glossary on page 308.

(2) Sopra Steria's responses to the CDP Climate Change questionnaire are available from the CDP's website at https://www.cdp.net/fr/responses?utf8=%E2%9C%93&queries%5Bname%5D=Sopra+Steria.

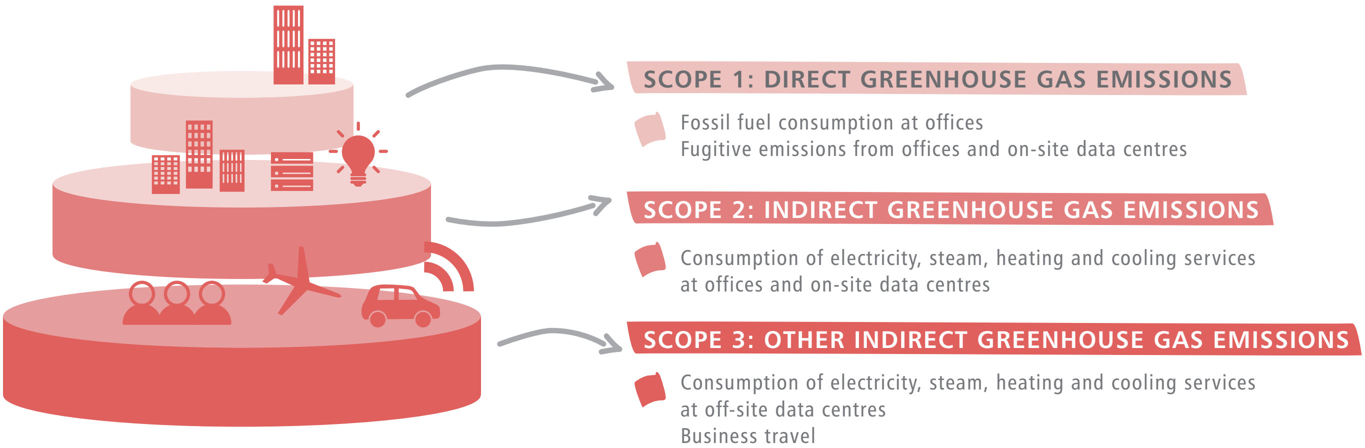
4.3. Environmental impact and performance

This section applies the recommendations of (CDSB REQ-04 & REQ-05/TCFD)[1].

The environmental policy, presented in the introduction to this section and further developed in the table below, is designed to enable the Group to respond to the risks and develop the opportunities referred to in Section 4.2, "Environmental challenges: opportunities for the Group", of this chapter (page 123).

The scope of performance indicators is set out in Section 1.3, "Overview of reporting scope", of this chapter (pages 104 to 105).

For reference, definitions of Scopes 1, 2 & 3 are given in the diagram below and relate to the Group's direct activities under its control.



4.3.1. ROLLOUT OF THE ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

TARGET: Roll out an Environmental Management System (EMS) in key countries to support the Group's environmental policy.

KEY ACHIEVEMENTS:

The Group has rolled out the EMS in its key geographies. ISO 14001 certification: 2015 is active in Denmark, France, Germany, India, Italy, Norway, Poland, Spain, Sweden and the United Kingdom. Another Italian site was certified in 2020.

4.3.2. CONTROLLING RESOURCE CONSUMPTION

ENERGY

TARGET: Reduce energy consumption per employee; in France, reduce absolute energy consumption at commercial premises by 40% by 2030 (in accordance with the ELAN law[2].

RESULTS: Energy consumption per employee was reduced by 28.5% between 2016 and 2020.

Energy consumption per employee was reduced by 14.9% in 2020 relative to 2019, with a large portion of this reduction (estimated at 84%) due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible practices.

New working arrangements put in place during the health crisis in 2020 will no doubt continue, reducing long-term demand for office space. At the same time, new commercial premises are ever more energy efficient – a trend that is fully taken into account in the Group's location strategy.

Analysis: New sites meet the latest and strictest environmental standards (BREEAM, HQE and LEED); new IT equipment is environmentally certified (Energy Star® 7.0, EPEAT® Gold); collaborative IT tools are widely used to limit sending of large e-mails and documents; data centres have efficient cooling systems and low PUE (power usage effectiveness) ratings (*e.g.* Oslo Digiplex and Oslo Rata in Norway, rated 1.1 and 1.2 respectively) (REQ-05)[1].

Electricity consumption at offices and on- and off-site data centres (REQ-04)[1]	2020	2019	2018
Absolute consumption *(MWh)*	85,279	98,809	97,262
Consumption per employee *(MWh/employee)*	1.9	2.2	2.3

(1) CDSB REQ: For more information, see the Glossary on page 308.

(2) ELAN: Decree 2019-771 of 23 July 2019 reforming housing, planning and digital technology.

WATER

TARGET: Manage water consumption to minimise leaks and waste.

RESULTS: Water consumption per employee was reduced by 40.7% between 2017 and 2020.

Water consumption per employee was reduced by 34.5% in 2020 relative to 2019, with a large portion of this reduction due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible practices (systems to recover rainwater and optimise consumption of sanitary water installed in India) (REQ-05)[2].

Water consumption in offices (REQ-04)[1]	2020	2019	2018
Absolute consumption *(cu. metres)*	164,250	246,985	227,938
Consumption per employee *(cu. metres/employee)*	3.6	5.5	5.2

PAPER

TARGET: Reduce paper consumption and increase use of certified environmentally responsible paper.

RESULTS: Paper consumption per employee was reduced by 70.8% between 2017 and 2020.

Paper consumption per employee was reduced by 62.5% in 2020 relative to 2019, with a large portion of this reduction (estimated at 88%) due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible practices.

The proportion of certified environmentally responsible paper (FSC 100%, FSC Mixed and PEFC)[2] increased. In 2020, 70.6% of all paper purchased was certified environmentally responsible (REQ-05)[1].

Quantity of paper purchased (REQ-04)[1]	2020	2019	2018
Absolute quantity purchased *(kg)*	39,132	96,873	100,498
Quantity purchased per employee *(kg/employee)*	0.9	2.4	2.5

4.3.3. INCREASING THE PROPORTION OF RENEWABLE ENERGY

TARGET: Increase the proportion of the Group's electricity consumption (at offices and on-site data centres) from renewable sources to over 85%.

RESULTS: Target exceeded, with 95% of electricity consumption met from renewable sources (REQ-05)[1].

Analysis: Having already exceeded our target in 2019, we made further progress in 2020 by:

- Buying green electricity direct from suppliers for sites and data centres in Belgium, Denmark, Germany, Luxembourg, Norway, Sweden, Switzerland and the United Kingdom;
- Buying Guarantees of Origin (and REGOs) to meet all electricity consumption in Belgium, Bulgaria, Germany, Italy, Luxembourg, the Netherlands, Norway, Poland, Spain and the United Kingdom from renewable sources;
- Buying Guarantees of Origin to cover 90% of electricity consumption in France;
- Buying I-RECs to cover 100% of electricity consumption in Brazil, Cameroon, China, Côte d'Ivoire, Gabon, India, Morocco, Senegal, Singapore, Tunisia and the United States;
- Cogeneration at Meudon in France.

Electricity consumption at offices and on-site data centres (REQ-04)[1]	2020	2019	2018	2015
Proportion of renewables	95%	90%	78%	20.4%

(1) CDSB REQ: For more information, see the Glossary on page 308.

(2) FSC 100%: 100% recycled; FSC Mixed: 70% recycled; PEFC: sourced from sustainably managed forests.

4.3.4. REDUCING GHG EMISSIONS RESULTING FROM OUR OPERATIONS

We are kicking off the first phase of our "net zero" emissions programme by reducing the impact of our direct activities (offices, on- and off-site data centres and business travel), followed by our indirect activities (waste, commuting and supply chain).

DIRECT ACTIVITIES – TARGETS AND RESULTS IN TERMS OF GHG EMISSIONS

Our objectives have been defined with regard to SBTi and aligned on a 1.5°C trajectory. The 2020 results are broken down by typology.

- **SBTi TARGET I:** Reduce absolute greenhouse gas (GHG) emissions from Scopes 1 & 2 (offices and on-site data centres) by 42% by 2025 (baseline: 2015)
  - **RESULTS:** Absolute GHG emissions reduced by 73% since 2015.
- **SBTi TARGET II:** Reduce absolute GHG emissions from Scope 3 (business travel and off-site data centres) by 21% by 2025 (baseline: 2015).
  - **RESULTS:** Absolute GHG emissions reduced by 62% since 2015.
- **SBTi TARGET III:** Reduce GHG emissions per employee from Scopes 1, 2 & 3 (business travel, offices and on- and off-site data centres) by 85% by 2040 (baseline: 2015).
  - **RESULTS:** GHG missions per employee were reduced by 74% between 2015 and 2020. GHG emissions per employee were reduced by 58.9% in 2020 relative to 2019, with a large portion of this reduction (estimated at 82%) due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible practices.

GHG emissions: Business travel, offices and on- and off-site data centres, including fugitive emissions* (Scopes 1, 2 & 3) (REQ-04)[1]	**2020**	**2019**	**2018**
Absolute emissions *(tCO_2e)*	17,533	41,996	45,219
Reduction in emissions per employee relative to 2015 *(tCO_2e/employee)*	-74%	-36.7%	-29.1%

* *Fugitive emissions included in 2020, excluded in 2015.*

- **TARGET:** Introduce an internal shadow carbon price for business travel in the Group's key geographies by 2025.
  - **RESULTS:** In 2020, the Group calculated an internal shadow carbon price for key geographies covering 95% of its workforce. This internal carbon price helps encourage reduced business travel by providing each country with a clearer picture of the environmental footprint resulting from travel.
- **TARGET:** Incorporate the Group's business travel, offices and data centres and fugitive emissions into the "net zero" Emissions programme.
  - **RESULTS:** Since 2015, emissions from offices, data centres (fugitive emissions included) and business travel are carbon neutral[2] and were transitioned into the United Nations "Climate Neutral Now"[3] programme in 2020. Due to impact of the investment in carbon capture offset, offices and data centres become part of the "net zero" programme in 2020. Business travel remains with carbon avoidance offset.

OFFICES AND ON-SITE AND OFF-SITE DATA CENTRES

These results contribute to the achievement of **SBTi Targets I, II and III**.

RESULTS: GHG emissions per employee were reduced by 76% between 2015 and 2020, and are carbon neutral through the "Climate Neutral Now" programme.

GHG emissions per employee were reduced by 23% in 2020 relative to 2019, with a portion of this reduction (estimated at 12%) due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible practices.

GHG emissions: Offices, on- and off-site data centres, fugitive emissions included* (Scopes 1, 2 & 3) (REQ-04)[1]	**2020**	**2019**	**2018**
Absolute emissions *(tCO_2e)*	5,974	7,686	9,297
Reduction in emissions per employee relative to 2015 *(tCO_2e/employee)*	-76%	-69%	-62%

** Fugitive emissions included in 2020, excluded in 2015*

(1) CDSB REQ: For more information, see the Glossary on page 308.

(2) carbon neutral: when a company has measured and reduced its GHG emissions and offset its residual emissions, all verified with independent verification.

(3) "Climate Neutral Now": an initiative launched by the UN in 2015 to encourage all citizens to take action to help achieve the goal of a climate-neutral world by the middle of the century, in accordance with the Paris Agreement.

FUGITIVE EMISSIONS

These results contribute to the achievement of **SBTi Targets I and III.**

RESULTS: Fugitive emissions per employee were reduced by 28.3% between 2017 and 2020, and are carbon neutral through the "Climate Neutral Now" programme.

Fugitive emissions per employee were reduced by 32.5% in 2020 relative to 2019, with a large portion of this reduction resulting from more environmentally responsible practices.

Fugitive emissions* (Scopes 1 & 2) (REQ-04)[1]	2020	2019	2018	2017
Absolute emissions *(tCO_2e)*	1,403	2,048	1,633	1,725
Reduction in emissions relative to 2017 *(tCO_2e)*	-18.7%	+18.7%	-5.3%	

** Detected in offices and data centres on site*

BUSINESS TRAVEL

These results contribute to the achievement of **SBTi Targets II and III.**

RESULTS: In 2020, GHG emissions per employee resulting from business travel were 72.5% lower than in 2015 (with hotels included from 2016 and joint ventures from 2017), and are carbon neutral through the "Climate Neutral Now" programme.

GHG emissions per employee resulting from business travel were reduced by 66.8% in 2020 relative to 2019, with a large portion of this reduction (estimated at 88%) due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible travel options.

Business travel (REQ-04)[1]	2020	2019	2018	2015
Absolute emissions *(tCO_2e)*	11,559	34,310	35,922	32,005
Emissions per employee *(tCO_2e/employee)*	0.3	0.8	0.8	0.9

RATIO OF EMISSIONS FROM DIRECT ACTIVITIES TO REVENUE AND EBITDA

In 2020, the Group calculated the environmental impact of its direct activities (Scopes 1, 2 & 3: business travel, offices and on- and off-site data centres) relative to revenue and EBITDA.

Emissions from direct activities relative to revenue/EBITDA (REQ-04)[1]	2020	2019	2018
Ratio of emissions from direct activities (Scopes 1, 2 & 3) to revenue *(tCO_2e/€m)*	4.1	9.5	11
Ratio of emissions from direct activities (Scopes 1, 2 & 3) to EBITDA *(tCO_2e/€m)*	46.4	102.9	122.4

INDIRECT ACTIVITIES

Measured emissions arising from the Group's supply chain have been published for the past three years. They cover the Group's purchases outside of Scopes 1 & 2 (Offices, data centres on-site and fugitive emissions) and Scope 3 (Business Travel and off-site data centres). We are gradually measuring emissions from waste and commuting.

- **SBTi TARGET IV:** Ensure that the Group's suppliers, accounting for at least 70% of supply chain emissions, control their GHG emissions by 2025.
- **SBTi TARGET V:** Ensure that 90% out of these Group's suppliers, accounting for at least 70% of supply chain emissions, have set GHG emissions reduction targets by 2025.
- **TARGET:** Pursue a responsible purchasing policy favouring products and services with a low environmental impact.
  - **RESULTS:** In 2020, the Group continued to assess its suppliers via the Provigis, EcoVadis and CDP platforms. In particular, the analysis was carried out for suppliers in France, Germany, Italy and Spain and demonstrated that 44% of these suppliers, accounting for 70% of the residual footprint[1] arising from the supply chains in these countries, have emissions reduction targets. Supply chain analyses were made possible by close cooperation between the Chief Purchasing Officer and the CR&SD Department. The results of the responsible purchasing policy are presented in Section 3.4, "Responsible purchasing", of this chapter (pages 119 to 120).

ANALYSIS: Based on residual data for France, Germany, Italy and Spain (which account for 46.5% of the Group's residual data), a limited assurance approach has been adopted to scale up this data proportionally. This analysis enables us to estimate total residual[2] GHG emissions arising from the Group's purchases at 189,406 tCO_2e in 2020 using the method recommended by ADEME. Our goal is to extend this limited assurance approach to the whole of the Group by 2025 and to expand the EcoVadis supplier assessment programme.

Residual emissions[2], linked to the Group's purchases, decreased in 2020. The environmental impact of these residual purchases was calculated across a larger scope using business intelligence tools, based on an average weighted by type of purchase rather than a simple average. This analysis has confirmed that over the past three years, the categories of suppliers accounting for the largest share of the Group's residual footprint have been subcontracting firms and IT services companies. In 2020, the Group calculated the

(1) CDSB REQ: For more information, see the Glossary on page 308.

(2) Scopes 1 & 2 (Offices, data centres on-site and fugitive emissions) and Scope 3 (Business Travel and off-site data centres).

environmental impact of residual GHG emissions[2] linked to its purchases relative to revenue and EBITDA.

Residual emissions from purchases (excluding business travel, offices, on- and off-site data centres and fugitive emissions) (REQ-04)[1]	2020	2019	2018
Absolute emissions *(tCO_2e)*	189,406*	221,311	246,447
Ratio of residual emissions to revenue *(tCO_2e/€m)*	44.4	49.9	60.2
Ratio of residual emissions to EBITDA *(tCO_2e/€m)*	501.5	542	666.8

* *Assuming no change in the scope of purchases relative to 2019 and 2018, residual emissions from the Group's purchases in 2020 would have amounted to 201,803 tCO_2e.*

4.3.5. PROMOTING THE CIRCULAR ECONOMY

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE)

TARGET: Give 100% of WEEE a second life by 2025 (reuse through resale and donation, heat recovery or raw materials for recycling).

RESULTS AND ANALYSIS:

Sopra Steria maximises the lifespan of electrical and electronic equipment and specialist suppliers collect and manage the disposal of this equipment.

In 2020, 97% of WEEE was given a second life.

WEEE per employee was reduced by 22.6% in 2020 relative to 2019, with a portion of this reduction (estimated at 39%) due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible practices.

Waste electrical and electronic equipment (WEEE) (REQ-04)[1]	2020	2019	2018
Absolute quantity *(kg)*	64,657	82,947	95,242
Quantity per employee *(kg/employee)*	1.5	1.9	2.2
Proportion given a second life	97%	97%	95%

PAPER AND CARDBOARD WASTE

TARGET: Recycle 100% of paper and cardboard waste by 2025 (heat recovery or raw materials for recycling).

RESULTS AND ANALYSIS: Sopra Steria optimises printing and runs awareness campaigns to reduce waste.

In 2020, 99.7% of paper and cardboard waste was recycled.

Paper and cardboard waste collected per employee was reduced by 53.5% in 2020 relative to 2019, with a large portion of this reduction (estimated at 82%) due to the consequences of the Covid-19 crisis and the remainder resulting from more environmentally responsible practices.

Paper and cardboard waste (REQ-04)[1]	2020	2019	2018
Absolute quantity (kg)	194,418	415,122	456,274
Quantity per employee (kg/employee)	4.4	9.4	10.5
Proportion of paper and cardboard waste collected separately and recycled	99.7%	96%	97%

4.3.6. ENSURING THE INVOLVEMENT AND CONTRIBUTION OF THE ENTIRE VALUE CHAIN

TARGETS:

- Ensure the entire value chain (employees, clients, suppliers, partners, etc.) is involved in and contributes to the continuous improvement process.
- Raise awareness among our stakeholders and contribute to working groups involving opinion leaders.
- Develop employee engagement across the Group.

RESULTS: The relevant information is set out in Section 4.3.4, "Reducing GHG emissions resulting from our operations", of this chapter (pages 126 to 128).

Responsible purchasing:

Sopra Steria applies Group-wide purchasing rules that take into account environmental selection criteria. Its suppliers' charter also includes environmental standards. The relevant information is set out in Section 3.4, "Responsible purchasing", of this chapter (pages 119 to 120).

Stakeholders:

Civil society

- **United Kingdom/Cabinet Office:** The Group took part in the Net Zero Carbon round table organised by the Cabinet Office in London. Key points covered include the impact of the Covid crisis on emissions (working from home, reduction in commuting, supply chain resilience).

(1) CDSB REQ: For more information, see the Glossary on page 308.

- **Institute of Environmental Management and Assessment (IEMA):** Sopra Steria supported the IEMA and its working group on disruptive technologies and the digital economy, including in particular projects on energy transition, smart food and agriculture, smart transport for sustainable cities and sustainable infrastructure for climate-smart cities.
- **Make.org-*Grande Cause Environnement*:** Information on this programme, of which the Group is a founding partner, is set out in Section 3.2, "Innovation and strategic partnerships", of this chapter (page 117).
- **Sopra Steria-Institut de France Foundation:** The Sopra Steria-Institut de France Foundation awarded its "*Entreprendre pour Demain*" *Grand Prix* to FarmIA and Opopop for their digital projects to protect the environment. FarmIA is a project to promote sound farming practices through the use of artificial intelligence. Opopop is a platform for the management of reusable and returnable shipping pouches to mitigate the environmental impact of e-commerce deliveries.
- **United Nations Global Compact:** Responding to the call to action launched by the United Nations with its Global Compact, the Group joined the "Uniting Business for a Better World" pledge, along with more than 1,200 other companies worldwide, to promote peace, justice, strong institutions, adherence to the Global Compact's 10 principles and the achievement of the SDGs. Sopra Steria has chaired Global Compact France's GC Advanced Club since 2020. One meeting of the Club in 2020 was devoted to biodiversity.
- **SBTi – Global Compact, WWF, WRI, CDP:** In May 2020, Sopra Steria signed the "Uniting business and governments to recover better" statement, issued jointly by **We Mean Business** and SBTi.

Technology partners

- The Group's key cloud suppliers are very proactive about reducing their environmental footprint. All four operators have a stated target of "net zero" emissions well ahead of UN recommendations. Two of these partners already meet 100% of their electricity consumption from renewable sources and have a CDP Climate Change score of A.

IT working groups

- ***Institut du Numérique Responsable* (INR):** Sopra Steria Next signed up to the Digital Responsibility Charter in December 2020.
- ***Syntec Numérique:*** Participated in a workshop on calculating the proportion of a business's revenue derived from sustainable activities and helped write the Syntec Numérique position document "Reducing the environmental footprint of digital technology" and the CSR reference document "Fully committed to corporate social responsibility: a practical guide for organisations".
- **NegaOctet:** Participated in NegaOctet's Advisory Board, appointed by ADEME to help it draft an environmental framework proposing rules for calculating emissions factors and a categorisation of products used in digital services for individuals.

Employees

- **Employees' networks commited to the environment:** Green Light (France) has over 600 members; Sustainability Champions (United Kingdom) has over 100 members.
- **Training:**
  - E-learning module on digital eco-friendly actions made available to all employees: more than 3,000 employees have received this training in France since it was launched in September 2020. The training was rolled out to the Group's other geographies in January 2021,
  - Eco-design training: training in the product and service life cycle and environmentally responsible design practices was rolled out in France at the end of 2020. Rollout will continue across the Group's other geographies,
  - Environmental responsibility and digital sobriety training course opened up to the whole of the Group via the CorpAcademy platform;
- **Communications campaigns:**
  - Awareness campaign to drastically reduce the amount of printing at many Group entities,
  - Digital sobriety awareness: use of e-mail, rationalisation of collaborative workspaces and impact of data feeds.

Major recognition:

The Group's high level of commitment and the results of its environmental policy have now garnered international recognition, making Sopra Steria a flagship company in this area.

- CDP Climate Change A List: The relevant information is set out in Section 1.2, "Major recognition", of this chapter (page 104). This recognition received by the Group is also described in the CDP publication "Stories of Change 2020".
- CDP Supplier Engagement Leader: The relevant information is set out in Section 1.2, "Major recognition", of this chapter (page 104).
- EcoVadis: Sopra Steria achieved an EcoVadis score of 90 out of 100 for its environmental programme, making it one of the top performers in the environmental area.

4.3.7. INCLUDING DIGITAL SUSTAINABILITY IN OUR VALUE PROPOSITION

Responsible digital technology represents a major driver of economic and social development provided that it factors all the environmental impacts of its lifecycle (from design to end of life, including usage).

It is thus crucial to support the development of digital technology for the benefit of society by adopting a responsible approach that accommodates both the "Sustainable IT" and "IT for Sustainability" dimensions.

Sopra Steria, a key player leading the digital transformation in Europe, supports its customers' major digital transformation projects by paying close attention to sustainable development priorities in the development of its solutions and services.

In particular, the aim is to measure the impact of the solutions and services we provide to our clients, taking into account the environmental challenges they face, so as to clarify their choices as they digitally transition their business.

Rolling out a concrete and effective approach to digital sustainability

Sopra Steria applies three digital sustainability principles when implementing its projects:

1. **Carbon neutral/"net zero" emissions project teams:** raise awareness in order to minimise the environmental footprint of each Sopra Steria project team and its equipment, in line with the carbon neutrality obtained for all of the Group's business travel, offices and data centres integrated to the "Climate Neutral Now" programme;
2. **Sustainable IT:** accelerating adoption of digital sustainability, notably by selecting the infrastructure and technologies most closely aligned with clients' and the Group's Sustainable Development Goals, applying eco-design principles to solutions development and taking into account environmental costs when assessing the value of new services;
3. **IT for Sustainability:** harnessing the potential offered by new technologies to develop innovative solutions that protect the environment and the climate.

EXAMPLES OF INITIATIVES AND PROJECTS IMPLEMENTED BY THE GROUP

Carbon neutral Sopra Steria project teams:

Sopra Steria's teams are carbon neutral. All Group business travel has been carbon neutral since 2015, and the Group's offices and data centres have been covered by "net zero" certification since 2020.

The Green Ops tool is used to calculate the environmental footprint of a Sopra Steria team deployed to either a Sopra Steria site or a client site. This tool can estimate the environmental impact of resources used by an employee during an assignment (printing, digital services, IT and telephony equipment, travel, etc.). The impact is given in emissions (CO_2e), cubic metres of water consumed and kilowatt-hours of primary energy consumed.

Sustainable IT projects

Digital sobriety training for a French government ministry: Sopra Steria helped embed digital sobriety through awareness-raising and training for project teams, so as to develop the skills needed to measure the environmental impact of a digital solution, identify areas for improvement and create key performance indicators.

Cloud migration: Today, these migrations must address issues of resilience and scalability, while including the ability to create new innovative services and encompassing the notions of data sovereignty and sustainability. In this vein, for a company in the logistics sector, Sopra Steria optimised and migrated critical workloads to the cloud, thus helping this operator move closer to meeting its "net zero" emissions goal.

Environmental diagnosis and design of two applications for a European manufacturer: For this project, Sopra Steria identified sources of environmental impacts by carrying out a screening-level life cycle assessment. This analysis is based on data compiled mainly from average values provided by databases, when specific data are not readily available. This approach saves a great deal of time in the data compilation phase, allowing for more in-depth analysis to be carried out subsequently by compiling data only for the most significant sources of emissions. A functional analysis looking at user experience (UX) and a technical analysis focusing on architecture, data and code identified approaches to optimise the environmental footprint, ranked in accordance with the triple bottom line or 3P concept: people, prosperity and the planet. A project to automate efficiency measurement has been launched to ensure continuous improvement of the services concerned.

IT for Sustainability projects

Collaborative management of urban mobility and encouragement of low-carbon business travel for a large European city: In the area near the city's airport, Sopra Steria is working with several companies and the municipal authorities to find solutions for traffic congestion problems affecting the employees of its project partners. The project involves putting in place a collaborative mobility management system, by means of a multi-stakeholder digital platform to calculate reductions in emissions of greenhouse gases and other air pollutants via changes in employee transport options. Several initiatives are in the process of being rolled out: reduction in single-occupancy vehicle use (9-point reduction by lowering single-occupancy vehicle use from 70% to 69% since the start of the project), development of alternative mobility options (10-point increase by raising bicycle use from 10% to 20% and 4-point increase by expanding carpooling from 8% to 12% since the start of the project, and approaches to optimise business travel. Thanks to this project, five partner companies have been able to avoid 17 tonnes of GHG emissions per day. This project was selected and funded under the Urban Innovative Actions (UIA) programme, an EU initiative.

Artificial intelligence in pursuit of sustainability for a European manufacturer: Sopra Steria is using sustainable development solutions powered by artificial intelligence in pursuit of three goals – cutting costs, increasing return on investment and reducing environmental impact. AI can lengthen a machine's life cycle by optimising utilisation and maintenance.

Decarbonisation strategy of a UK property management firm: the aim of the project is to calculate this property management firm's greenhouse gas emissions for regulatory reporting purposes and to devise a strategy to make the company carbon neutral.

4.4. Future outlook

This section applies the recommendations of CDSB REQ-06/TCFD[1].

Our primary goal over the next decade is to continuously reduce our greenhouse gas emissions and achieve "net zero" emissions in accordance with the UN's "Climate Neutral Now" programme, with the following milestones:

1. By end 2022: achieve "net zero" emissions from our direct operations (offices, data centres and business travel);
2. By end 2025: add waste, employee commuting and indirect energy to activities covered by our "net zero" emissions pledge;
3. By end 2028: include the whole of the value chain by adding purchases of goods and services;

Alongside our emissions reduction strategy, we will continue to publicly disclose our risks and opportunities in accordance with TCFD guidelines and any other new European and/or domestic directives on an annual basis. We will use trends from the most appropriate internationally recognised scenarios in our qualitative and quantitative scenario analysis to determine the main areas in which we need to develop strategies to mitigate and adapt our operations.

We will continue to support our clients as they transition to a low-carbon economy by providing them with advice, software and services based on the following:

1. Sustainable IT: accelerating adoption of digital sustainability, notably by selecting the infrastructure and technologies most closely aligned with clients' and the Group's Sustainable Development Goals, applying eco-design principles to solutions development and taking into account environmental costs when assessing the value of new services;
2. IT for Sustainability: harnessing the potential offered by new technologies to develop innovative solutions that protect the environment and the climate.

In order to cover the whole of the value chain, we are maintaining our supplier engagement programme together with our target validated by SBTi: "Sopra Steria is committed to ensuring that suppliers accounting for at least 70% of its supply chain emissions control their GHG emissions, and that 90% of those suppliers have in place GHG emissions reduction targets by 2025". Our approach to meeting this commitment is a phased programme with a number of milestones:

1. Over the period 2019-2023, assess the emissions of the following proportions of suppliers accounting for 70% of our supply chain emissions: 40% in 2019, 60% in 2020, 80% in 2021 and 100% by end 2023;
2. Over the period 2020-2025, assess the following proportions of suppliers accounting for 70% of our supply chain emissions to ensure that they are controlling their emissions: 30% in 2023, 65% in 2024 and 100% by end 2025;
3. Over the period 2020-2025, assess the following proportions of suppliers accounting for 70% of our supply chain emissions to ensure that they have in place emissions reduction targets: 20% in 2023, 45% in 2024 and 90% by end 2025.

We will continue to run supplier engagement programmes in countries where we have a strong presence, encouraging our suppliers with the help of a variety of communication and assessment software platforms (such as EcoVadis and Provigis).

As a leading business in the fight against climate change, Sopra Steria will also continue to dialogue and work with political decision-makers and other top-tier organisations, including universities, to incubate and develop innovative solutions.

4.5. Environmental reporting

This section applies the recommendations of CDSB REQ-07, 08, 09/TCFD[1].

Environmental reporting information is set out in Section 1.3, "Overview of reporting scope", of this chapter (pages 104 to 105).

4.6. Compliance and assurance in relation to environmental reporting

This section applies the recommendations of CDSB REQ-11, 12/TCFD[1].

Compliance (CDSB REQ-11/TCFD)[1]

As the first of ten signatory companies, Sopra Steria made a public commitment during Climate Week NYC in September 2017 to disclose climate-related information in accordance with guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD) for a period of three years.

Sopra Steria opted to use the Climate Disclosure Standards Board (CDSB) framework because it complies with TCFD guidelines. Since 2017, the Group has provided a CDSB cross-reference table in its annual report demonstrating compliance.

This report on 2020 data uses the structure set out in the CDSB framework to provide the required information in a fully compliant manner.

Assurance information is set out in the next section.

Assurance (CDSB REQ-12/TCFD)[1]

Independent assurance meeting ISAE 3000 is provided by an independent third party, which carries out checks on a reasonable assurance basis on figures in the report identified by the sign, the majority of which relate to greenhouse gas emissions (excluding greenhouse gas emissions from the supply chain, which are verified on a limited assurance basis). This assurance is set out in Section 8, "Report by the independent third party on the consolidated statement of non-financial performance presented in the management report", of this chapter (pages 153 to 154).

(1) CDSB REQ: For more information, see the Glossary on page 308.

5. Ethics and compliance

The Group's ethical values and principles, which constitute a fundamental aspect of its culture, are laid down in its Code of Ethics. They guide Sopra Steria's development and serve as the foundation for all its policies and commitments. The Group's number one priority in carrying on its day-to-day activities is the observance of ethical principles.

In keeping with the values and ethical principles it promotes, the Group has adopted an Ethics and Compliance programme concerning in particular human rights, fundamental freedoms, measures to prevent corruption and influence peddling, duty of vigilance, compliance and transparency in relation to tax regulations, confidentiality and the protection of personal data.

Under the Group's risk mapping exercise, risks associated with regulatory compliance are classed as main risks for the Group.

Sopra Steria is a signatory to the United Nations Global Compact, in the Global Compact Advanced reporting category, and adheres to the principles and fundamental entitlements of the Universal Declaration of Human Rights of the United Nations and the Charter of Fundamental Rights of the European Union.

Sopra Steria supports the United Nations Sustainable Development Goals 1, 4, 8, 11, 12, 13 and 16 related to ethics and compliance.

5.1. Governance and organisation

Sopra Steria has decided to bring together compliance, internal control and risk management within the Internal Control Department, which reports directly to the Group's Executive Management. This department appears before the Audit Committee and the Nomination, Governance, Ethics and Corporate Responsibility Committee at regular intervals.

This structure allows for centrally coordinated, Group-wide governance to deal with compliance issues, compliance controls, whistleblowing and risks.

- The Internal Control Department oversees compliance issues and coordinates all stakeholders involved in compliance and internal control across the Group. The Internal Control Director is the primary reference point for the whistleblowing system in her capacity as Group Compliance Officer;
- This department is supported by the network of Internal Control and Compliance Officers, appointed to work with local teams in each Group entity;
- It also works with the Group-level functional and operational departments, each with expertise in its own area (Human Resources Department, Legal Department, Finance Department, Purchasing Department, Industrial Department, and Corporate Responsibility and Sustainable Development Department). To ensure that all compliance issues are covered, each of these departments has its own correspondents within the Group's various entities.

Monthly steering meetings unite the Chairman, Executive Management, Finance Department, Internal Audit Department and Internal Control Department to review compliance issues and programme progress and implementation, more specifically concerning the programme to prevent and combat corruption and influence peddling.

The Internal Control Department and the Internal Audit Department meet regularly to exchange updated information, notably concerning the audit plan and the identification of risks.

Risk management and control within the Group, and the relationship with the Internal Audit Department and external auditors, are described in more detail in Section 3, "Internal control and risk management", chapter 2 of this Universal Registration Document (pages 44 to 48).

5.2. Policies and procedures

5.2.1. A CODE OF ETHICS AND CORE VALUES SUPPORTED AT THE HIGHEST LEVELS OF THE GROUP

The Sopra Steria Code of Ethics expresses the Group's values and is based on shared ethical principles that apply to all Group entities, including in particular respect, integrity and transparency. Through this code, the Group is committed to abiding by laws and regulations in force in the countries in which its entities operate, as well as operating to the strictest possible standards of business conduct. With a forward written by the Chairman of the Board of Directors, it is supported by Group management, which is responsible for ensuring that these rules are observed. The code applies to all Sopra Steria employees to ensure that the Group's businesses operate effectively.

The Code of Ethics is supplemented by a Code of conduct for stock market transactions covering securities trading and the prevention of insider dealing in compliance with the European Market Abuse Regulation (Regulation (EU) 596/2014), a Code of conduct for the prevention of corruption. The relevant information is set out in Section 3.4, "Responsible purchasing", of this chapter (pages 119 to 120).

These documents are available from the Ethics and Compliance page of the Group's website at www.soprasteria.com.

5.2.2. CORE RULES AND GROUP PROCEDURES

Beyond the Code of Ethics, which reaffirms the Group's fundamental principles and values, the compliance system within Sopra Steria is supported by a common core of rules and procedures (management, human resources, purchasing, sales, operations and production, finance and accounting, security, etc.).

As part of the compliance programme, work was undertaken at Group level in 2020 to continuously improve existing rules and clarify guidelines and procedures to ensure that regulatory changes are taken into account, best practice is adopted and these procedures are applied and controlled within the Group on an ongoing basis.

5.3. Measures to prevent and combat corruption

The Sopra Steria Group is committed to having measures in place to safeguard against risks arising from exposure to corruption and influence peddling. These measures help protect the Group's reputation and maintain the trust of its internal and external partners and stakeholders. To this end, the Group applies a zero-tolerance policy with respect to corruption and influence peddling. The Group's approach to preventing and combating corruption is based on the principles laid down in the United Nations Global Compact and on compliance with local legislation and regulations prohibiting corruption.

In particular, the following measures are in place:

- **A high degree of executive involvement** in the implementation and monitoring of the Group's programme to prevent corruption and influence peddling. This firm commitment takes shape in particular through the Group's specific Code of conduct covering these issues, the direct oversight of the programme at the Internal Control Department's steering meetings, informational meetings for senior managers and regular communications campaigns targeting all Group employees;
- **A Group-wide organisational structure in charge of managing,** monitoring and controlling the framework, through a network of Compliance Officers, who have responsibility for compliance and risk management issues within each entity;
- **A specific risk-mapping exercise for bribery and influence peddling risks**, carried out at the same intervals and applying the same methodology used for the overall risk mapping exercise, and shared with the affected staff;
- **A specific Code of conduct for the prevention of corruption and influence peddling**, including a foreword by the Chairman of the Board of Directors and the Chief Executive Officer and illustrated with real-world examples, as a supplement to the Code of Ethics. This Code of conduct has been translated into 10 languages and covers all Group entities;
- **A disciplinary regime** based on the Code of conduct enforceable against all employees since its inclusion in the Group's internal rules and regulations, or through any other mechanism in force at Group entities;
- **Specific, formal procedures**, allowing in particular for the implementation of the associated first- and second-level controls, in order to respond to situations identified as potentially exposed to risk. For example: Policy on hospitality; policy on gifts; procedures relating to conflicts of interest; procedure for client events; procedure relating to export operations, which continued its rollout during the year;
- **A strict procedure for assessing third parties**, including clients, suppliers and subcontractors. In this regard, the Group has formalised and rolled out a new purchasing procedure and expanded its suppliers' charter to cover all new regulations, and more specifically regulations relating to the Sapin II Law and the duty of vigilance;
- **A Group training programme** aimed at raising awareness among all employees, using a practical and accessible approach, and training those segments of the workforce considered as the most exposed in light of the results of the risk mapping exercise for bribery and influence-peddling risks. This programme is based on the following:
  - **An e-learning module for all staff**, which was rolled out on a phased basis starting in December 2018 and is available in five languages. It is easily accessible via the website of Sopra Steria's training organisation. The module includes several interactive sections, six of which consist of one or more videos and real-life situations, covering the following themes: legal framework, hospitality and gifts, public officials, conflicts of interest, intermediaries, sponsoring and patronage, facilitation payments and whistleblowing system. At 31 December 2020, 92% of Group staff had completed this e-learning module. In 2021, the e-learning module will be refreshed to reflect updated procedures;
  - **Classroom training** for those considered the most at risk: managers, sales staff, procurement staff, etc. The objectives of this training are to familiarise staff with Group rules and procedures for preventing and combating corruption and influence peddling, enable them to identify key contacts within the Group and equip them with an understanding of best practice through role play exercises based on real-world international examples;
- **Strengthened control and audit procedures**: The specific controls are covered in the procedures developed under the programme for the prevention of corruption and influence peddling and may be either ongoing or periodic. In addition to the first-level controls carried out in the form of self-checks by the employees concerned and by line managers, controls are mainly performed, depending on the area involved, by the functional departments concerned (Finance Department, Internal Control Department, Industrial Department, Legal Department, Human Resources Department). The procedures are also assessed by the Internal Audit Department when auditing the Group's subsidiaries and/or divisions, by running through some 30 specific checks, and during specific compliance audits as part of the internal audit programme;
- **A whistleblowing system** incorporating French legal requirements laid down in the Sapin II Law and duty of vigilance legislation. This system has been rolled out to all Group entities. It is also accessible to the Group's external stakeholders, and in particular its clients, suppliers and other business partners, via the Ethics and Compliance page of the Group's website at www.soprasteria.com.

To the best of the company's knowledge at the time of writing this Universal Registration Document, neither Sopra Steria, nor its subsidiaries nor any member of an administrative or management body have been found guilty of corruption or influence peddling at any time in the last five years.

5.4. Tax regulations and transparency - Fight against tax evasion

In tax matters, Sopra Steria Group is committed to complying with the tax laws and regulations applicable in all of the countries in which it is present. Sopra Steria acts in line with its values and ethical principles of integrity, commitment and accountability.

Accordingly, the Group pays its taxes and duties in the countries where its operations are located and where value is created. This approach is pursued in accordance with international guidelines and standards, such as those of the OECD, particularly in relation to transfer pricing for cross-border transactions between Group companies. In this respect, the Group does not engage in tax evasion or any other practice contrary to its ethical standards.

Sopra Steria does not make use of aggressive tax planning or any structuring methods for its transactions that would detach the tax location from the location of business activity. The Group thus abstains from establishing operations in tax havens (uncooperative countries or territories on the official French list or the European Union's blacklist), has no bank accounts at banks established in such countries or territories, and more generally abstains from creating any entities that have no economic substance or business purpose.

Sopra Steria Group is regularly audited by the competent tax authorities, with which it fully cooperates. The Group complies with the deadlines specified by tax authorities for providing responses to their queries, meets all of its reporting requirements and pays its taxes as required by law.

To limit tax risks relating to its activities, and to take advantage of existing tax incentives, exemptions and relief, in accordance with tax laws and the reality of its activities, the Group may enlist the services of outside tax consultants. All advice thus received is reviewed internally to ensure that any resulting application is consistent with the Group's tax principles.

5.5. Data protection

5.5.1. PROTECTION OF PERSONAL INFORMATION

Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 – known as the General Data Protection Regulation, or GDPR – entered into force on 25 May 2018. Sopra Steria Group and its subsidiaries have rolled out a programme intended to ensure compliance with this regulation and local laws.

This programme is directed by the Group's Legal Department, which is responsible for coordinating measures to protect personal data processed by Group companies (both for their own purposes and on behalf of their clients).

This programme is underpinned by an organizational and governance structure and an overarching policy on the protection of personal data.

The organisational and governance structure has two tiers: a group tier and a local (country/entity) tier. Data Protection Officers have been appointed within each of the Group entities concerned. The Group Data Protection Officer relies on this structure to roll out the compliance programme across the Group.

This programme has the following goals in particular:

- The rollout of a specific tool to keep records of all processing of personal data by Group entities, both for their own purposes and on behalf of their clients;
- The implementation of specific procedures to respond to requests received from individuals exercising their rights relating to personal data, including the right of access, the right to rectification, the right to object to processing and the right to remove data across the system, including archived and recorded data:
  - For employees of Group companies,
  - For third parties (for example, job applicants in connection with recruitment procedures),
  - For personal data processed by Group companies under contractual arrangements with their clients, as instructed in writing by the latter;
- The review of various internal and external media to ensure compliance with legal and regulatory requirements;
- The provision of standard contracts and clauses covering the protection of personal data in the context of contractual relationships with clients, subcontractors and suppliers;
- The rollout of a mandatory training module for all existing Group employees and for every new employee;
- The management of the whistleblowing procedure to report actual or suspected abuses and irregularities relating to personal data.

All external growth transactions involve a due diligence process covering the processing of personal data. Acquired companies are added to this compliance programme upon joining the Group.

In addition, at Sopra HR Software, the Sopra Steria Group's HR solutions publisher subsidiary, the Binding Corporate Rules (BCR) have been in place within its entities since 2015.

5.5.2. PROTECTING AND SECURING CLIENT DATA

The Group has put in place a policy and robust system across all its entities and operations, supported by an appropriate organisational structure, procedures and controls that are reviewed annually. This point is presented in Section 1, "Risk factors", chapter 2 of this Universal Registration Document (pages 36 to 42).

As regards awareness-raising and training in the area of information security more specifically, the Group has a catalogue of training made available to employees via the Group Academy. Employees may take one or more of these training courses a year depending on their role. As regards awareness-raising, two e-learning modules are available, which are reviewed every two years. These are also supplemented by information messages and best practice, which are constantly shared on the Group's intranets.

5.6. Duty of vigilance and vigilance plan

This section presents the vigilance plan, which covers all reasonable vigilance measures aimed at identifying risks and preventing serious violations of human rights and fundamental freedoms as well as adverse impacts on health, safety and the environment, as laid down by the French duty of vigilance law (Law no. 2017-399 of 27 March 2017).

These risks, serious violations and adverse impacts include those resulting from the activities of the Company and of the companies it controls, within the meaning of Article L. 233-16 of the French Commercial Code, whether directly or indirectly and across the Group's entire scope of operations, as well as from the activities of subcontractors or suppliers with which Sopra Steria has business relations, in France and around the world.

The vigilance plan was prepared by the main departments responsible for the areas covered by the duty of vigilance, discussed with the Group's Executive Committee and then validated by Executive Management. It was also presented to the Works Council. In addition, as a preliminary step for the preparation of the plan, the results of the Group's risk mapping exercise for the issues involved were aligned with those of its materiality analysis.

The vigilance plan consists of four components, to reflect the measures required by the French duty of vigilance law:

- A mapping of risks to identify, analyse and prioritise the risks relating to the duty of vigilance;
- Risk mitigation and prevention plans;
- A whistleblowing system for the receipt of reports relating to the existence of risks or the occurrence of risk events;
- A system to monitor the measures implemented and assess their effectiveness.

The vigilance plan is reviewed each year, in light of possible developments in risks, the effectiveness of mitigation measures put in place, and developments in the Group's business and operations.

Furthermore, reasonable vigilance measures are implemented gradually for newly acquired companies as part of the integration of these companies within the Group and with respect to its procedures and systems.

5.6.1. RISK MAPPING EXERCISE

The mapping of risks relating to the duty of vigilance draws on the Group's overall risk mapping exercise as well as the main challenges identified during the preparation of the Group's statement of non-financial performance. The methodology used for the mapping of risks relating to the duty of vigilance is the same as that used for the Group's overall risk mapping exercise and thus involves consultations with the various departments concerned, with responsibility for the entire scope of the Group's operations, namely the Human Resources Department, the Corporate Responsibility and Sustainable Development Department, the Purchasing Department, the Industrial Department, the Information Systems Department, the Legal Department and the Internal Control Department.

Given its business activities, Sopra Steria has relatively limited exposure to risks relating to the duty of vigilance. Nevertheless, some of the risks identified were considered as having an impact, although without being regarded as major risks falling within the scope of the duty of vigilance.

The risk areas listed below relating to the duty of vigilance were analysed and prioritised in line with their severity and likelihood of occurrence in the context of the Group's business activities and those of its main suppliers:

- Human rights and fundamental freedoms: diversity and equal opportunities, freedom of association and the right to collective bargaining, protection of personal data, respect for the rights of local communities, preventing child labour and forced labour within the supply chain;
- Health and safety: right to health, right to safe and healthy working conditions (*e.g.* access to buildings, sanitation, safety and security of business travel), prevention of occupational illnesses, healthcare benefits and workplace prevention measures;
- Environment: air and soil pollution, depletion of raw materials, soil erosion and degradation, treatment of polluting waste, GHG emissions, degradation of ecosystems and biodiversity.

5.6.2. RISK MITIGATION AND PREVENTION PLANS

The continuous improvement approach adopted in line with the Group's corporate responsibility policy put in place several years ago focuses on the various issues targeted by the French duty of vigilance law. The cross-reference table below indicates the sections within the statement of non-financial performance included in this document that describe the risk mitigation and prevention plans identified in the mapping of risks relating to the duty of vigilance.

Area	Category	Mitigation plans and preventive measures
Risks relating to the Group's business activities	Human rights and fundamental freedoms	The relevant information is set out in Sections 2, 3 and 5 of this chapter, (pages 106, 115 and 132).
	Health and safety	The relevant information is set out in Section 2.2.5, "Health and safety", of this chapter (pages 112 to 113).
	Environment	The relevant information is set out in Section 4, "Environmental responsibility: innovating all along our value chain", of this chapter (pages 122 to 131).
Risks relating to the business activities of the Group's suppliers	Responsible purchasing	The relevant information is set out in Section 3.4, "Responsible purchasing" of this chapter (pages 119 to 120).

5.6.3. WHISTLEBLOWING SYSTEM

The whistleblowing system put in place under the Sapin II Law on transparency, anti-corruption and the modernisation of economic life also covers the duty of vigilance. This system is accessible to employees of all Group entities. A description of the whistleblowing system and its procedure is provided on the Group's intranet as well as those of all its subsidiaries. Reports are to be submitted from a specific email address for each entity or at Group level. This is open to external stakeholders, including in particular the Group's clients, suppliers and other business partners. It can be accessed from the Ethics and Compliance page of the Group's website at www.soprasteria.com. No alerts were raised in the course of the year in areas covered by the duty of vigilance legislation.

5.6.4. SYSTEM TO MONITOR THE MEASURES IMPLEMENTED AND ASSESS T HEIR EFFECTIVENESS

For risks relating to the duty of vigilance, the procedures for the regular assessment of the Group's business activities and those of its subsidiaries, along with those of its main suppliers, are carried out at the level of the departments concerned. Each department with oversight for issues involving the duty of vigilance is responsible for monitoring the risks identified in the mapping of risks relating to the duty of vigilance.

All of these departments are involved in the identification and implementation of reasonable and appropriate vigilance measures for their respective areas of responsibility. They report on their monitoring activities at the Group's steering committee meetings and twice a year to the Corporate Responsibility and Sustainable Development Committee.

The risk mitigation and prevention measures put in place with regard to the duty of vigilance are reviewed as part of the Group's internal control procedures and are the focus of a consolidated report drawn up each year by the Internal Control Department and presented to Executive Management.

6. SDG/GRI/TCFD-CDSB cross-reference table

Universal Registration Document			SDGs	GRI	TCFD-CDSB *(Climate Change Reporting Framework)*
Chapter/ Section	**Chapter/Section heading**	**Page no.**			
1.	**Chapter 1 – Business overview and strategies**	17			
2.	**Chapter 2 - Risk factors and internal control**	35			*REQ-03 Risks and opportunities*
4.	**Chapter 4 – Corporate responsibility**	97			
1.	**Sopra Steria: A committed and responsible Group, making a sustainable, human and enlightened contribution**				
1.1.	Overview of the Group's corporate responsibility strategy and governance	99			
1.1.1.	Contribution to Sustainable Development Goals through the materiality matrix	100			
1.1.2.	A corporate responsibility governance structure supporting the Group's priorities	102			*REQ-01 Governance*
1.2.	Major recognition	104			
1.3.	Overview of reporting scope	104			*REQ-08 Reporting policies*
2.	**Social responsibility: A committed and responsible collective effort**				
2.1	2020 context	106			
2.2.	Responsible employment challenges	106			
2.2.1.	Attracting and retaining more talent	107	3. Good health and well-being 8. Decent work and economic growth 17. Partnerships for the goals	GRI 401-1, GRI 404-1 GRI 404-3	
2.2.2.	Maintaining and developing skills	108	4. Quality education 8. Decent work and economic growth		
2.2.3.	Diversity and equal opportunity	109	5. Gender equality 8. Decent work and economic growth 10. Reduced inequalities 17. Partnerships for the goals	GRI 406-1 GRI 405-2	
2.2.4.	Labour relations	112	3. Good health and well-being 8. Decent work and economic growth	GRI 407-1	
2.2.5.	Health and safety	112	3. Good health and well-being 8. Decent work and economic growth		
2.3.	Other labour-related information	113	10. Reduced inequalities		
2.3.1.	Jobs and the workforce	113		GRI 102-8	
2.3.2.	Compensation	114			
2.3.3.	Working conditions and organisation	114	3. Good health and well-being	GRI 403-9	

Universal Registration Document			SDGs	GRI	TCFD-CDSB (Climate Change Reporting Framework)
Chapter/ Section	Chapter/Section heading	Page no.			
3.	**Societal responsibility: Engaging all our stakeholders to build a positive future for all**				
3.1.	Creating value for stakeholders	115	3. Good health and well-being 8. Decent work and economic growth 9. Industry, innovation and infrastructure 11. Sustainable cities and communities 17. Partnerships for the goals	GRI 102-12 GRI 102-13 GRI 102-40 GRI 102-42	
3.1.1.	Summary of value creation for stakeholders	115			
3.1.2.	Advisory board	116			
3.1.3.	Client satisfaction	116			
3.2.	Innovation and strategic partnerships	116	8. Decent work and economic growth 9. Industry, innovation and infrastructure 11. Sustainable cities and communities 16. Peace, justice and strong institutions 17. Partnership for the goals		
3.2.1.	Co-design to mobilise collective intelligence	116			
3.2.2.	DigiLabs: developing digital co-innovation	117			
3.2.3.	NEXT: a space dedicated to a new client experience	117			
3.2.4.	A strategy of partnering with leading market vendors	117			
3.2.5.	Sopra Steria Ventures: building an innovative European digital ecosystem	117			
3.2.6.	Support for research and academic institutions	118			
3.2.7.	Commitments in support of digital sovereignty	118			
3.3.	Responsible digital technology	118	4. Quality education 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 16. Peace, justice and strong institutions		
3.3.1	The *Exploratoire*: the do tank for responsible digital technology	118			
3.3.2	Support for the Digital Humanism Department at the *Collège des Bernardins*	119			
3.4.	Responsible purchasing	119	1. No poverty 5. Gender equality 8. Decent work and economic growth 10. Reduced inequalities 12. Responsible consumption and production 13. Climate action 17. Partnerships for the goals	GRI 308-1	
3.4.1.	Responsible purchasing policy	119			
3.4.2.	2020 key achievements and results	119			
3.4.3.	Main objectives for 2021	120			

Universal Registration Document			SDGs	GRI	TCFD-CDSB *(Climate Change Reporting Framework)*
Chapter/ Section	**Chapter/Section heading**	**Page no.**			
3.5.	Community and patronage	120	1. No poverty 2. Zero hunger 3. Good health and well-being 4. Quality education 5. Gender equality 6. Clean water and sanitation 7. Affordable and clean energy 8. Decent work and economic growth 10. Reduced inequalities 11. Sustainable cities and communities		
3.5.1.	Key events	120			
3.5.2.	A proactive policy involving the entire organisation, employees and civil society	120			
3.5.3.	A framework for Group action to promote initiatives with a strong, lasting impact	120			
3.6.	Regional impact	121	9. Industry, innovation and infrastructure 17. Partnerships for the goals		
4.	**Environmental responsibility: Innovating all along our value chain**				
4.1.	Environmental policy, strategy and targets	122	17. Partnerships for the goals	GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5, GRI 302-1, GRI 302-2, GRI 302-4, GRI 302-5, GRI 413-1, GRI 102-56, GRI 102-27, GRI 102-28	*REQ-01 Governance REQ-02 Management's environmental policies, strategy and targets*
4.1.1.	Environmental policy and strategy	122			
4.1.2.	Environmental targets	122			
4.2.	Environmental challenges: Opportunities for the Group	123	9. Industry, innovation and infrastructure 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 15. Life on land	GRI 102-15, GRI 201-2, GRI 102-1, GRI 102-7, GRI 308-2	*REQ-03 Risks and opportunities*
4.2.1.	Process for identifying environmental issues	123			
4.2.2.	Climate risks & opportunities	123			
4.3.	Environmental impact and performance	124	6. Clean water and sanitation 7. Affordable and clean energy 8. Decent work and economic growth 9. Industry, innovation and infrastructure 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land 17. Partnerships for the goals	GRI 301-1, GRI 302-1, GRI 302-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-4, GRI 306-5, GRI 306-	*REQ-04 Sources of environmental impact REQ-05 Performance and comparative analysis*
4.3.1.	Roll out of the Environmental Management System (EMS)	124			
4.3.2.	Control resource consumption	124			
4.3.3.	Increasing the proportion of renewable energy	125			

Universal Registration Document			SDGs	GRI	TCFD-CDSB *(Climate Change Reporting Framework)*
Chapter/ Section	**Chapter/Section heading**	**Page no.**			
4.3.4.	Reducing GHG emissions resulting from our operations	126			
4.3.5.	Promoting the circular economy	128			
4.3.6.	Ensuring the involvement and contribution of the entire value chain	128			
4.3.7.	Including digital sustainability in our value proposition	129			
4.4.	Future outlook	131		GRI 102-10, GRI 102-49, GRI 302-4, GRI 302-5, GRI 305-4, GRI 305-5, GRI 305-6	*REQ-06 Outlook REQ-07 Organisational boundary REQ-08 Reporting policies*
4.5.	Environmental reporting	131			
4.6.	Compliance and assurance in relation to environmental reporting	131			
5.	**Ethics and compliance**				
5.1.	Governance and organisation	132	1. No poverty 8. Decent work and economic growth 13. Climate action 16. Peace, justice and strong institutions		
5.2.	Policies and procedures	132	16. Peace, justice and strong institutions		
5.2.1	A Code of Ethics and core values supported at the highest levels of the Group	132			
5.2.2	Core rules and Group procedures	132			
5.3.	Measures to prevent and combat corruption	133	4. Quality education 16. Peace, justice and strong institutions		
5.4.	Tax regulations and transparency - Fight against tax evasion	133	16. Peace, justice and strong institutions		
5.5.	Data protection	134	16. Peace, justice and strong institutions		
5.5.1	Protection of personal information	134			
5.5.2	Protecting and securing client data	134			
5.6.	Duty of vigilance and vigilance plan	134	8. Decent work and economic growth 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 16. Peace, justice and strong institutions		
5.6.1.	Risk mapping exercise	135			
5.6.2.	Risk mitigation and prevention plans	136			
5.6.3.	Whistleblowing system	136			
5.6.4.	System to monitor the measures implemented and assess their effectiveness	136			

7. Annex: Social and environmental indicators

The elements of information identified with the ✔ symbol have been audited by the independent third party to provide a reasonable assurance opinion.

7.1. Summary of social indicators

WORKFORCE

WORKFORCE BY GEOGRAPHIC AREA (ACQUISITIONS INCLUDED)

Scope/Topic	2020	2019	2018	2017
Group	**45,960**	**46,245**	**44,114**	**41,661**
France	19,759	19,499	19,013	18,649
International (excluding France)	26,201	26,476	24,849	23,012
of which United Kingdom	6,646	6,305	6,407	6,181
of which India	4,982	5,726	5,348	5,200
of which Spain	3,999	4,189	4,060	3,562
of which Germany	3,304	3,363	2,842	2,370
of which Norway	1,999	1,792		
of which Italy	976	1,009		
of which Morocco	279	308		
Managers (*"cadres"*)	**40,581**	**40,014**	**40,001**	**38,626**

Note
The notion of "cadres" is specific to France. The number of managers outside France is extrapolated from the figures for France.

FULL-TIME EQUIVALENT (FTE) WORKFORCE (EXCLUDING INTERNS) ✔

Scope/Topic	2020	2019	2018	2017
Group	**43,898**	**44,230**	**42,614**	**40,241**
France	18,464	18,849	18,439	18,086
International (excluding France)	25,434	25,381	24,175	22,155
of which United Kingdom	6,374	6,057	5,903	5,956
of which India	4,981	5,724	5,347	5,199
of which Spain	3,951	4,128	4,005	3,511
of which Germany	3,011	2,733	2,655	2,217
of which Norway	1,996	1,790		
of which Italy	942	944		
of which Morocco	267	299		

WORKFORCE BY TYPE OF EMPLOYMENT CONTRACT ✔

Scope/Topic	2020	2019	2018	2017
Permanent contracts				
Group	**96.7%**	**96.1%**	**95.7%**	**96.1%**
France	96.9%	95.3%	95.6%	96.3%
International (excluding France)	96.6%	96.7%	95.7%	96.0%
of which United Kingdom	92.6%	95.2%	94.1%	96.4%
of which India	99.7%	99.0%	99.0%	98.6%
of which Spain	98.4%	97.3%	93.8%	91.8%
of which Germany	95.3%	94.4%	94.8%	95.1%
of which Norway	99.8%	99.6%		
of which Italy	96.7%	94.0%		
of which Morocco	95.7%	99.7%		
Temporary contracts				
Group	**2.9%**	**3.3%**	**3.6%**	**3.3%**
France	3.0%	4.6%	4.1%	3.4%
International (excluding France)	2.9%	2.4%	3.3%	3.3%
of which United Kingdom	7.4%	4.7%	5.9%	3.6%
of which India	0.3%	1.1%	1.0%	1.4%
of which Spain	1.6%	2.5%	5.8%	7.9%
of which Germany	1.8%	1.3%	1.7%	1.6%
of which Norway	0.2%	0.5%		
of which Italy	1.1%	0.7%		
of which Morocco	0.0%	0.3%		
Internships				
Group	**0.4%**	**0.6%**	**0.7%**	**0.6%**
France	0.1%	0.2%	0.3%	0.3%
International (excluding France)	0.6%	0.9%	1.0%	0.8%
of which United Kingdom	0.0%	0.1%	0%	0%
of which India	0.0%	0.0%	0%	0%
of which Spain	0.1%	0.2%	0.4%	0.3%
of which Germany	2.8%	4.3%	3.6%	3.3%
of which Norway	0.0%	0%		
of which Italy	2.2%	5.4%		
of which Morocco	4.3%	0%		

AVERAGE LENGTH OF SERVICE FOR EMPLOYEES ON PERMANENT CONTRACTS

Scope/Topic	2020	2019	2018	2017
Group	**7.7**	**7.1**	**7.1**	**7.3**
France	8.6	8.0	8.0	8.0
International (excluding France)	7.0	6.4	6.4	6.8
of which United Kingdom	10.3	10.3	10.7	10.8
of which India	5.2	4.4	4.3	4.3
of which Spain	5.7	5.0	5.0	5.2
of which Germany	8.4	7.5	7.3	8.2
of which Norway	4.1	4.1		
of which Italy	6.3	6.0		
of which Morocco	5.2	4.1		

AVERAGE AGE OF EMPLOYEES ON PERMANENT CONTRACTS

Scope/Topic	2020	2019	2018	2017
Group	**38.7**	**37.8**	**37.8**	**37.8**
France	38.5	37.8	37.5	37.5
International (excluding France)	38.8	37.8	38.0	38.0
of which United Kingdom	43.9	43.6	44.2	44.1
of which India	32.4	31.4	31.3	31.2
of which Spain	38.4	37.5	37.4	37.4
of which Germany	42.8	41.6	41.7	42.7
of which Norway	38.1	38.0		
of which Italy	38.6	38.0		
of which Morocco	33.7	32.0		

TURNOVER RATE FOR EMPLOYEES ON PERMANENT CONTRACTS

Scope/Topic	2020	2019	2018	2017
Group	**13.6%**	**17.7%**	**16.9%**	**15.6%**
France	10.1%	15.9%	16.2%	14.5%
International (excluding France)	16.1%	18.9%	17.4%	16%
of which United Kingdom	15.2%	21.7%	19.4%	20%
of which India	23.2%	19.4%	21.6%	18%
of which Spain	15.3%	20.5%	16.6%	15%
of which Germany	11.9%	14.7%	12.4%	11%
of which Norway	12.4%	12.8%		
of which Italy	14.4%	13.0%		
of which Morocco	17.3%	25.5%		

Notes
Turnover rate = [Number of leavers on permanent contracts − Number of leavers on permanent contracts having been with the Group for less than six months]/Number of employees on permanent contracts present on the last day of the reference period (excluding suspended employees).

Attractiveness

NEW STAFF ON ALL TYPES OF EMPLOYMENT CONTRACT ✔

Scope/Topic	2020	2019	2018	2017
Group	**6,133**	**10,844**	**11,662**	**9,500**
France	2,045	4,112	4,356	3,645
International (excluding France)	4,088	6,732	7,306	5,855
of which United Kingdom	1,293	1,155	1,083	998
of which India	490	1,695	1,636	1,595
of which Spain	632	1,229	1,414	1,151
of which Germany	366	651	770	586
of which Norway	517	499		
of which Italy	132	219		
of which Morocco	57	93		

NEW STAFF ON PERMANENT CONTRACTS ✔

Scope/Topic	2020	2019	2018	2017
Group	**4,166**	**8,047**	**9,225**	**7,366**
France	1,189	2,570	3,135	2,616
International (excluding France)	2,977	5,477	6,090	4,750
of which United Kingdom	723	942	784	811
of which India	480	1,620	1,533	1,356
of which Spain	566	1,084	1,193	895
of which Germany	298	488	623	466
of which Norway	459	428		
of which Italy	56	107		
of which Morocco	12	61		

Development of talent

TRAINING (EXCLUDING WORK-LINKED TRAINING STUDENTS AND INTERNS) ✔

Scope/Topic	2020	2019	2018	2017
Number of hours training provided during the year	**1,207,065**	**1,263,354**	**1,244,583**	
France	559,853	619,219	596,557	546,090
India	209,113	115,630	180,105	161,578
Spain	88,485	94,114	136,201	126,882
Germany	56,424	103,282	36,972	35,678
Norway	123,006	140,874	115,820	94,358
Morocco	17,187	14,723	19,651	11,476
United Kingdom	79,571	83,117		

Scope/Topic	2020	2019	2018	2017
Number of days training provided during the year	**172,438**	**180,479**		
France	79,979	88,460	85,222	78,013
India	29,873	16,519	25,729	23,083
Spain	12,641	13,445	19,457	18,126
Germany	7,789	14,755	5,282	5,097
Norway	17,572	20,125	16,546	13,480
Morocco	2,455	2,103	2,807	1,639
United Kingdom	11,367	11,874		

Scope/Topic	2020	2019	2018	2017
Average number of days training per person (average FTE)	**3.9**	**4.1**		
France	4.3	4.2	4.6	4.3
India	5.5	3.0	4.8	4.4
Spain	3.1	3.3	4.9	5.2
Germany	2.5	5.5	2.0	2.3
Norway	9.3	11.8	10	10.3
Morocco	8.4	7.1	9.3	5.8
United Kingdom	1.8	1.9		

Labour relations

Scope/Topic	2020	2019	2018	2017
Number of agreements signed during the year	**56**	**49**	**36**	
France				
UES (economic and employee unit)	5	6	4	1
Sopra Steria	4	1	2	2
Sopra Banking Software	7	7	4	1
I2S	6	1	3	1
Sopra HR Software	6	2	3	0
CIMPA	7	5	5	2
Galitt	3	2		
Cassiopae				2
Germany				
Sopra Steria	11	18	10	17
Sopra Banking Software	3	2	1	1
Sopra HR Software	0	1	0	1
CIMPA	2	3	3	3
Belgium				
Sopra Steria	0	0	0	2
Sopra Banking Software	0	0	0	0
United Kingdom				
Sopra Steria	2	0	0	0
Italy				
Sopra Steria	0	0	1	0
Spain				
Sopra Steria	0	1		
Number of collective agreements in force	**326**	**291**	**241**	
France				
UES (economic and employee unit)	23	14	16	15
Sopra Steria	13	14	23	21
Sopra Banking Software	29	31	21	20
I2S	21	6	2	3
Sopra HR Software	28	17	13	13
CIMPA	28	28	16	12
Galitt	22	19		
Germany				
Sopra Steria	81	70		55
Sopra Banking Software	21	18		15
Sopra HR Software	0	13		12
CIMPA	35	33		27
Belgium				
Sopra Steria	11	11		9
Italy				
Sopra Steria	0	5		2
United Kingdom				
Sopra Steria	13	11		12
Spain				
Sopra Steria	1	1		

Health and safety

WORKING CONDITIONS AND ORGANISATION

Scope/Topic	2020	2019	2018	2017	Notes
France					
Frequency rate of workplace accidents in France	1.26	2.47	1.91	1.68	Rates calculated in business days.
Severity rate of workplace accidents in France	0.013	0,023	0,056	0,035	Rates calculated in business days.
Absence rate	2.5%	2.6%	2.5%	2.1%	Rates calculated in business days.

ORGANISATION OF WORK AND WORKING HOURS/PART-TIME WORK – EMPLOYEES ON PERMANENT CONTRACTS AT 31 DECEMBER

Scope/Topic	2020	2019	2018	2017
Group	**6.1%**	**5.9%**	**6.1%**	**6.3%**
France	6.3%	5.9%	6.0%	6.2%
International (excluding France)	5.9%	5.9%	6.2%	6.3%
of which United Kingdom	12.1%	12.8%	14.1%	13.0%
of which India	0.0%	0.1%	0.2%	0.2%
of which Spain	5.5%	6.3%	5.9%	6.9%
of which Germany	10.4%	8.8%	9.0%	9.4%

Diversity and equal opportunity

PERCENTAGE OF EMPLOYEES WITH A DISABILITY ✔

Scope/Topic	2020	2019	2018	2017	Notes
France	2.21%	3.06%*	2.72%	2.46%	*Old formula used until 2019 that does not allow comparison with 2020

PROPORTION OF WOMEN IN THE WORKFORCE

Scope/Topic	2020	2019	2018	2017
Female staff				
Group	**32.5%**	**32.0%**	**31.6%**	**31%**
France	29.6%	29.4%	28.4%	27%
International (excluding France)	34.6%	34.0%	34.0%	34%
of which United Kingdom	44.5%	43.7%	44.9%	43%
of which India	31.7%	33.1%	34.3%	33%
of which Spain	29.0%	28.6%	27.7%	27%
of which Germany	27.6%	25.2%	24.1%	24%
of which Norway	27.0%	27.3%		
of which Italy	29.7%	28.5%		
of which Morocco	34.4%	35.1%		
Female new hires				
Group	**34.0%**	**33.1%**	**32.8%**	**31%**
France	27.5%	30.9%	29.7%	27%
International (excluding France)	37.3%	34.4%	34.7%	33%
of which United Kingdom	53.2%	44.2%	48.2%	46%
of which India	29.4%	35.4%	38.4%	34%
of which Spain	25.2%	21.9%	23.5%	26%
of which Germany	32.0%	34.4%	29.9%	27%
of which Norway	27.1%	29.9%		
of which Italy	28.0%	30.1%		
of which Morocco	42.1%	41.9%		

Intergenerational approach

PROPORTION OF YOUNG PEOPLE AND OLDER EMPLOYEES (INCLUDING INTERNS) ✔

Workforce by age bracket

Scope/Topic	2020	2019	2018	2017
Group				
Under 25	7.0%	10.0%	9%	9%
Over 55	9.9%	8.7%	8%	8%
France				
Under 25	6.9%	10.4%	10%	9%
Over 55	10.1%	8.8%	8%	7%
International (excluding France)				
Under 25	7.1%	9.6%	9%	9%
Over 55	9.7%	8.6%	9%	9%
Of which United Kingdom				
Under 25	7.4%	8.0%	7%	6%
Over 55	20.2%	20.1%	20%	20%
Of which India				
Under 25	12.3%	17.3%	17%	18%
Over 55	0.3%	0.3%	0.3%	0.3%
Of which Spain				
Under 25	3.3%	5.4%	6%	5%
Over 55	4.1%	3.4%	3%	2%
Of which Germany				
Under 25	3.3%	5.0%	4%	3%
Over 55	18.1%	15.0%	15%	15%
Of which Norway				
Under 25	3.3%	2.5%		
Over 55	7.0%	6.8%		
Of which Italy				
Under 25	9.8%	11.0%		
Over 55	7.9%	6.6%		
Of which Morocco				
Under 25	10.0%	14.4%		
Over 55	0.4%	0.7%		

PERCENTAGE OF OLDER EMPLOYEES (ALL CONTRACTS, EXCLUDING ACQUISITIONS)

Scope/Topic	2020	2019	2018	2017
Number of employees aged 45 and older	5,491	5,186	4,919	4,666
Proportion of older employees (number of employees aged 45 and older divided by the total workforce at 31/12)	29.3%	27.2%	26%	25.4%
Number of employees aged 55 and older	1,883	1,680	1,499	1,338
Proportion of older employees (number of employees aged 55 and older divided by the total workforce at 31/12)	10.10%	8.8%	8%	7.3%

7.2. Summary of environmental indicators

TOTAL GREENHOUSE GAS EMISSIONS (BUSINESS TRAVEL, ENERGY, FUGITIVE EMISSIONS) ✔

Global greenhouse gas emissions (tCO_2e)-Market-based ✔

	Scope 1					Scope 2					Scope 3					Total Scopes 1, 2 & 3				
Year	**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2015**
Business travel**											11,559	34,310	35,922	36,653	32,005					
Energy Diesel, gas, biodiesel	2,315	2,664	1,685	1,821	2,237															
Grid electricity, district heating – Offices and on-site data centres						1,124	1,724	4,658	6,191	15,723										
Grid electricity, – Off-site data centres											1,132	1,250	1,321	1,142	1,227					
Fugitive emissions	1,403	2,048	1,633	1,725																
Total (including fugitive emissions)*	**3,718**	**4,712**	**3,318**	**3,546**		**1,124**	**1,724**	**4,658**	**6,191**		**12,691**	**35,560**	**37,243**	**37,795**		**17,533**	**41,996**	**45,219**	**47,532**	**N/A**
Total (excluding fugitive emissions)	**2,315**	**2,664**	**1,685**	**1,821**	**2,237**	**1,124**	**1,724**	**4,658**	**6,191**	**15,723**	**12,691**	**35,560**	**37,243**	**37,795**	**33,232**	**16,130**	**39,948**	**43,586**	**45,807**	**51,192**
Total emissions per employee (excluding fugitive emissions)																**0.35**	**0.88**	**1.00**	**1.13**	**1.47**
Total emissions per employee (including fugitive emissions)																**0.38**	**0.93**	**1.04**	**1.18**	

Change in emissions per employee, 2020 compared with 2019 (including fugitive emissions and joint ventures) **58.9% reduction**

Change in emissions per employee, 2020 compared with 2015 (fugitive emissions included in 2020, hotel stays excluded in 2015, joint ventures excluded in 2015 but included in 2020) **74% reduction**

For energy, emissions are calculated using the market-based method, under which a nil emissions factor is applied if the energy source is "green"; otherwise, "residual mix" emissions factors issued by the Association of Issuing Bodies for European countries or "location-based" emissions factors issued by the International Energy Agency for non-European countries are applied. For business travel, the emissions factors used are those arising from the GHG Protocol. For 2020, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS, SSCL and SFT joint venture sites) and all companies acquired during the year. For 2019, the scope for the calculation of indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS and SSCL joint venture sites) but does not include SAB or Sopra Financial Technology GmbH. For other years, the scope of calculated indicators includes all entities over which the Group has operational control (and therefore includes NHS SBS and SSCL joint venture sites) but does not include Kentor, Galitt, Beamap, Cassiopae or 2MoRO.

** Fugitive emissions when available (not available for off-site data centres).*

*** Data taking into account emission reductions due to green business travel in Germany (12,698 tCO_2e, excluding the reduction in 2020).*

ENERGY CONSERVATION AND GREENHOUSE GAS EMISSIONS BY COUNTRY ✔

		RESOURCE CONSERVATION ✔							GREENHOUSE GAS EMISSIONS ✔					
		Offices and on-site data centres			On- and off-site data centres				Offices and on-site data centres		On- and off-site data centres		Business travel	Fugitive emissions
		Energy consumption		Proportion of electricity consumption from renewable sources****	Energy consumption			Proportion of total electricity consumption from renewable sources	Greenhouse gas emissions: market-based		Greenhouse gas emissions: market-based		Air + road + train + hotels**	
	Scope	Scope 1	Scope 2	Scope 2	Scope 1	Scopes 2 & 3	Scopes 1, 2 & 3	Scopes 2 & 3	Scope 1	Scope 2	Scope 1	Scopes 2 & 3	Scope 3	Scope 1
	Unit	MWh	MWh		MWh	MWh	MWh		tCO₂e	tCO₂e	tCO₂e	tCO₂e	tCO₂e	tCO₂e
TOTAL	**2020**	**13,861**	**55,469**	**95%**	**91**	**25,573**	**25,663**	**54%**	**2,315**	**1,124**	**22**	**1,149**	**12,698**	**1,403**
	2019	14,682	67,507	90%	139	25,544	25,683	50%	2,664	1,724	34	1,270	37,164	2,048
	2018	13,742	67,448	78%	254	32,827	33,081	60%	1,685	4,658	58	2,084	38,176	1,633
	2017	13,643	66,540	76%	314	33,769	34,083	61%	1,821	6,391	68	1,854	38,133	1,725
	2016	12,987	63,043	69%	367	35,403	35,770	63%	2,430	7,190	88	2,578	36,555	
	2015	12,623	63,563	20%	555	35,208	35,763		2,237	15,723	132	3,829		
Africa*	**2020**	**515**	**1,341**	**100%**	**0**	**53**	**53**	**100%**	**130.2**	**0**	**0**	**0**	**180.3**	**6.1**
	2019	0	915	100%	0	53	53	100%	0	0	0	0	462	4.6
	2018	0	821	0%	0	53	53		0	416	0	36	547.1	5
	2017	0	606	0%	0	0	0		0	377	0	0	461	4.4
	2016	0	1,612	0%	0	0	0		0	959	0	0	412	0
	2015	0	445	0%	0	0	0		0	259	0	0		0
Germany, Austria	**2020**	**130**	**3,435**	**100%**	**0**	**163**	**163**	**100%**	**24**	**407**	**0**	**0**	**3,936**	**7.6**
	2019	97	1,930	77%	0	130	130	0%	18	377	0	94	9,460	5
	2018	0	1,564	87%	0	141	141	0%	0	308	0	103	9,164.0	5
	2017	0	1,987	86%	0	422	422	63%	0	324	0	114	9,046	6.2
	2016	0	2,177	96%	0	792	792		0	251	0	221	8,183	
	2015	0	2,337	93%	0	1,007	1,007		0	358	0	0		
Benelux	**2020**	**1,136**	**1,580**	**100%**	**0**	**631**	**631**	**57%**	**209**	**0**	**0**	**85**	**539.4**	**7.2**
	2019	1,694	1,770	10%	0	829	829	58%	312	365	0	86	1,152	9
	2018	1,308	2,162	19%	74	829	902	72%	241	275	14	29	1,900	13
	2017	2,196	2,394	38%	145	2,218	2,364	64%	404	293	27	145	1,208	21
	2016	1,129	2,275	51%	69	1,234	1,302		229	487	14	0	2,548	0
	2015	1,029	2,333	51%	64	1,122	1,186		190	0	0	0		0
Brazil	**2020**	**0**	**43**	**100%**	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**10.5**	**0.2**
	2019	0	84	0%	0	0	0		0	10	0	0	39	0.4
	2018	0	208	0%	0	0	0		0	25	0	0	45	1
Bulgaria	**2020**	**0**	**38**	**100%**	**0**	**0**	**0**		**0**	**6**	**0**	**0**	**13.3**	**0.2**
	2019	0	31	0%	0	0	0		0	15	0	0	32	0.1
China	**2020**	**0**	**61**	**100%**	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**5**	**0.3**
	2019	0	54	0%	0	0	0		0	34	0	0	16.5	0.3
	2018												6.6	
Spain	**2020**	**0**	**2,372**	**100%**	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**469.1**	**11.3**
	2019	0	4,034	100%	0	0	0		0	0	0	0	1,359	20
	2018	0	4,107	84%	0	0	0		0	293	0	0	1,694	13
	2017	0	2,853	0%	0	0	0		0	1,140	0	0	2,182	10.9
	2016	0	3,184	0%	0	0	0		0	1,397	0	0	1,733	
	2015	0	1,673	0%	0	0	0		0	484	0	0		
United States	**2020**	**44**	**61**	**100%**	**0**	**0**	**0**		**11**	**0**	**0**	**0**	**12.9**	**0.3**
	2019	29	65	0%	0	0	0		7	27	0	0	33	0.3
	2018	17	78	0%	0	0	0		4	34	0	0	17	0
France*	**2020**	**3,179**	**27,314**	**90%**	**0**	**13,363**	**13,363**	**27%**	**281**	**624**	**0**	**517**	**4,813.7**	**96.6**
	2019	2,524	31,901	86%	0	13,108	13,108	18%	374	765	0	573	14,138	194
	2018	2,812	30,510	86%	0	13,442	13,442	28%	260	782	0	554	15,263	427
	2017	1,938	26,434	80%	0	13,511	13,511	31%	112	757	0	434	16,342	144
	2016	5,390	26,489	75%	0	12,684	12,684		739	822	0	332	15,267	
	2015	2,935	28,318	1%	0	10,974	10,974		284	2,195	0	644		
India	**2020**	**334**	**6,112**	**100%**	**72**	**1,903**	**1,975**	**100%**	**85**	**0**	**18**	**0**	**1,077.8**	**1,196**
	2019	640	10,157	100%	123	2,061	2,183	100%	162	0	31	0	4,627	1,775
	2018	753	10,223	100%	164	2,173	2,337	100%	189	0	41	0	3,302.5	1,132
	2017	1,015	12,763	100%	144	1,995	2,139	100%	256	0	36	0	2,582	1,355
	2016	1,655	12,244	100%	277	1,792	2,070		417	0	70	0	2,687	
	2015	2,900	11,684	0%	467	2,206	2,673		653	9,581	115	1,696		

	RESOURCE CONSERVATION ✔								GREENHOUSE GAS EMISSIONS ✔					
	Offices and on-site data centres				On- and off-site data centres				Offices and on-site data centres		On- and off-site data centres		Business travel	Fugitive emissions
	Energy consumption			Proportion of electricity consumption from renewable sources****	Energy consumption			Proportion of total electricity consumption from renewable sources	Greenhouse gas emissions: market-based		Greenhouse gas emissions: market-based		Air + road + train + hotels**	
	Scope	Scope 1	Scope 2	Scope 2	Scope 1	Scopes 2 & 3	Scopes 1, 2 & 3	Scopes 2 & 3	Scope 1	Scope 2	Scope 1	Scopes 2 & 3	Scope 3	Scope 1
	Unit	MWh	MWh		MWh	MWh	MWh		tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e
Italy	**2020**	**442**	**392**	**100%**	**0**	**0**	**0**		**81**	**0**	**0**	**0**	**188.8**	**1.8**
	2019	381	569	100%	0	0	0		70	0	0	0	665.7	3
	2018	159	578	0%	0	0	0		29	276	0	0	665.9	3
	2017	131	606	0%	0	0	0		24	282	0	0	580	4.8
	2016	132	802	0%	0	0	0		27	348	0	0	508	
	2015	157	723	0%	0	0	0		29	288	0	0		
Monaco	**2020**	**0**	**56**	**90%**	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**9**	**0.3**
Poland	**2020**	**19**	**345**	**100%**	**19**	**111**	**130**	**4%**	**3**	**22**	**3**	**97**	**68.4**	**0**
	2019	16	532	100%	16	98	115	6%	3	28	3	84	163.3	0
	2018	16	481	100%	16	99	115	9%	3	27	3	75	217.6	0
	2017	24	804	0%	24	27	51		4	619	4	3	226	0
	2016	21	657	0%	21	567	588		4	509	4	493	151	
	2015	24	780	0%	24	361	385		5	502	5	282		
United Kingdom	**2020**	**7,968**	**10,397**	**100%**	**0**	**4,619**	**4,619**	**93%**	**1,468**	**0**	**0**	**119**	**782.1**	**72.7**
	2019	9,208	12,831	100%	0	4,951	4,951	93%	1,696	0	0	154	3,527.8	33
	2018	8,565	13,712	60%	0	10,130	10,130	78%	933	2,016	0	929	3,907.3	32
	2017	8,177	14,844	60%	0	11,412	11,412	79%	981	2,317	0	957	4,443	173
	2016	4,563	10,840	72%	0	14,298	14,298		992	1,450	0	832	4,195	
	2015	5,462	12,176	70%	0	14,595	14,595		1,067	1,844	0	1,037		
Singapore	**2020**	**0**	**254**	**100%**	**0**	**0**	**0**		**0**	**0**	**0**	**0**	**30.5**	**0**
	2019	0	235	100%	0	0	0		0	0	0	0	88.8	0
	2018	0	242	0%	0	0	0		0	96	0	0	99.4	0
	2017	0	463	0%	0	0	0		0	202	0	0	89	0
	2016	0	243	0%	0	0	0		0	111	0	0	91	
	2015	0	79	0%	0	0	0		0	40	0	0		
Scandinavia	**2020**	**0**	**1,470**	**100%**	**0**	**4,264**	**4,264**	**72%**	**0**	**63**	**0**	**329**	**432.3**	**0**
	2019	0	1,945	100%	0	3,924	3,924	75%	0	102	0	279	1,180.3	0
	2018	0	2,407	100%	0	4,032	4,032	82%	0	103	0	359	1,067.3	0
	2017	0	2,451	100%	0	3,753	3,753	88%	0	74	0	201	704	0
	2016	0	2,182	10%	0	3,598	3,598		0	849	0	699	496	0
	2015	0	2,362	20%	0	3,841	3,841		0	90	0	26		0
Switzerland	**2020**	**94**	**197**	**100%**	**0**	**464**	**464**	**81%**	**22**	**2**	**0**	**3**	**129.2**	**1.9**
	2019	92	453	100%	0	390	390	100%	22	1	0	0	220.4	2
	2018	111	355	100%	0	1,928	1,928	100%	25	7	0	0	278.3	2
	2017	163	335	100%	0	431	431	100%	39	6	0	0	270	6
	2016	97	339	100%	0	433	433		23	6	0	0	283	
	2015	116	653	99%	0	1,103	1,103		9	23	0	144		

* *Africa includes Lebanon, Senegal, Cameroon, Côte d'Ivoire, Gabon, Morocco and Tunisia. France includes French Polynesia.*

** *Data not taking into account emission reductions due to green business travel in Germany. Including these emission reductions resulting from green business travel, the amounts would be: 11,559 tCO_2e in 2020, 34,310 tCO_2e in 2019, 35,922 tCO_2e in 2018, 36,653 tCO_2e in 2017 and 35,316 tCO_2e in 2016.*

*** *Data not published in the 2015 and 2016 reports.*

**** *Joint ventures sites are only included from 2018.*

In 2020, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS, SSCL and SFT joint venture sites) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners.

In 2019, the scope for the calculation of business travel and energy indicators includes all entities over which the Group has operational control but does not include SAB or Sopra Financial Technology GmbH.

RESOURCE CONSERVATION ✔

ENERGY CONSUMPTION ✔

(MWh)		Scope 1					Scope 2					Scope 3				Total Scopes 1, 2 & 3			
Year		**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2020**	**2019**	**2018**	**2017**
	Diesel, gas, biodiesel	13,770	14,543	13,488	13,330	12,623													
	District heating						4,485	3,933	3,705	3,803	63,563								
Offices	Grid electricity						41,360	54,650	48,976	45,707									
	Diesel, gas, biodiesel	91	139	254	314														
On-site data centres	Grid electricity						9,623	8,924	14,768	17,035									
Off-site data centres	Grid electricity											15,949	16,621	18,059	16,421				
Total energy		**13,861**	**14,682**	**13,742**	**13,644**	**12,623**	**55,469**	**67,507**	**67,488**	**66,545**	**63,563**	**15,949**	**16,621**	**18,059**	**16,421**	**85,279**	**98,809**	**99,249**	**96,610**
Total energy/employee *(MWh/employee)*																**1.9**	**2.2**	**2.3**	**2.4**
2020/2019 change in energy consumption per employee																**-14.9%**			

Scope 1: combustion of fossil fuels (petroleum, fuel oil and gas), use of biodiesel and emissions of coolants from air conditioning systems.

Scope 2: consumption of grid electricity and district heating in offices and on-site data centres.

Scope 3: consumption of grid electricity in off-site data centres.

In 2020, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS, SSCL and SFT joint venture sites) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners. Joint venture sites are included from 2017.

In 2019, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS and SSCL joint venture sites) but does not include SAB or Sopra Financial Technology GmbH. Joint ventures sites are only included from 2017.

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) ✔

	Quantity (kg)					Of which reused					Of which recycled					Of which incinerated				Of which sent to landfill sites			
Year	**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2015**	**2020**	**2019**	**2018**	**2017**	**2020**	**2019**	**2018**	**2017**
Germany/Austria	3,825	4,325	7,562	6,226	2,605	32.3%	25.9%	11.8%	19.1%	98%	64.6%	70.7%	84.3%	79.8%		2.9%	3.3%	3.7%	1.1%	0.2%	0.2%	0.2%	0%
Benelux	5,682	6,471	4,735	4,741		24%	34%	79.6%	74.7%		69.7%	61%	17.6%	18.6%		6.3%	1%	1.4%	5.1%	0%	4%	1.4%	1.6%
Spain	3,060	6,250	7,315	5,953	454	55.1%	69.8%	55.7%	22.4%		27%	30.1%	9.3%	66.5%		0%	0%	0%	11.0%	17.9%	0.11%	35%	0%
France	30,354	19,724	15,412	26,863	20,939	71%	44.3%	68.8%	66.1%	43%	28.3%	50.6%	27.5%	27.6%	56%	0.6%	2.8%	2.1%	4.8%	0.1%	2.3%	1.7%	1.6%
India	27	17,328	36,558	21,732	107,181	0%	0%	0%	0%	75%	80%	99.3%	99.7%	100%	25%	20%	0.7%	0.3%	0%	0%	0%	0%	0%
Italy	**	268	1,126	**	627	0%	72.7%	76.4%	0%	80%	0%	23.6%	19.7%	0%		0%	1.9%	2.1%	0%	0%	1.8%	1.7%	0%
Norway + Denmark	477	1,172	985	1,048	1,459	27.2%	0%	25.2%	69.1%		72.8%	92%	69.5%	30.9%		0%	0%	0%	0%	0%	8%	5.3%	0%
Poland	**	658	423	673	53	0%	12%	12%	100%	100%	0%	86.8%	86.7%	0%		0%	1.2%	1.3%	0%	0%	0%	0%	0%
United Kingdom	16,013	19,426	19,990	15,066	25,674	15.7%	27.3%	13%	39.2%	100%	81.6%	68.8%	82.4%	60.4%		2.8%	4%	4.6%	0%	0%	0%	0%	0.4%
Sweden	4,742	7,021	750	16	566	0%	67.8%	68%	100%		100%	31.9%	32%	0%		0%	0%	0%	0%	0%	0.3%	0%	0%
Switzerland	476	303	286	291	688	0%	0%	0%	99.6%	0%	100%	100%	100%	0.4%		0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	**64,657**	**82,947**	**95,242**	**82,609**	**160,246***	**44%**	**32.3%**	**24.9%**	**38%**		**53%**	**64.7%**	**70.2%**	**58.2%**		**2%**	**2%**	**1.8%**	**2.7%**	**1%**	**1.1%**	**3.1%**	**0.7%**
Total/employee (kg/employee)	**1.5**	**1.9**	**2.2**	**2.1**	**4.6**																		

In 2020, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS, SSCL and SFT joint venture sites) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners. Joint venture sites are included from 2017.

In 2019, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS and SSCL joint venture sites) but does not include SAB or Sopra Financial Technology GmbH. Total based on data available.*

*** WEEE stored on site.*

PAPER AND CARDBOARD WASTE BY COUNTRY ✔

	Quantity (Kg)						Of which recycled						Of which incinerated					
Year	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Germany/Austria	19,978	21,868	67,076	47,530	43,565	45,214	100%	100%	100%	100%	98%	98%	0%	0%	0%	0%	2%	2%
Benelux	24,316	46,962	78,079	58,745	80,569		100%	100%	100%	100%	75%		0%	0%	0%	0%	25%	
Denmark	594	909	814	1,580	1,580	827	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	
Spain	1,167	11,625	11,192	11,440	9,938		100%	100%	100%	100%	100%		0%	0%	0%	0%	0%	
France	53,782	109,168	94,192	71,804	60,342	96,269	100%	84.8%	84.9%	87%	83.9%	89%	0%	15.2%	15.1%	13%	16.1%	13%
India	3,893	12,506	13,415	14,025	28,410	27,217	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	0%
Italy	285	2,800	2,668	2,730			100%	100%	100%	97%			0%	0%	0%	3%		
Norway	18,555	25,446	21,058	19,168	5,782	7,670	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	
Poland	297	2,731	2,440	2,553			97%	97%	97%	97%			3%	3%	3%	3%		
United Kingdom	63,730	173,509	159,746	200,382	131,839	146,900	100%	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%	
Sweden	6,873	7,000	5,064	4,679		802	91.1%	100%	100%	97%		100%	8.9%	0%	0%	3%		
Switzerland	949	599	530	560	3,700	3,549	100%	100%	100%	100%	100%	99%	0%	0%	0%	0%	0%	
TOTAL	**194,418**	**415,122**	**456,274**	**435,196**	**365,725***	**328,448***	**99.7%**	**96%**	**97%**	**97%**	**92%**		**0.3%**	**4%**	**3%**	**3%**	**8%**	
TOTAL/EMPLOYEE *(KG/EMPLOYEE)*	**4,4**	**9,4**	**10,5**	**10,8**	**10,0**	**9,4**												

In 2020, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS, SSCL and SFT joint venture sites) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners. Joint venture sites are included from 2017.

In 2019, the scope for the calculation of indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS and SSCL joint venture sites) but does not include SAB or Sopra Financial Technology GmbH.

** Total based on data available.*

PURCHASES OF CERTIFIED PAPER FROM SUSTAINABLE SOURCES BY COUNTRY ✔

	Total paper purchased *(kg)*				Percentage of paper from sustainable sources				Paper purchased per employee *(kg/employee)*			
Year	**2020**	**2019**	**2018**	**2017**	**2020**	**2019**	**2018**	**2017**	**2020**	**2019**	**2018**	**2017**
Germany/Austria	2,107	3,216	3,771	4,946	85%	89%	93%	81%	0.66	1.09	1.40	2.11
Benelux	3,094	4,067	3,505	2,941	100%	100%	95%	100%	3.15	4.14	3.44	2.81
Spain	680	7,861	5,875	8,208	70%	70%	70%	70%	0.17	1.88	1.45	2.30
France	23,454	55,268	57,077	66,747	69%	48%	26%	70%	1.19	2.89	3.05	3.69
India	1,501	8,296	8,429	7,897	72%	71%	71%	100%	0.30	1.45	1.62	1.55
Italy	925	2,790	3,119	3,443	70%	70%	100%	100%	0.95	2.76	3.22	4.05
Poland	46	575	903	646	63%	100%	92%	100%	0.05	0.58	1.02	0.81
United Kingdom	6,270	11,173	13,835	13,942	57%	79%	85%	84%	0.94	3.11	3.81	3.61
Scandinavia*	849	2,304	2,163	1,685	70%	65%	68%	68%	0.34	1.01	1.05	1.23
Singapore	204	699	694	881	70%	70%	70%	70%	1.62	5.42	5.14	7.53
Switzerland	0	624	1,127	1,073		76%	88%	89%	0	2.5	4.53	4.19
TOTAL	**39,132**	**96,873**	**100,498**	**112,409**	**71%**	**60%**	**50%**	**76%**	**0.88**	**2.35**	**2.54**	**3.01**

** Scandinavia includes Sweden, Norway and Denmark.*

In 2020, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS, SSCL and SFT joint venture sites) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners. Joint venture sites are included from 2020.

In 2019, the scope used to calculate indicators includes all entities over which the Group has operational control and does not include SAB, Sopra Financial Technology GmbH or the NHS SBS and SSCL joint venture sites for previous years.

WATER USE BY COUNTRY ✔

	Quantity *(cu. metres)*			
Year	**2020**	**2019**	**2018**	**2017**
Africa*	6,307	5,292	4,795	2,829
Germany/Austria	12,204	5,200	5,495	6,054
Benelux**	3,673	2,828	4,933	2,717
Brazil	163	650	341	N/A
Bulgaria	112	30	N/A	N/A
China	90	131	N/A	N/A
Spain	6,732	14,382	14,239	8,349
United States	156	499	N/A	N/A
France***	62,235	74,874	86,855	55,760
India	27,435	63,433	63,903	136,948
Italy	2,578	4,205	3,666	2,585
Poland	1,224	4,254	3,465	3,106
United Kingdom	31,603	57,841	32,905	21,272
Scandinavia****	8,908	12,433	7,776	4,246
Singapore	451	705	511	356
Switzerland	380	228	285	258
TOTAL	**164,250**	**246,985**	**227,938**	**244,480**
Total *(cu. metres/employee)*	**3.6**	**5.5**	**5.2**	**6.0**

** Africa includes Lebanon, Senegal, Cameroon, Côte d'Ivoire, Gabon, Morocco and Tunisia.*

*** Benelux includes Belgium, Luxembourg and the Netherlands.*

**** France includes French Polynesia and Monaco.*

***** Scandinavia includes Sweden, Norway and Denmark.*

In 2020, the scope used to calculate indicators includes all entities over which the Group has operational control (and therefore includes the NHS SBS, SSCL and SFT joint venture sites) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners. Joint venture sites are included from 2017.

In 2019, the scope used to calculate indicators includes all entities over which the Group has operational control and does not include SAB or Sopra Financial Technology GmbH. Joint ventures sites are only included from 2017.

8. Report by the independent third party on the consolidated statement of non-financial performance presented in the management report

To the Shareholders,

In our capacity as an independent third party, member of the Mazars network and a Statutory Auditor of Sopra Steria Group, certified by COFRAC Inspection under number 3-1058 (scope of certification available on www.cofrac.fr), we hereby report to you on the consolidated statement of non-financial performance for the year ended 31 December 2019 (hereinafter referred to as the "Statement"), presented in the management report, pursuant to the legal and regulatory provisions of Articles L. 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for drawing up a Statement complying with legal and regulatory provisions, including an overview of the business model, a description of the main non-financial risks, an overview of policies adopted in light of those risks and the results of those policies, including key performance indicators.

The Statement has been prepared in accordance with the Company's procedures (hereinafter "the Guidelines"), the significant elements of which are presented in the Statement or available on the website or on request from the Company's registered office.

Independence and quality control

Our independence is enshrined in the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics governing the audit profession in France. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with ethical and professional standards, and the applicable legal and regulatory requirements.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, it is our responsibility to formulate a reasoned opinion expressing limited assurance as to:

- the Statement's compliance with the provisions laid down in Article R. 225-105 of the French Commercial Code;
- the fair presentation of the information provided pursuant to Point 3 of Paragraphs I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions relating to the key risks (hereinafter "the Information").

It is also our responsibility, at the entity's request and outside the scope of accreditation, to express a reasonable assurance opinion about whether the information selected by the entity (see Annex) has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to issue an opinion on whether the Company complies with other applicable legal and regulatory provisions, notably as regards the vigilance plan, anti-corruption measures and the prevention of tax evasion, nor on whether its products and services comply with applicable regulations.

NATURE AND SCOPE OF WORK

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code establishing the manner in which an independent third party should fulfil its engagement, with industry policy issued by the CNCC for this type of engagement and with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

- we familiarised ourselves with the business of all companies in the consolidated group, and the overview of key risks;
- we assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility, taking industry best practice into account where applicable;
- we checked that the Statement covers each category of disclosure stipulated in the third paragraph of Article L. 225-102-1 in relation to labour-related and environmental information, as well as the information stipulated in the second paragraph of Article L. 22-10-36 in relation to respect for human rights, anti-corruption measures and the prevention of tax evasion;
- we checked that the Statement presents the information laid down in paragraph II of Article R.225-105 where that information is relevant to the key risks, and that it includes, as the case may be, a reasoned explanation for the absence of any information required by the second subparagraph of paragraph III of Article L. 225-102-1;
- we checked that the Statement includes an overview of the business model and key risks associated with the business of all entities in the consolidated group, including, where relevant and proportionate, risks arising from its business relationships, products and services, as well as policies, actions and results, including key performance indicators;
- we consulted source documents and carried out interviews to:
  - assess the process used to identify and confirm key risks and the extent to which results, including key performance indicators selected, are consistent with the key risks and policies presented,
  - corroborate the qualitative information (actions and results) we considered most important (see Annex). For risks relating to the development of skills and managerial practices as well as attracting and retaining employees, our work was carried out at the level of the consolidating entity and at a selection of entities (see Annex);
- we checked that the Statement covers the consolidated group, i.e. all entities falling within the scope of consolidation in accordance with Article L. 233-16, within the limits specified in the Statement;
- we familiarised ourselves with the internal control and risk management procedures put in place by the entity and assessed the collection process to ensure that the Information is complete and accurate;
- for the key performance indicators and other quantitative results (see Annex) we considered most important, we:

- used analytical procedures to check that the data collected had been properly consolidated, and that any changes in the data were consistent,
- carried out detailed, sample-based testing to check that definitions and procedures had been properly applied and to reconcile data with supporting documents. This work was undertaken on a selection of contributing entities and countries (see Annex) and covered between 55% and 91% of the consolidated data used in the key performance indicators and results selected for these tests;

- we assessed the Statement's overall consistency based on our understanding of the Company.

We believe that the work we have undertaken, to the best of our professional judgement, provides a sufficient basis for our limited assurance conclusion. A higher level of assurance would have required more extensive verification procedures.

MEANS AND RESOURCES

Our work was carried out by a team of six people between October 2020 and February 2021 and required a total of 10 weeks.

We conducted around ten interviews with individuals responsible for preparing the Statement, notably representing Human Resources and Corporate Responsibility and Sustainable Development departments.

CONCLUSION

Based on the work performed, we did not identify any material misstatement that would cause us to conclude that the statement of non-financial performance is not consistent with applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

REASONABLE ASSURANCE REPORT ON SELECTED CSR INFORMATION

Regarding the information selected by the Company and identified by the symbol ✔, we performed, at the request of the Company and in line with its proactive approach, the same types of procedure as those described in the "Nature and scope of work" section above for the key performance indicators and the other quantitative results that we considered to be the most important, but in a more in-depth manner, in particular with respect to the number of tests conducted.

The selected sample thus represents an average of 58% of the workforce and between 53% and 91% of environmental data identified by the symbol ✔.

We believe that these procedures enable us to express a reasonable assurance conclusion with respect to the information selected by the Company and identified by the symbol ✔.

CONCLUSION

In our opinion, the information selected by the Company and identified by the symbol ✔ has been prepared, in all material respects, in accordance with the Guidelines.

Paris La Défense, 3 March 2021

Independent third party

Mazars SAS

Bruno POUGET	Edwige REY
Partner	CSR & Sustainable Development Partner

ANNEX

Key performance indicators and other quantitative results considered most important, and selection of contributing entities and countries subjected to detailed testing.

✔ Information reviewed on a reasonable assurance basis

Information	Entity/Country
■ Workforce by age bracket and type of employment contract ✔ ■ Workforce (FTE) ✔ ■ New hires (o/w% women) ✔ ■ Turnover rate for staff on permanent contracts	■ **France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, Galitt, SAB, Sodifrance) ■ **India** (Sopra Steria India, SBS Solutions India Private Limited) ■ **Norway** (Sopra Steria AS)
■ Number of hours and days of training ✔ ■ Average number of training days per employee ✔	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, Galitt, SAB) ■ **India** (Sopra Steria India, SBS Solutions India Private Limited) ■ **Norway** (Sopra Steria AS)
■ Percentage of employees with a disability ✔	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, Galitt, SAB)
■ Energy consumption per employee ✔ ■ Energy consumption (offices and on-site data centres) ✔ ■ Energy consumption of data centres (on-site and off-site) ✔ ■ Proportion of electricity consumption for offices and on-site data centres provided by renewable energies ✔ ■ Greenhouse gas emissions from energy consumption (offices and on-site data centres) ✔ ■ Greenhouse gas emissions from energy consumption of data centres (on-site and off-site) ✔ ■ Greenhouse gas emissions – Scopes 1, 2 & 3 per employee	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ **United Kingdom** (Sopra Banking Software Ltd, Sopra HR Software Limited, Sopra Steria Limited, NHS Shared Business Services Ltd, Shared Services Connected Ltd, CIMPA Ltd, Apak Group Limited, cxpartners) ■ **Germany** (Sopra HR Software GmbH, Sopra Banking Software GmbH, Sopra Steria SE, ISS Software GmbH, Sopra Steria Services GmbH, CIMPA GmbH, it-economics GmbH, Sopra Financial Technology GmbH)/ **Austria** (Sopra Steria GmbH)/ **Bulgaria** (it-economics Bulgaria EOOD)
■ Greenhouse gas emissions – Business travel ✔	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ **Poland** (Sopra Steria Polska Sp. z o.o.) ■ **Germany** (Sopra HR Software GmbH, Sopra Banking Software GmbH, Sopra Steria SE, ISS Software GmbH, Sopra Steria Services GmbH, CIMPA GmbH, it-economics GmbH, Sopra Financial Technology GmbH)/ **Austria** (Sopra Steria GmbH)/ **Bulgaria** (it-economics Bulgaria EOOD)
■ Quantity of WEEE generated per employee ✔ ■ Proportion of waste electrical and electronic equipment given a second life ✔	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ **India** (Sopra Steria India, SBS Solutions India Private Limited) ■ **Germany** (Sopra HR Software GmbH, Sopra Banking Software GmbH, Sopra Steria SE, ISS Software GmbH, Sopra Steria Services GmbH, CIMPA GmbH, it-economics GmbH, Sopra Financial Technology GmbH)/ **Austria** (Sopra Steria GmbH)
■ Water consumption (offices and on-site data centres) ■ Water consumption per employee	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ **United Kingdom** (Sopra Banking Software Ltd, Sopra HR Software Limited, Sopra Steria Limited, NHS Shared Business Services Ltd, Shared Services Connected Ltd, CIMPA Ltd, Apak Group Limited, cxpartners) ■ **Spain** (Sopra Steria España S.A.U., Sopra Steria Euskadi S.L., Sopra HR Software S.L., CIMPA PLM España S.L., Sopra Financial Solutions Iberia S.L.)
■ Quantity of "green" paper purchased per employee ✔	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ **Italy** (Sopra Steria Group S.p.A., Sopra HR Software S.r.l)

Information	Entity/Country
■ Quantity of paper and cardboard waste per employee ✔ ■ Percentage of paper and cardboard waste recycled ✔	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ **United Kingdom** (Sopra Banking Software Ltd, Sopra HR Software Limited, Sopra Steria Limited, NHS Shared Business Services Ltd, Shared Services Connected Ltd, CIMPA Ltd, Apak Group Limited, cxpartners) ■ **Spain** (Sopra Steria España S.A.U., Sopra Steria Euskadi S.L., Sopra HR Software S.L., CIMPA PLM España S.L., Sopra Financial Solutions Iberia S.L.)
■ Direct fugitive greenhouse gas emissions (offices and on-site data centres) ✔	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ India (Sopra Steria India, SBS Solutions India Private Limited)
■ Greenhouse gas emissions arising from purchasing expenditure (calculated per million euros)	■ **France** (Sopra Steria Group, Sopra HR, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, 2MoRO Solutions, OR System, Galitt, Neosphere, SAB, Sodifrance) ■ **Spain** (Sopra Steria España S.A.U., Sopra HR Software S.L., Sopra Banking Software, CIMPA PLM España S.L.) ■ **Germany** (Sopra Steria SE, Sopra HR Software GmbH, Sopra Banking Software GmbH, CIMPA GmbH, Sopra Financial technology GmbH, it-economics GmbH, Cassiopae, Blue Carat) ■ **Italy** (Sopra Steria Group S.p.A., Sopra HR Software S.r.l.)

5. 2020 Consolidated Financial Statements

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Consolidated statement of net income

(in millions of euros)	Notes	Financial year 2020	Financial year 2019
Revenue	*4.1*	**4,262.9**	**4,434.0**
Staff costs	*5.1*	-2,677.7	-2,668.5
External expenses and purchases	*4.2.1*	-1,062.0	-1,234.5
Taxes and duties		-38.8	-32.5
Depreciation, amortisation, provisions and impairment		-189.0	-157.9
Other current operating income and expenses	*4.2.2*	4.8	13.7
Operating profit on business activity		**300.2**	**354.3**
as % of revenue		*7.0%*	*8.0%*
Expenses related to stock options and related items	*5.4*	-4.2	-11.1
Amortisation of allocated intangible assets	*8.2*	-34.8	-28.9
Profit from recurring operations		**261.2**	**314.2**
as % of revenue		*6.1%*	*7.1%*
Other operating income and expenses	*4.2.3*	-58.9	-31.0
Operating profit		**202.3**	**283.2**
as % of revenue		*4.7%*	*6.4%*
Cost of net financial debt	*12.1.1*	-9.9	-9.9
Other financial income and expenses	*12.1.2*	-15.4	-14.7
Tax expense	*6.1*	-60.4	-87.3
Net profit from associates	*10.1*	2.3	1.8
Net profit from continuing operations		**118.9**	**173.1**
Net profit from discontinued operations		-	-
Consolidated net profit		**118.9**	**173.1**
as % of revenue		*2.8%*	*3.9%*
Non-controlling interests	*14.1.5*	12.2	12.7
NET PROFIT ATTRIBUTABLE TO THE GROUP		**106.8**	**160.3**
as % of revenue		*2.5%*	*3.6%*
EARNINGS PER SHARE *(IN EUROS)*	*Notes*		
Basic earnings per share	*14.2*	5.27	7.92
Diluted earnings per share	*14.2*	5.25	7.88

Consolidated statement of comprehensive income

(in millions of euros)	Notes	Financial year 2020	Financial year 2019
Consolidated net profit		**118.9**	**173.1**
Other comprehensive income:			
Actuarial gains and losses on pension plans	*5.3*	-58.3	-14.5
Tax impact		18.0	3.9
Related to associates	*10.2*	-0.1	-0.2
Change in fair value of financial assets (non-consolidated securities)		-0.6	-0.1
Subtotal of items recognised in equity and not reclassifiable to profit or loss		**-41.1**	**-11.0**
Translation differences	*14.1.4*	-57.9	38.2
Change in net investment hedges		14.8	-14.9
Tax impact on net investment hedges		-4.9	5.1
Change in cash flow hedges		-3.8	-2.7
Tax impact on cash flow hedges		0.9	1.1
Related to associates		-6.6	0.9
Subtotal of items recognised in equity and reclassifiable to profit or loss		**-57.6**	**27.7**
Other comprehensive income, total net of tax		**-98.7**	**16.7**
COMPREHENSIVE INCOME		**20.3**	**189.8**
Non-controlling interests	*14.1.5*	6.6	13.7
Attributable to the Group		13.7	176.1

Consolidated statement of financial position

Assets *(in millions of euros)*	**Notes**	**31/12/2020**	**31/12/2019**
Goodwill	*8.1*	1,843.2	1,813.9
Intangible assets	*8.2*	232.9	272.9
Property, plant and equipment	*8.3*	132.5	143.4
Right-of-use assets	*9.1*	290.3	320.4
Equity-accounted investments	*10.2*	193.4	195.0
Other non-current assets	*7.1*	74.0	58.3
Retirement benefits and similar obligations	*5.3*	3.1	2.0
Deferred tax assets	*6.3*	156.7	120.0
Non-current assets		**2,926.1**	**2,926.0**
Trade receivables and related accounts	*7.2*	954.6	1,074.3
Other current assets	*7.3*	410.6	348.3
Cash and cash equivalents	*12.2*	245.5	197.5
Current assets		**1,610.7**	**1,620.1**
Assets held for sale		-	0.0
TOTAL ASSETS		**4,536.7**	**4,546.2**

Liabilities and equity *(in millions of euros)*	**Notes**	**31/12/2020**	**31/12/2019**
Share capital		20.5	20.5
Share premium		531.5	531.5
Consolidated reserves and other reserves		845.8	820.7
Equity attributable to the Group		**1,397.8**	**1,372.7**
Non-controlling interests		**47.6**	**49.5**
TOTAL EQUITY	**14.1**	**1,445.4**	**1,422.2**
Financial debt – Non-current portion	12.3	564.5	494.4
Lease liabilities – Non-current portion	9.2	226.2	257.2
Deferred tax liabilities	6.3	43.3	22.0
Retirement benefits and similar obligations	5.3	393.4	352.0
Non-current provisions	11.1	89.4	62.3
Other non-current liabilities	7.4	104.1	112.2
Non-current liabilities		**1,421.1**	**1,300.0**
Financial debt – Current portion	12.3	106.6	217.1
Lease liabilities – Current portion	9.2	91.3	84.9
Current provisions	11.1	26.6	14.8
Trade payables and related accounts		278.6	286.3
Other current liabilities	7.5	1,167.1	1,220.9
Current liabilities		**1,670.2**	**1,823.9**
Liabilities held for sale		-	0.0
TOTAL LIABILITIES		**3,091.3**	**3,124.0**
TOTAL LIABILITIES AND EQUITY		**4,536.7**	**4,546.2**

Consolidated statement of changes in equity

(in millions of euros)	Share capital	Share premium	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income	Total attributable to the Group	Non-controlling interests	Total
At 31/12/2018	**20.5**	**531.5**	**-42.8**	**903.9**	**-116.9**	**1,296.2**	**32.9**	**1,329.2**
Share capital transactions	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	8.9	-	8.9	0.2	9.1
Transactions in treasury shares	-	-	-3.2	-9.0	-	-12.2	-	-12.2
Ordinary dividends	-	-	-	-37.6	-	-37.6	-2.3	-39.8
Changes in scope	-	-	-	-0.5	-	-0.5	20.8	20.3
First-time application of IFRS 16	-	-	-	-22.9	-	-22.9	-0.4	-23.3
Other movements	-	-	-	-35.3	-0.1	-35.4	-15.4	-50.8
Shareholder transactions	**-**	**-**	**-3.2**	**-96.3**	**-0.1**	**-99.7**	**2.9**	**-96.8**
Net profit for the period	-	-	-	160.3	-	160.3	12.7	173.1
Other comprehensive income	-	-	-	-	15.8	15.8	0.9	16.7
Comprehensive income for the period	**-**	**-**	**-**	**160.3**	**15.8**	**176.1**	**13.7**	**189.8**
At 31/12/2019	**20.5**	**531.5**	**-46.1**	**967.9**	**-101.2**	**1,372.7**	**49.5**	**1,422.2**
Share capital transactions	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	4.1	-	4.1	0.2	4.3
Transactions in treasury shares	-	-	9.9	-7.4	-	2.5	-	2.5
Ordinary dividends	-	-	-	-	-	-	-4.4	-4.4
Changes in scope	-	-	-	3.1	-	3.1	3.6	6.7
Other movements	-	-	-	1.7	0.0	1.8	-8.0	-6.2
Shareholder transactions	**-**	**-**	**9.9**	**1.6**	**0.0**	**11.5**	**-8.6**	**2.9**
Net profit for the period	-	-	-	106.8	-	106.8	12.2	118.9
Other comprehensive income	-	-	-	-	-93.1	-93.1	-5.5	-98.7
Comprehensive income for the period	**-**	**-**	**-**	**106.8**	**-93.1**	**13.7**	**6.6**	**20.3**
AT 31/12/2020	**20.5**	**531.5**	**-36.2**	**1,076.3**	**-194.2**	**1,397.8**	**47.6**	**1,445.4**

Consolidated cash flow statement

(in millions of euros)	Notes	Financial year 2020	Financial year 2019
Consolidated net profit (including non-controlling interests)		**118.9**	**173.1**
Net increase in depreciation, amortisation and provisions		236.7	199.8
Unrealised gains and losses related to changes in fair value		5.6	-2.2
Expenses and income related to stock options and related items	*5.4*	4.3	9.1
Gains and losses on disposal		0.5	-6.5
Share of net profit/(loss) of equity-accounted companies	*10.1*	-2.3	-1.8
Cost of net financial debt (including cost related to lease liabilities)	*12.1.1*	17.5	19.8
Tax expense	*6*	60.4	87.3
Cash from operations before change in working capital requirement (A)		**441.6**	**478.6**
Tax paid (B)		-82.9	-81.0
Change in operating working capital requirement (W.C.R.) (C)	*13.1*	43.0	25.3
Net cash from operating activities (D) = (A+B+C)		**401.7**	**422.9**
Purchase of property, plant and equipment and intangible assets	*13.1*	-53.6	-49.8
Proceeds from sale of property, plant and equipment and intangible assets		0.4	0.1
Purchase of non-current financial assets		-2.6	-5.1
Proceeds from sale of non-current financial assets		0.0	3.6
Cash impact of changes in scope		-76.1	-62.8
Dividends received (equity-accounted companies, non-consolidated securities)		0.0	2.9
Proceeds from/(Payments on) loans and advances granted		0.6	-1.2
Net interest received		-0.0	0.1
Net cash from/(used in) investing activities (E)		**-131.4**	**-112.2**
Proceeds from shareholders for capital increases		-0.0	-0.0
Purchase and sale of treasury shares		-10.9	-2.8
Dividends paid to shareholders of the parent company	*14.1.3*	-0.0	-37.6
Dividends paid to the minority interests of consolidated companies		-4.3	-2.3
Proceeds from/(Payments on) borrowings	*13.1*	-53.7	-72.3
Lease payments		-109.4	-109.8
Net interest paid (excluding interest on lease liabilities)		-9.4	-11.3
Additional contributions related to defined-benefit pension plans	*5.3.1*	-25.5	-24.1
Other cash flows relating to financing activities		0.1	-15.2
Net cash from/(used in) financing activities (F)		**-213.1**	**-275.2**
Impact of changes in foreign exchange rates (G)		**-4.8**	**-2.6**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)		**52.3**	**32.8**
Opening cash position		192.6	159.8
Closing cash position	*13*	245.0	192.6

Notes to the consolidated financial statements

The Group's consolidated financial statements for the year ended 31 December 2020 were approved by the Board of Directors at its meeting held on 25 February 2021.

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NOTE 1 ACCOUNTING POLICIES

The main accounting policies applied in the preparation of the consolidated financial statements are presented below. They have been applied consistently for all of the financial years presented.

1.1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the IASB and adopted by the European Union. Information on these standards is provided on the European Commission website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements.

1.2. Application of new standards and interpretations

1.2.1. New mandatory standards and interpretations

The new standards, amendments to existing standards and interpretations adopted by the European Union are required for accounting periods beginning on or after 1 January 2020 are mainly the following:

- Amendment to IFRS 3 *Definition of a Business*: This amendment had no impact on the period;
- Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform*: At this stage, the Group has not identified any material impact of this amendment;
- Amendments to IAS 1 *Presentation of Financial Statements* and to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. These changes concern how the term "material" is defined.

Application of the amendment to IFRS 16 *Covid-19-Related Rent Concessions* is mandatory for periods beginning on or after 1 June 2020. It was adopted by the European Union on 12 October. This amendment introduces a practical expedient to account for a rent concession obtained as a result of the Covid-19 pandemic as if it were not a lease modification, and to recognise the impact directly in profit or loss for the period. It may be adopted early, and its effect on the period is not material.

1.2.2. Standards and interpretations published by the IASB but not applied early

No new standards or interpretations were published by the IASB.

1.3. Impact of the Covid-19 crisis on the consolidated financial statements for the period

The Covid-19 pandemic has caused major operational difficulties in terms of business continuity, organisational adaptation, personal health and safety and compliance with public health measures. It has had an impact on the Group's consolidated financial statements as well as on the estimates it uses to measure certain assets, liabilities, income and expenses and on liquidity risk.

In terms of the presentation of the financial statements, the Group's performance was broadly affected across all the lines of its income statement. In France, neither the Autorité des Marchés Financiers (AMF) nor the Autorité des Normes Comptables (ANC) recommend using non-recurring profit or loss line items to systematically recognise the consequences of Covid-19. Instead, they recommend providing a targeted line-by-line explanation in the notes, and only using non-recurring profit or loss line items to recognise the income and expenses that are usually recorded there.

As such, the Group recognised the entire impact of operations not running at full capacity due to the crisis within operating profit on business activity. This impact included the suspension or discontinuation of contracts with customers, partially offset by a reduction in staff costs related to the implementation of furlough measures and by the reduction in certain expense items, such as travel expenses. In parallel, in certain countries it began to implement business reorganisation and restructuring measures, the impact of which was recognised within *Other operating income and expenses*, part of *Operating profit* (see Note 4.2.3), in addition to the measures that had already been decided prior to the crisis.

In addition, the consequences of the crisis led to the recognition of impairment losses. Certain assets (such as customer relationships and operating licences) were written down because the economic benefits expected no longer support the carrying amount. The Covid-19 crisis is the sole reason for this situation. The impact of these asset impairment charges was recognised within *Other operating income and expenses*, part of *Operating profit* (see Note 4.2.3), in addition to the measures that had already been decided prior to the crisis.

Finally, the Group incurred additional logistics costs to allow employees to work remotely and to address the health-related issues – social distancing in particular – at all its offices. These non-recurring, unusual additional costs were treated as *Other operating income and expenses* within *Operating profit* (see Note 4.2.3).

The crisis has also affected the estimates the Group uses to measure certain assets, liabilities, income and expenses. In particular, this is mainly relevant and decisive for the assumptions and estimates used to measure the recoverable amount of intangible assets, primarily goodwill, as described in Note 8.1.3.

Finally, the assessment of the consequences of the crisis on liquidity risk is detailed in Note 12.5.1.

1.4. Material estimates and accounting judgments

The preparation of financial statements entails the use of estimates and assumptions in measuring certain consolidated assets and liabilities, as well as certain income statement items. Group management is also required to exercise judgment in the application of its accounting policies.

Such estimates and judgments, which are continually updated, are based both on historical information and on a reasonable anticipation of future events according to the circumstances. However, given the uncertainty implicit in assumptions as to future events, the related accounting estimates may differ from the ultimate actual results.

The main assumptions and estimates that may leave scope for material adjustments to the carrying amounts of assets and liabilities in the subsequent period are as follows:

- measurement of the recoverable amount of property, plant and equipment and intangible assets, and of goodwill in particular, which was particularly relevant in this period (see Note 8.1);
- measurement of the recoverable value of shares held in associated companies recorded in the balance sheet (see Note 10.2);
- measurement of retirement benefit obligations (see Note 5.3);
- revenue recognition (see Note 4.1);
- lease terms and the valuation of assets and liabilities recognised for leased assets (see Note 9);
- measurement of deferred tax assets (see Note 6.3);
- amounts payable to non-controlling interests (see Note 7.4);
- provisions for contingencies (see Note 11.1).
- Finally, amid the current coronavirus crisis, Group management believes there is no uncertainty concerning its status as a going concern given the healthy level of its liquidity and the sustained level thereof throughout the year (see Note 12).

1.5. Format of the financial statements and foreign currency translation

1.5.1. Format of the financial statements

With regard to the presentation of its consolidated financial statements, Sopra Steria Group applies Recommendation 2013-03 of the French Accounting Standards Authority (Autorité des Normes Comptables – ANC) of 7 November 2013 on the format of the income statement, the cash flow statement and the statement of changes in equity.

The format of the income statement was adapted several years ago to improve the presentation of the Company's performance, with the addition of a financial aggregate known as *Operating profit on business activity* before *Profit from recurring operations.* This indicator is used internally by management to assess performance. It corresponds to *Profit from recurring operations* before:

- the expense relating to the costs and benefits granted to the recipients of stock option, free share and employee share ownership plans;
- the amortisation of allocated intangible assets.

Operating profit is then obtained by taking *Profit from recurring operations* and subtracting *Other operating income and expenses.* The latter contains any material items of operating income and expenses that are unusual, abnormal, infrequent or unpredictable, presented separately in order to give a clearer picture of performance based on ordinary activities.

Finally, in the analysis of *Change in net financial debt*, the Group splits out EBITDA. This figure corresponds to *Operating profit on business activity*, after adding back in the depreciation, amortisation and provisions included in the latter indicator.

1.5.2. Foreign currency translation

a- Functional and presentation currencies

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which that entity operates, i.e. its "functional currency".

The consolidated financial statements are presented in euros, the functional and presentation currency of the Sopra Steria Group parent company.

b- Translation of the financial statements of foreign subsidiaries

The accounts of all Group entities whose functional currency differs from the Group's presentation currency are translated into euros as follows:

- assets and liabilities are translated at the end-of-period exchange rate;
- income, expenses and cash flows are translated at the average exchange rate for the period;
- all resulting foreign exchange differences are recognised as a distinct equity component under *Other comprehensive income* and included in *Accumulated translation reserves* within equity (see Note 14.1.4).
- In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, translation gains and losses arising from the translation of net investments in foreign operations are recognised as a distinct component of equity. Translation gains and losses in respect of intercompany loans are considered an integral part of the Group's net investment in the foreign subsidiaries in question.

When a foreign operation is divested, the cumulative translation difference is recycled to profit or loss as part of the gain or loss arising on disposal.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the operation and, as such, are translated at the end-of-period exchange rate.

The primary applicable exchange rates for the translation of the main foreign currencies used within the Group are as follows:

	Average rate for the period		Period-end rate	
€1/Currency	Financial year 2020	Financial year 2019	31/12/2020	31/12/2019
Danish krone	7.4542	7.4661	7.4409	7.4715
Norwegian krone	10.7228	9.8511	10.4703	9.8638
Swedish krona	10.4848	10.5891	10.0343	10.4468
Tunisian dinar	3.2015	3.2801	3.2898	3.1143
Moroccan dirham	10.8224	10.7649	10.8947	10.7311
US dollar	1.1422	1.1195	1.2271	1.1234
Canadian dollar	1.5300	1.4855	1.5633	1.4598
Singapore dollar	1.5742	1.5273	1.6218	1.5111
CFA franc (BCEAO)	655.9570	655.9570	655.9570	655.9570
CFA franc (BEAC)	655.9570	655.9570	655.9570	655.9570
Swiss franc	1.0705	1.1124	1.0802	1.0854
Bulgarian lev	1.9558	1.9558	1.9558	1.9558
Lebanese pound	1,729.8344	1,690.7353	1,875.0291	1,697.0740
Pound sterling	0.8897	0.8778	0.8990	0.8508
Brazilian real	5.8943	4.4134	6.3735	4.5157
Russian ruble	82.7248	72.4553	91.4671	69.9563
Indian rupee	84.6392	78.8361	89.6605	80.1870
Chinese yuan	7.8747	7.7355	8.0225	7.8205
Polish zloty	4.4430	4.2976	4.5597	4.2568

c- Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated to the functional currency at the exchange rate applying on the transaction date. Foreign exchange gains and losses arising on settlement, as well as those arising from the translation of monetary assets and liabilities that are denominated in foreign currencies at the end-of-period exchange rate, are recognised in profit or loss under Other current operating income and expenses for transactions hedged against foreign currency risk and under Other financial income and expenses for all other transactions.

d- Hyperinflation in Lebanon

During the financial year, the Lebanese economy was determined to be a hyperinflationary economy. IAS 29 *Financial Reporting in Hyperinflationary Economies* lays down the restatements that need to be carried out in such circumstances.

The US dollar is the functional currency of the Group's subsidiary in Lebanon. As a result, the standard does not require any adjustments.

NOTE 2 SCOPE OF CONSOLIDATION

Consolidation methods

Sopra Steria Group SA is the consolidating company.

- The companies over which Sopra Steria Group has exclusive control are fully consolidated. An investor controls an investee where that investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consequently, an investor controls an investee if and only if all the following criteria are met:
- it has power over the investee;
- it is exposed – or has rights – to variable returns from its involvement with the investee;

it has the ability to exercise its power over the investee in such a way as to affect the amount of returns it obtains.

Investments in entities over which the Group exerts significant influence (associates) are accounted for under the equity method. Significant influence is deemed to exist, unless clearly demonstrated not to be the case, when a parent company directly or indirectly holds 20% or more of the voting rights of the investee.

Intercompany transactions as well as balances and unrealised profits on transactions between Group companies are eliminated.

The accounts of all consolidated companies are prepared as at 31 December. Where applicable, those accounts have been restated to ensure the consistency of accounting and measurement rules applied by the Group.

The scope of consolidation is presented in Note 18.

2.1. Main acquisitions

- **Sodifrance** – On 16 September 2020, Sopra Steria Group finalised the acquisition of a controlling interest representing 94.03% of the share capital of Sodifrance, followed by a delisting offer to bring its interest to 100%. Sodifrance is a digital services company with substantial expertise in the insurance and social security sector. The transaction will give Sopra Steria a leadership position in France in these areas.

Sodifrance and its subsidiaries have been consolidated in Sopra Steria's financial statements from 16 September 2020 onwards.

Based on the current stage of the inventory of assets acquired and liabilities assumed, the Group has identified, valued and recognised customer relationships for €18.0 million. This business is part of the "France" cash-generating unit.

The provisional allocation of goodwill breaks down as follows:

(in millions of euros)	**Sodifrance**
Total assets acquired	74.7
Total liabilities assumed	-72.2
Total net assets acquired/(net liabilities assumed)	**2.5**
Minority interests	-
Purchase price	**60.5**
GOODWILL	**58.0**

- **Fidor Solutions** – On 31 December 2020, the Group acquired, *via* its Sopra Banking Software subsidiary, full ownership of Fidor Solutions' share capital. Fidor Solutions has developed products and digital services that meet front- and middle-office challenges for digital banking. This acquisition will significantly accelerate the pace of development and marketing of Sopra Banking Software's digital solutions.

This business is part of the "Sopra Banking Software" cash-generating unit.

The net assets of Fidor Solutions (the sum of assets acquired and liabilities assumed) corresponds to the price paid; as such, the acquisition did not generate any goodwill. This allocation as of 31 December 2020 is provisional.

- **SAB** – On 3 July 2019, Sopra Steria, *via* its subsidiary Sopra Banking Software, acquired 70% of the share capital of SAB, a group considered to be one of France's leading core banking software developers.

SAB and its subsidiaries have been consolidated in Sopra Steria's financial statements since 3 July 2019. Under the terms of this acquisition, Sopra Banking Software granted SAB's minority shareholders a put option for their shares, representing the 30% stake not yet owned by the Group. This option was exercised in July 2020 at a value of €37.6 million (see Note 7.5).

Based on the inventory of assets acquired and liabilities assumed, the Group identified, valued and recognised customer relationships for €8.4 million and enterprise software for €9.2 million. This business is part of the "Sopra Banking Software" cash-generating unit.

The allocation of goodwill is now final and breaks down as follows:

(in millions of euros)	**SAB**
Total assets acquired	56.9
Total liabilities assumed	-49.1
Total net assets acquired/(net liabilities assumed)	**7.8**
Minority interests	2.3
Purchase price	**70.4**
GOODWILL	**65.0**

- **Sopra Financial Technology GmbH** – On 2 August 2019, Sopra Steria Group – the Group's parent company – acquired 51% of the share capital of Sopra Financial Technology GmbH, the entity tasked by German banking network Sparda's cooperative banks with the development, maintenance and operation of their shared information system.

The identification of assets acquired and liabilities assumed has now been completed, leading to the measurement and recognition of €8.0 million in enterprise software.

The performance of Sopra Financial Technology GmbH is individually monitored and Sopra Steria's management identifies it as a distinct reporting unit. Due to its operational characteristics, it constitutes its own cash-generating unit, which is included in the "Other Europe" group.

The allocation of goodwill breaks down as follows:

(in millions of euros)	**SFT**
Total assets acquired	151.5
Total liabilities assumed	-119.5
Total net assets acquired/(net liabilities assumed)	**32.1**
Minority interests	15.7
Purchase price	**22.6**
GOODWILL	**6.3**

- **Other** – On 10 January 2020 the Group, *via* its subsidiary Galitt, acquired 100% of ADN'co, a French consulting firm specialising in the payment systems market. The assets acquired and liabilities assumed totalled €0.2 million, and goodwill totalled €2.0 million.

On 2 March 2020, the Group acquired cxpartners, a UK-based consultancy specialising in customer experience and user-centred design, *via* its subsidiary Sopra Steria Ltd. The assets acquired and liabilities assumed totalled -€0.1 million, and provisional goodwill totalled €5.8 million.

Business combinations

The Group applies IFRS 3 *Business Combinations* to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that does not constitute a business is recognised under the standards applicable to those assets.

The Group recognises all business combinations by applying the acquisition method, which consists in:

- the measurement and recognition at fair value of the identifiable assets acquired and liabilities assumed. The Group identifies and allocates these items on the basis of contract provisions, economic conditions, and its accounting and management policies and procedures;
- the measurement of any non-controlling interest in the acquiree either at its fair value or based on its share of the fair value of the identifiable assets acquired and liabilities assumed;
- the measurement and recognition at the acquisition date of the difference (referred to as goodwill) between:
  - the purchase price of the acquiree plus the amount of any non-controlling interests in the acquiree, and
  - the net amount of the identifiable assets acquired and liabilities assumed.

The decision of how to measure non-controlling interests is made on an acquisition-by-acquisition basis and leads to the recognition of either full goodwill (should the fair value method be used) or partial goodwill (should a share of the fair value of the identifiable assets acquired and liabilities assumed be used).

The acquisition date is the date on which the Group effectively obtains control of the acquiree.

The purchase price of the acquiree is the fair value, at the acquisition date, of the elements of consideration transferred to the seller in exchange for control of the acquiree, to the exclusion of any consideration for a transaction separate from the business combination.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination takes place, the acquirer recognises the combination using provisional amounts. The acquirer must then recognise adjustments to those provisional amounts as the accounting for the business combination is completed within 12 months of the acquisition date.

2.2. Other changes in scope

In 2020, no other material changes in scope took place.

On 28 June 2019, the Group sold 100% of its recruitment subsidiary in the United Kingdom, Sopra Steria Recruitment Ltd. It recorded a gain on disposal of €1.4 million, net of costs to sell, which is shown under *Other non-current operating income and expenses* (see Note 4.2).

NOTE 3 SEGMENT INFORMATION

3.1. Results by reporting unit

a. France

(in millions of euros)	Financial year 2020		Financial year 2019	
Revenue	1,655.6		1,813.1	
Operating profit on business activity	111.9	6.8%	175.5	9.7%
Profit from recurring operations	104.8	6.3%	167.2	9.2%
Operating profit	84.9	5.1%	156.9	8.7%

b. United Kingdom

(in millions of euros)	Financial year 2020		Financial year 2019	
Revenue	699.8		771.5	
Operating profit on business activity	56.0	8.0%	56.1	7.3%
Profit from recurring operations	44.1	6.3%	43.8	5.7%
Operating profit	27.7	4.0%	42.3	5.5%

c. Other Europe

(in millions of euros)	Financial year 2020		Financial year 2019	
Revenue	1,249.0		1,152.9	
Operating profit on business activity	101.0	8.1%	77.4	6.7%
Profit from recurring operations	96.5	7.7%	73.0	6.3%
Operating profit	82.4	6.6%	66.1	5.7%

d. Sopra Banking Software

(in millions of euros)	Financial year 2020		Financial year 2019	
Revenue	421.6		438.9	
Operating profit on business activity	10.5	2.5%	4.9	1.1%
Profit from recurring operations	-4.1	-1.0%	-8.9	-2.0%
Operating profit	-10.6	-2.5%	-18.0	-4.1%

e. Other Solutions

(in millions of euros)	Financial year 2020		Financial year 2019	
Revenue	236.9		257.5	
Operating profit on business activity	20.8	8.8%	40.3	15.7%
Profit from recurring operations	19.9	8.4%	39.1	15.2%
Operating profit	17.9	7.5%	35.9	14.0%

f. Group

(in millions of euros)	Financial year 2020		Financial year 2019	
Revenue	4,262.9		4,434.0	
Operating profit on business activity	300.2	7.0%	354.3	8.0%
Profit from recurring operations	261.2	6.1%	314.2	7.1%
Operating profit	202.3	4.7%	283.2	6.4%

Under IFRS 8, segment information is based on internal management data used by the Chief Executive Officer, the company officer with ultimate responsibility for the Group's operational decisions.

The Group organisational structure reflects both its businesses and the geographic distribution of its activities.

The segments presented correspond to five reporting units:

- the "France" reporting unit, comprising the Consulting, Systems Integration, IT Infrastructure Management and Cybersecurity activities in this geographic area;
- the "United Kingdom" reporting unit, comprising the Consulting, Systems Integration, IT Infrastructure Management, Cybersecurity and Business Process Services activities in this geographic area;
- the "Other Europe" reporting unit, comprising the Consulting, Systems Integration, IT Infrastructure Management and Cybersecurity activities in European countries other than France and those in the United Kingdom (Germany, Norway, Sweden, Denmark, Spain, Italy, Belgium, Luxembourg and Switzerland), including the Sopra Financial Technology GmbH banking services platform in Germany;
- the "Sopra Banking Software" reporting unit, comprising the Core Banking and Specialised Lending Solutions businesses;
- the "Other Solutions" reporting unit, comprising the Human Resources and Real Estate Management Solutions businesses.

3.2. Revenue by geographic area

(in millions of euros)	France	Outside France	Total
Financial year 2019	2,186.7	2,247.3	4,434.0
Financial year 2020	**2,033.7**	**2,229.2**	**4,262.9**

The above breakdown is based on geographic area and does not represent the reporting units presented in Note 3.1.

3.3. Non-current assets by geographic area

(in millions of euros)	France	United Kingdom	Other European countries	Other countries	Total
Goodwill	827.7	674.3	339.2	2.0	1,843.2
Intangible assets	92.0	78.5	62.2	0.1	232.9
Property, plant and equipment	61.1	16.8	42.1	12.5	132.5

The above breakdown is based on geographic area and does not represent the reporting units presented in Note 3.1.

NOTE 4 OPERATING PROFIT

4.1. Breakdown of revenue by reporting unit

(in millions of euros)	Financial year 2020		Financial year 2019	
France	1,655.6	38.8%	1,813.1	40.9%
United Kingdom	699.8	16.4%	771.5	17.4%
Other Europe	1,249.0	29.3%	1,152.9	26.0%
Sopra Banking Software	421.6	9.9%	438.9	9.9%
Other Solutions	236.9	5.6%	257.5	5.8%
TOTAL REVENUE	**4,262.9**	**100.0%**	**4,434.0**	**100.0%**

Revenue mainly comprises revenue from services recognised on a percentage-of-completion basis, around 98.5% of which consists of Implementation, consulting and assistance services provided on a time-and-materials basis; outsourcing; infrastructure management; third-party application maintenance; and development.

The transaction price allocated to performance obligations not yet satisfied at 31 December 2020 is determined by applying the exemptions provided by the standard, which enable the following performance obligations to be excluded in determining this value:

- those performed on the basis of the actual use of billable services: implementation, consulting and assistance services provided on a time-and-materials basis; outsourcing; infrastructure management; and third-party application maintenance (corrective maintenance);
- those included in a contract for which the initial expected term does not exceed one year: the Group only applies this exemption to software maintenance royalty-type services, for which the fixed term of the majority of contracts does not exceed one year.

On this basis, within the limits set by the standard, revenue not yet recognised that is allocated to performance obligations not yet fulfilled is only attributable to services under fixed-price contracts and, to a lesser extent, sales of licences for which control has not yet been transferred to customers. It amounted at least €816.1 million at 31 December 2020. Most of it will be recognised in revenue in the following financial year.

Revenue recognition

Revenue recognition should reflect the transfer of control of goods or services promised to the customer for the amount of the consideration the Group expects in return.

a. General principles

i. *Identifying the contract with the customer*

Revenue recognition for a contract or a group of contracts must meet five criteria: the contract must have commercial substance (generation of future cash flows for the Group), the parties must have approved the contract and have pledged to meet their respective obligations, the rights and obligations of each party are identified, the payment conditions are identifiable, and the customer has the ability and intention to pay that amount of consideration in exchange for the goods and services provided.

ii. *Identifying the performance obligations in the contract*

The contract or group of contracts may include one or more performance obligations: single-service or multi-component arrangements. A performance obligation is distinct if it meets two conditions. First, the underlying good or service must be distinct in absolute terms: the customer can benefit from the good or service either on its own or through readily available market resources. The good or service must also be distinct with respect to the contract, necessitating an analysis of the transformation relationship between the various goods and services comprising the contract. This relationship does not exist if the good or service is not used to produce other goods or services covered in the contract; it does not significantly modify or customise another good or service promised in the contract; or it is not highly dependent on, or highly interrelated with, other goods or services promised in the contract.

iii. *Determining the transaction price*

Once the contract's existence is validated and the various performance obligations identified, the contract's transaction price must be determined and allocated to the various completed performance obligations.

The contract's transaction price may include variable consideration, generally in the form of discounts, reductions, or penalties or, conversely, bonuses, and may be subject to the completion of project milestones. It can also include a financial component or a consideration payable to the client.

At the contract's inception, variable consideration is only taken into account in the amount for which the Group deems it highly probable that there will not be a material decrease in revenue in subsequent periods, and provided it is not subject to factors outside the Company's influence. This variable consideration is allocated to the performance obligations pro rata to their respective standalone selling price if it cannot be otherwise allocated.

A financial component included in the transaction price is identified if it is material and if the period between completion and payment exceeds twelve months or if the timing to fulfil the services diverges substantially from that of the payments. This material financial component results in an adjustment to revenue and is recorded as financial income in *Other financial income*, where the Group finances the customer or as a financial expense in *Other financial expenses*, where the customer finances the Group through the payment of advances.

A consideration payable to the customer is deducted from the contract's transaction price if it does not correspond to a separate service provided by the customer. Otherwise, it is recognised as an operating expense.

iv. *Allocating the transaction price to the various performance obligations identified*

The transaction price is allocated to each performance obligation identified in the contract pro rata to the standalone selling prices of each underlying good or service. The standalone selling price is the price of the performance obligation as if it were sold separately. It is generally based on list prices, similar past transaction prices and observable market prices. With certain multi-component arrangements, essentially relating to software solutions, the Group may need to estimate the licence's standalone selling price using a residual approach; this corresponds to the contract's transaction price less the standalone selling prices of the other performance obligations.

The amount allocated to each performance obligation identified in the contract is recognised in revenue when control of the underlying goods or services promised in the contract is transferred to the customer.

v. *Recognising revenue*

The control of a good or service is transferred to the customer over time (requiring revenue recognition on a percentage-of-completion basis) solely if one of the following three criteria is met:

- the customer simultaneously receives and consumes the benefits of performance as it occurs;
- the performance creates or enhances an asset that the customer controls as the asset is created or developed;
- if neither of the first two criteria apply, the revenue generated by performance under a fixed-price contract can only be recognised on a percentage-of-completion basis if the asset created has no alternative use for the Group and the Group has an enforceable right to payment for the performance completed to date.

Services not yet rendered or partially invoiced are presented on the balance sheet in *Customer contract assets* under *Trade receivables and related accounts*. Services invoiced but not totally fulfilled are presented on the balance sheet in *Customer contract liabilities* under *Other current liabilities*. Customer contract assets and liabilities are presented on a net basis for each individual contract.

If a fixed-price contract becomes loss-making, the loss on completion is automatically provided for in *Provisions for contingencies and losses.*

b. Practical application: Revenue recognition for services performed by the Group on behalf of customers

i. *Costs of obtaining a contract*

The costs of obtaining a contract are capitalised in assets if two conditions are met: they would not have been incurred had the contract not been obtained, and they are recoverable. They can include sales commissions if these are specifically and solely linked to obtaining a contract and were not therefore granted in a discretionary manner.

ii. *Costs of fulfilling a contract: Transition/transformation phases of third-party application maintenance, infrastructure management and outsourcing contracts, preparatory phase for licences in SaaS mode*

The costs of fulfilling or implementing a contract are costs directly related to the contract, which are necessary to satisfying performance obligations in the future and are expected to be recovered. They do not meet the criteria defined in the general principles to constitute a distinct performance obligation.

Certain third-party application maintenance, infrastructure management or outsourcing contracts may include transition and transformation phases. In basic contracts, these activities are combined for the purpose of preparing the operating phase. They are not distinct from subsequent services to be rendered. In this case, they represent costs to implement the contract. They are capitalised and recognised in Inventories and work in progress (Other current assets).

Conversely, in more complex or sizeable contracts, the transformation phase is often longer and more significant. This generally occurs prior to operations or parallel to temporary operations to define a target operating model. In these situations, this service often represents a distinct performance obligation.

Licences in SaaS mode require preparatory phases (functional integration, set-up of the technical environment) in order to reach a target operating phase. These are not distinct performance obligations but represent costs to implement the contract that are capitalised and recognised in *Inventories and work in progress* (*Other current assets*).

The costs of fulfilling or implementing a contract capitalised in *Inventories and work in progress* (*Other current assets*) are released to profit or loss in a pattern consistent with revenue recognition and never give rise to the recognition of revenue.

iii. *Production, consulting and assistance services provided on a time-and-materials basis; outsourcing; infrastructure management; and third-party application maintenance (corrective maintenance)*

Revenue from implementation, consulting and assistance services provided on a time-and-materials basis; outsourcing; infrastructure management; and third-party application maintenance (corrective maintenance) is recognised, in accordance with the general principles, when the customer simultaneously receives and consumes the benefits of the service. Revenue is recognised based on time spent or another billable unit of work.

iv. *Services covered by fixed-price contracts*

Revenue from services performed under fixed-price contracts is recognised over time (rather than at a specific date), in accordance with general revenue recognition principles, using the percentage-of-completion method in the following two situations:

the services are performed in the customer's environment or enhance a customer's asset. The customer obtains control as the asset is created or developed;

the contract provides for the development of highly specific assets in the Group's environment (*e.g.* solutions) prior to implementation in the customer's infrastructure. The contract also provides for settlement of the value of such services in the event of termination for convenience (where the customer is entitled to do so). The Group has no alternative use for the asset created and has an enforceable right to payment for performance completed to date.

Revenue and profit generated over time by services performed under fixed-price contracts are recognised based on a technical estimate of the degree of completion, measured as the difference between the contract value and the amount required to cover the total number of person-days remaining to be performed.

v. *Licences*

Should the analysis of a contract in accordance with the general principles identify the delivery of a licence as a distinct performance obligation, control is transferred to the customer either at a point in time (grant of a right to use), or over time (grant of a right to access).

A right to access corresponds to the development of solutions in SaaS mode. Changes at any time made by the developer to the solution that expose the customer to any positive or negative effects do not represent a service for the customer. In this situation, revenue is recognised as and when the customer receives and consumes the benefits provided by performance.

If the nature of the licence granted to the customer does not correspond to the definition of a right to access, it is a right to use. In this situation, revenue from the licence shall be recognised on delivery when all the obligations stipulated in the contract have been met.

A licence sale in the form of a subscription may be considered the sale of either a right to access an asset or a right to use an asset, depending on the rights and obligations set out in the lease signed with the customer.

vi. *Principal/Agent distinction*

Should the analysis of a contract in accordance with the general principles identify the resale of goods or services as a distinct performance obligation, it is necessary to determine whether the Group is acting as an agent or a principal. It is acting as an agent if it is not responsible to the customer for satisfying the performance obligation and for the customer's acceptance, if there is no transformation of the goods or services and there is no inventory risk. In this situation, revenue is recognised for a net amount corresponding to the agent's margin or a commission. Otherwise, where it obtains control of the good or service prior to its transfer to the end-customer, it is acting as a principal. Revenue is recognised for the gross amount and external purchases are recorded in full as an operating expense.

4.2. Other operating income and expenses included in Operating profit

Aside from the staff costs detailed in Note 5, *Operating profit* mainly includes the following items:

4.2.1. External expenses and purchases included in Operating profit on business activity

(in millions of euros)	Financial year 2020		Financial year 2019	
Project subcontracting purchases	-630.3	59.3%	-710.9	57.6%
Purchases held in inventory of equipment and supplies	-17.1	1.6%	-23.0	1.9%
Goods purchases and changes in inventory	-79.0	7.4%	-61.3	5.0%
Leases	-40.5	3.8%	-36.3	2.9%
Maintenance and repairs	-77.6	7.3%	-73.7	6.0%
Subcontracting	-12.9	1.2%	-20.4	1.7%
Remuneration of intermediaries and fees	-73.5	6.9%	-84.1	6.8%
Advertising and public relations	-13.1	1.2%	-20.5	1.7%
Travel and entertainment	-55.6	5.2%	-144.9	11.7%
Telecommunications	-26.0	2.4%	-24.0	1.9%
Other expenses	-36.5	3.4%	-35.3	2.9%
TOTAL	**-1,062.0**	**100%**	**-1,234.5**	**100%**

Lease expenses only included costs excluded or exempt from the application of IFRS 16 Leases (see Note 9.1).

4.2.2. Other current operating income and expenses included in Operating profit on business activity

Other current operating income and expenses amounting to income of €4.8 million (income of €13.7 million in 2019) mainly comprised net foreign exchange gains of €3.3 million (€10.5 million in 2019), which covered the foreign exchange impact of other components of *Operating profit on business activity.*

4.2.3. Other operating income and expenses included in Operating profit

(in millions of euros)	Financial year 2020	Financial year 2019
Expenses arising from business combinations (fees, commissions, etc.)	-3.1	-3.3
Net restructuring and reorganisation costs	-44.6	-31.6
■ Integration and reorganisation of activities	-6.6	-1.3
■ Separation costs	-38.0	-30.3
Asset impairment	-3.6	-
Other operating expenses	-7.5	-1.3
Total other operating expenses	**-58.9**	**-36.2**
Other operating income	-	5.2
Total other operating income	**-**	**5.2**
TOTAL	**-58.9**	**-31.0**

Other operating income and expenses for 2020 consisted of: (i) the expenses and income usually recognised within this line item and comparable to those recorded in 2019; and (ii) costs resulting from the consequences of Covid-19 for €15.6 million.

The amount of item (i) comprised the restructuring costs of business reorganisations carried out mainly in the United Kingdom, France and Germany for €37.1 million (€8.2 million, €15.1 million and €8.1 million respectively) of which €33.8 million related to resource adjustments and €3.3 million to reorganisation costs of premises and activities. It also included €5.3 million impact of the 21 October cyberattack, and the positive €4.7 million impact of a reversal of a provision for tax risks other than income tax. In 2019, for comparison, the Group reorganised its activities, mainly in France (€7.4 million), in Consulting and Systems Integration, at Sopra Banking Software (€5.2 million), in Spain (€4.1 million) and in Germany (€4.6 million). This essentially comprised expenses related to resource adjustments.

It is supplemented by certain costs generated by the coronavirus crisis. The Group decided to implement certain restructuring measures for €4.3 million in 2020, mainly in India, Sweden and Spain. In addition, it also decided to restructure certain activities on which the crisis has had a significant, lasting impact, such as the aeronautics sector, and for certain concerned staff it implemented upskilling plans to eventually reassign them to positions outside the scope of their initial training and less impacted by the crisis. The costs of these measures came to €3.3 million in 2020, mainly in France.

The additional logistics and social costs described in Note 1.3 as a result of the crisis came to €3.2 million and €2.4 million, respectively. These are included in *Other operating expenses*.

Finally, asset impairment charges represented €3.6 million, including €2.5 million due to the crisis (see Note 1.3), related to the operating licence for the Visa project in the United Kingdom. These impairment charges were recognised within *Other operating expenses*.

NOTE 5 EMPLOYEE BENEFITS AND SHARE-BASED PAYMENTS

5.1. Staff costs

(in millions of euros)	Financial year 2020	Financial year 2019
Wages and salaries	-2,027.1	-1,999.5
Social security contributions	-636.6	-631.7
Net expense for post-employment and similar benefit obligations	-14.0	-37.3
TOTAL	**-2,677.7**	**-2,668.5**

Furlough measures were implemented as a result of the Covid-19 crisis in various countries where the Group has operations. The amounts received from various governments were recognised as a deduction to personnel expenses and amounted to €10.8 million.

The Group's management decided to supplement the indemnities paid by certain governments under staff furlough measures in order to maintain the salaries of the affected personnel. The cost of this decision amounted to €4.6 million.

The Group recognises the amount of short-term employee benefits, as well as the contributions due in respect of its pension plans, under Staff costs. As the Group has no commitments beyond these contributions, no provisions are recognised for these plans.

The principles applicable to post-employment benefit expenses and similar items are presented in Note 5.3.2 for other long-term employee benefits and Note 5.3.1 for post-employment benefits.

5.2. Workforce

Workforce at period-end	Financial year 2020	Financial year 2019
France	19,759	19,502
International	26,201	26,743
TOTAL	**45,960**	**46,245**

Average workforce	Financial year 2020	Financial year 2019
France	19,549	19,513
International	26,667	26,542
TOTAL	**46,216**	**46,055**

5.3. Retirement benefits and similar obligations

Retirement benefits and similar obligations break down as follows :

(in millions of euros)	31/12/2020	31/12/2019
Post-employment benefit assets	-3.1	-2.0
Post-employment benefit liabilities	383.2	341.8
Net post-employment benefits	**380.1**	**339.7**
Other long-term employee benefits	10.2	10.2
TOTAL	**390.4**	**350.0**

5.3.1. Post-employment benefits

Post-employment benefits mainly concern the Group's obligations towards its employees to provide retirement bonuses in France (42.6% of the Group's total obligations) and defined-benefit pension plans in the United Kingdom (38.8% of the Group's total obligations) and Germany (17.2%). For marginal amounts, they also include end-of-contract bonuses in certain countries in Africa, as well as a defined-benefit plan in Belgium. At 31 December 2020 they totalled €380.1 million, *versus* €339.7 million at 31 December 2019.

In the United Kingdom, the Group has five post-employment defined-benefit plans. During financial year 2020, members of three existing plans were transferred and pooled together in a new sixth plan. The remaining members will be transferred during financial year 2021. The obligations under each plan are asset-funded. Three of these plans are closed to all new employees and the vesting of future benefits has ceased. For each plan, the benefits payable are primarily based on the plan member's final salary or, in certain cases, an average of the member's salary and any additional benefits. Each plan holds its assets in a trust fund for employees and is supervised by the regulating body defined in UK pension law. The plan trustees are corporate trustees whose directors include representatives of the plan members, representatives of the Company and independent members. External consultants are hired by the trustees to manage the plans on a day-to-day basis and deal with legal, investment policy and actuarial matters. Under UK law, the plans must be assessed every three years. This assessment is used as a basis to determine the contributions payable by the employer to the funds. It was completed in 2020 The creation of a new plan on 1 February 2020 through the merger of three existing plans will simplify the administration of these post-employment benefit plans. Accordingly, a further assessment will be required within 12 months, which was scheduled for 31 December 2020. This will establish an agreement on the level of contributions to be paid. It will then have to be approved by the trustees by 31 March 2022.

The risks associated with these plans relate to:

- asset management;
- inflation, to which pension benefits are indexed, although this risk is limited by the use of inflation-indexed financial instruments;
- interest rates insofar as the future cash outflows are discounted, although this risk is limited by the use of interest rate hedging instruments;
- changes in demographic assumptions such as mortality.

These plans distinguish between active members who are still vesting benefits, members who are still working but whose benefits are frozen, and retired members. These three member categories represent 4.1%, 54.9% and 41.0%, respectively, of total obligations.

Projected benefit outflows by the funds, which had a total of €1,851.3 million in assets at 31 December 2020, are as follows, in millions of pounds sterling, over the next ten years:

- less than two years: £134.1 million;
- two to five years: £215.0 million;
- five to ten years: £398.5 million.

These outflows correspond to benefits provided and estimates for transfers of obligations (and the related assets), at the request of recipients, to external asset managers.

Assets covering these obligations came to €1,703.9 million at 31 December 2020.

These plans include the payment of contributions to fund the deficit existing in the funds (contributions less mandatory expenses and deductions) and to fund the current service cost for the financial year. In 2020, over 12 months, contributions paid totalled €29.5 million, including €22.3 million to fund the deficit (€25.3 million including other related disbursements). The contribution to be paid in 2021 is expected to amount to £25.6 million, including £20.4 million to fund the deficit.

In France, the defined-benefit plan concerns the payment of retirement bonuses. The Group recognises provisions for its employee benefit obligations, principally in accordance with the terms of voluntary and compulsory retirement under the Syntec collective bargaining agreement.

The resulting liability fluctuates according to demographic assumptions such as mortality rates (public statistics) and the discount rate (Bloomberg eurozone index).

This plan is exposed to interest rate risk, inflation risk and the risk of changes in demographic assumptions.

In Germany, there are six plans, two of which are material (€55.9 million). Since these plans are not funded, they are covered by a provision. The purpose of the main plan is to pay a minimum pension equal to 14.1% of the salary paid up to the social security ceiling and 35.2% beyond that ceiling. This plan only involves employees who entered into service prior to 1 January 1986, and pension entitlements have been frozen since 30 September 1996. This plan is exposed to interest rate risk, inflation risk and the risk of changes in demographic assumptions.

There are also plans in Poland, Cameroon, Côte d'Ivoire, Tunisia and Belgium. The plan in Belgium is funded and serves to pay an annuity to plan members on retirement. The other plans cover end-of-contract bonuses payable. These plans are grouped together under "Other", with the plan in Belgium being the main contributor to this item.

a. Change in net liabilities arising from the main post-employment benefit plans in financial year 2020

(in millions of euros)	Defined-benefit pension funds – United Kingdom	Retirement bonuses – France	Defined-benefit pension funds – Germany	Other	Total
Calculation assumptions for actuarial liabilities					
Discount rate	1.41%	0.11% to 0.44%	0.13% to 0.34%	0.13% to 10.30%	
Inflation rate	2.09%	NA	N/A	N/A	
Rate of salary increase	2.89%	2.00% to 2.50%	2.00% to 2.50%	3.00% to 10.00%	
Retirement age	65	65	60 to 65	Varies	
Amounts recognised in the balance sheet					
Present value of the obligation at 31/12/2020	1,851.3	164.9	68.2	13.5	2,097.9
Fair value of plan assets at 31/12/2020	1,703.9	1.8	2.9	9.2	1,717.8
Net liabilities on the balance sheet at 31/12/2020	**147.5**	**163.1**	**65.3**	**4.3**	**380.1**
Net liability cost components					
Current service cost	4.2	10.1	0.5	0.3	15.0
Past service cost	-	-	-	-	-
Losses/(gains) on plan settlements	-	-	-	-	-
Interest on obligation	34.6	1.3	0.5	0.1	36.5
Interest on plan assets	-32.2	-0.0	-0.0	-0.0	-32.3
Total expenses recognised in the income statement	**6.6**	**11.3**	**0.9**	**0.3**	**19.2**
Effect of net liability remeasurements	42.1	11.3	4.3	0.5	58.3
■ Return on plan assets (excluding amounts included in interest income)	-168.3	0.0	-	-0.2	-168.5
■ Experience adjustments	-5.1	0.4	-0.9	0.5	-5.0
■ Impact of changes in demographic assumptions	-2.9	0.5	-	-0.1	-2.6
■ Impact of changes in financial assumptions	218.5	10.4	5.2	0.4	234.5
Total expenses recognised directly in equity	**42.1**	**11.3**	**4.3**	**0.5**	**58.3**
Changes in net liabilities					
Net liability at 1 January 2020	135.7	138.0	62.1	3.9	339.7
Changes in scope	-	5.8	-	-	5.8
Net expense recognised in the income statement	6.6	11.3	0.9	0.3	19.2
Net expense recognised in equity	42.1	11.3	4.3	0.5	58.3
Contributions	-29.5	-3.4	-2.0	-0.5	-35.5
■ Employer contributions	-29.5	-3.4	-2.0	-0.5	-35.5
■ Employee contributions	-	-	-	-	-
Exchange differences	-7.5	-	-	-0.0	-7.5
Other movements	-	-	-	-0.0	-0.0
NET LIABILITY AT 31 DECEMBER 2020	**147.5**	**163.1**	**65.3**	**4.3**	**380.1**

Changes in scope essentially reflected the acquisition of Sodifrance in France.

For reference, net liabilities arising from the main post-employment benefit plans changed as follows in financial year 2019:

(in millions of euros)	Defined-benefit pension funds – United Kingdom	Retirement bonuses – France	Defined-benefit pension funds – Germany	Other	Total
Calculation assumptions for actuarial liabilities					
Discount rate	2.07%	0.08% to 1.09%	0.08% to 0.87%	0.40% to 6.35%	
Inflation rate	2.02%	0.20%	N/A	N/A	
Rate of salary increase	2.92%	2.00% to 2.50%	2% to 2.50%	3% to 7%	
Retirement age	65	65	60 to 65	Varies	
Amounts recognised in the balance sheet					
Present value of the obligation at 31/12/2019	1,779.2	139.9	64.6	14.2	1,997.9
Fair value of plan assets at 31/12/2019	1,643.5	1.9	2.5	10.3	1,658.2
Net liabilities on the balance sheet at 31/12/2019	**135.7**	**138.0**	**62.1**	**3.9**	**339.7**
Net liability cost components					
Current service cost	4.0	8.9	0.2	0.9	14.0
Past service cost	-	0.0	1.5	-	1.5
Losses/(gains) on plan settlements	-	-	-	-	-
Interest on obligation	44.2	2.2	0.7	0.1	47.3
Interest on plan assets	-40.3	-0.0	-	-0.1	-40.4
Total expenses recognised in the income statement	**7.9**	**11.1**	**2.5**	**0.9**	**22.4**
Effect of net liability remeasurements	1.6	8.7	4.0	0.2	14.5
■ Return on plan assets (excluding amounts included in interest income)	-143.6	-0.0	-	-0.3	-143.9
■ Experience adjustments	-14.2	-2.0	-0.5	0.0	-16.7
■ Impact of changes in demographic assumptions	-22.5	-5.2	-	0.1	-27.6
■ Impact of changes in financial assumptions	181.9	15.9	4.5	0.5	202.7
Total expenses recognised directly in equity	**1.6**	**8.7**	**4.0**	**0.2**	**14.5**
Changes in net liabilities					
Net liability at 1 January 2019	**147.5**	**115.3**	**41.3**	**4.2**	**308.3**
Changes in scope	-	5.0	15.9	-	20.9
Net expense recognised in the income statement	7.9	11.1	2.5	0.9	22.4
Net expense recognised in equity	1.6	8.7	4.0	0.2	14.5
Contributions	-28.3	-2.0	-1.6	-0.7	-32.7
■ Employer contributions	-28.3	-2.0	-1.6	-0.7	-32.7
■ Employee contributions	-	-	-	-	-
Exchange differences	7.0	-	-	0.0	7.0
Other movements	-	0.0	-	-0.7	-0.7
NET LIABILITY AT 31 DECEMBER 2019	**135.7**	**138.0**	**62.1**	**3.9**	**339.7**

b. Change in pension assets and liabilities in the United Kingdom

In the United Kingdom, net liabilities arising from post-employment defined-benefit plans reflect the net value of benefit obligations and the plan assets covering them. These assets and liabilities changed as follows:

(in millions of euros)	31/12/2020	31/12/2019
Present value of the obligation at the beginning of the period	**1,779.2**	**1,544.1**
Changes in scope	-	-
Translation adjustments	-97.2	84.2
Current service cost	4.2	4.0
Past service cost	-	-
Interest	34.6	44.2
Employee contributions	-	-
Effect of obligation remeasurements	203.0	145.0
▪ Experience adjustments	-5.1	-14.2
▪ Impact of changes in demographic assumptions	-2.9	-22.5
▪ Impact of changes in financial assumptions	211.0	181.7
Plan amendments	-	-
Transfers	-	-
Benefits provided	-72.4	-42.3
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**1,851.3**	**1,779.2**
Fair value of plan assets at the beginning of the period	**1,643.5**	**1,396.6**
Changes in scope	-	-
Translation adjustments	-89.7	77.2
Interest	32.2	40.3
Effects of plan asset remeasurements	160.9	143.4
▪ Return on plan assets (excluding amounts included in interest income)	168.3	143.6
▪ Impact of changes in financial assumptions	-7.4	-0.2
Employer contributions	29.5	28.3
Employee contributions	-	-
Transfers	-	-
Benefits provided	-72.4	-42.3
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**1,703.9**	**1,643.5**

The decrease in net liabilities mainly resulted from the contributions paid to reduce the deficit and the favourable evolution in the return on assets partly compensated by a reduction in the discount rate.

UK pension fund assets fall into four investment categories:

(in millions of euros)	31/12/2020	31/12/2019
Shares	319.8	360.0
Bonds/Private placements	1,043.8	336.3
Infrastructure and property assets	241.4	249.8
Other assets	98.9	697.4
TOTAL	**1,703.9**	**1,643.5**

Other assets mainly comprised cash and cash equivalents at 31 December 2020.

The discount rate used for employee obligations is based on the return on AA bonds in line with the duration of the liabilities rounded to the nearest hundredth. In the United Kingdom, the benchmark used is the Mercer yield curve.

A 0.25-point decrease in the discount rate would increase the benefit obligation by €90.5 million. A 0.25-point increase in the discount rate would reduce the benefit obligation by €102.3 million. A 10% reduction in the value of the assets would reduce their amount by €170.4 million, whereas a 10% increase would increase their amount by €170.4 million. These sensitivity estimates are made on the basis of all other things being equal.

At 31 December 2020, two plans were in a net asset position, totalling €3.1 million. These assets are deemed recoverable through a future decrease in contributions.

c. Change in pension assets and liabilities in France

(in millions of euros)	Retirement bonuses – France 31/12/2020	Retirement bonuses – France 31/12/2019
Present value of the obligation at the beginning of the period	**139.9**	**117.4**
Changes in scope	5.8	5.0
Current service cost	10.1	8.9
Past service cost	-	0.0
Interest	1.3	2.2
Employee contributions	-	-
Effect of obligation remeasurements	11.3	8.7
■ Experience adjustments	0.4	-2.0
■ Impact of changes in demographic assumptions	0.5	-5.2
■ Impact of changes in financial assumptions	10.4	15.9
Plan amendments	-	-
Transfers	-	-
Benefits provided	-3.5	-2.2
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**164.9**	**139.9**
Fair value of plan assets at the beginning of the period	**1.9**	**2.1**
Changes in scope	-	-
Translation adjustments	-	-
Interest	0.0	0.0
Effects of plan asset remeasurements	-0.0	0.0
■ Return on plan assets (excluding amounts included in interest income)	-0.0	0.0
■ Impact of changes in financial assumptions	-	-
Employer contributions	-	-
Employee contributions	-	-
Transfers	-	-
Benefits provided	-0.1	-0.2
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**1.8**	**1.9**

For pension liabilities in France, a 0.50-point increase or decrease in the discount rate would decrease the benefit obligation by €10.5 million or increase it by €11.4 million, respectively.

The retirement bonus obligation in France breaks down as follows by maturity:

(in millions of euros)	31/12/2020	31/12/2019
Present value of theoretical benefits payable by the employer in:		
Less than 1 year	4.3	2.5
1 to 5 years	18.2	16.2
5 to 10 years	41.6	36.2
10 to 20 years	69.2	59.8
More than 20 years	31.6	25.2
TOTAL OBLIGATION	**164.9**	**139.9**

Defined-benefit plans are paid for either directly by the Group, which funds the benefits to be granted, or via pension funds to which *the* Group contributes. In both cases, the Group recognises a pension liability corresponding to the present value of future payments, which is estimated by taking into consideration relevant internal and external factors as well as the laws and regulations specific to each Group entity.

Certain post-employment defined-benefit plans may comprise plan assets intended to settle the obligations. They are mainly administered by pension funds that are legally separate from the entities making up the Group. The assets held by these funds are mainly shares or bonds. Their fair value is generally calculated using their market value.

Obligations in respect of post-employment defined-benefit plans are measured annually using the actuarial valuation method known as the projected unit credit method, which stipulates that each period of service gives rise to an additional unit of benefit entitlement, and measures each unit separately to obtain the final obligation. These calculations include assumptions regarding life expectancy, employee turnover and projected future salaries.

The present value of retirement benefit obligations is determined by discounting future cash outflows using the rate for market yields on high-quality corporate bonds of the currency used to pay the benefit and a term consistent with the estimated average term of the concerned retirement benefit obligation.

The expense representing the current service cost for the period is recognised in profit or loss within *Staff costs*.

The effects of plan amendments, recognised through past service cost (cost of service in prior periods modified by the introduction of changes or new benefit plans), are recognised immediately in profit or loss within *Staff costs* when they occur.

Any gains or losses recognised in the event of defined-benefit pension plan curtailments or settlements are recognised in profit or loss when the event occurs within *Other operating income* or *Other operating expenses*, respectively.

An interest expense is recognised in profit or loss within *Other financial expenses* and corresponds to the cost of unwinding the discount of the retirement benefit obligations net of plan assets.

The assumptions used in the actuarial calculation of defined-benefit pension obligations involve uncertainties that may affect the value of financial assets and obligations to employees. Actuarial gains and losses arising from the effects of changes in demographic assumptions, changes in financial assumptions and the difference between the discount rate and the actual rate of return on plan assets, less their management and administrative costs, are recognised directly in equity under *Other comprehensive income*, and are not reclassifiable to profit or loss.

5.3.2. Other long-term employee benefits

Other long-term employee benefits may include the portion available in more than one year of employee profit-sharing liabilities allocated to a current account and locked in for five years in France; long-service awards in Germany and India; pre-pension obligations in Germany and Belgium; and end-of-contract bonuses in Italy, Lebanon and India. Benefits for employees in India make up the largest portion of these liabilities for 2020, for €4.3 million (€4.4 million at 31/12/2019).

The remaining long-term employee benefits primarily consist of:

long-term paid leave such as long-service or sabbatical leave;

- long-service awards;
- incentives and bonuses payable 12 months or more after the end of the period in which the employees render the corresponding service;
- profit-sharing liabilities. These are recognised at the present value of the obligation at the balance sheet date. For the year in which this profit-sharing is appropriated, the difference between the present value of the profit-sharing and the nominal value that will be paid to employees at the close of the lock-up period is recognised as a financial liability and balanced by an additional staff expense. It is then reversed as a deduction against financial expenses over the following five years;
- deferred compensation paid 12 months or more after the end of the period in which it is earned.
- All expenses relating to other long-term benefits, including changes in actuarial assumptions, are recognised immediately in profit or loss within *Staff costs* in respect of the service cost and within *Other financial income and expenses* in respect of the cost of unwinding the discount.

5.4. Share-based payments

The cost of the benefits granted to employees under stock option, free share and employee share ownership plans, which amounted to €4.2 million (€11.1 million in 2019), is charged to *Profit from recurring operations*.

It mainly consisted of a charge corresponding to benefits granted to employees in respect of free performance share plans (€9.1 million in 2019, mainly in respect of free performance share plans. In 2019, it also included social security contributions relating to these plans for €2.1 million and management costs for the remainder, which were virtually nil in 2020.

5.4.1. Free performance share plans

Expenses related to free share plans totalled €2.2 million (compared with €7.6 million in financial year 2019).

Information on the rules of the main free share plans is set out below:

	Sopra Steria plans	
	February 2017 plan	**February 2018 plan**
Date set up by General Management and/or the Board of Directors	24 February 2017*	16 February 2018
Number of shares that may be granted	109,000 (*)	128,000
Exchange ratio between Sopra Steria and Steria shares: # of Steria shares for 1 Sopra Steria share	*Not applicable*	*Not applicable*
Performance measurement period	1 January 2017 to 31 December 2019	1 January 2018 to 31 December 2020
Vesting period	24 February 2017 to 31 March 2020 inclusive*	16 February 2018 to 31 March 2021 inclusive
Mandatory holding period following the grant of shares	None	None
Performance conditions stipulated in the plan	1) Consolidated revenue growth in 2017, 2018 and 2019	1) Consolidated revenue growth in 2018, 2019 and 2020
	2) Level of consolidated operating profit on business activity in 2017, 2018 and 2019	2) Level of consolidated operating profit on business activity in 2018, 2019 and 2020
	3) Level of consolidated free cash flow in 2017, 2018 and 2019	3) Level of consolidated free cash flow in 2018, 2019 and 2020
Number of potential shares that could have been granted as at 1 January 2020	**63,936**	**78,572**
Number of shares granted in 2020	59,732	0
Number of shares cancelled in 2020	4,204	10,892
Number of shares vested at 31 December 2020	59,732	0
Number of potential shares that could have been granted as at 31 December 2020	**0**	**67,680**
Share price	112.85 (*)	153.80
Risk-free rate	-	-
Dividends	2.5%	2.2%
Volatility	N/A	N/A
(EXPENSE)/INCOME RECOGNISED IN THE INCOME STATEMENT FOR THE FINANCIAL YEAR IN MILLIONS OF EUROS	**0.1**	**2.2**

(*) Including 5,000 shares granted following the Board of Directors' decision at its meeting on 25 October 2017. The share price at that date was €157.

No new free performance share plans were set up in 2020.

At the Combined General Meeting of 9 June 2020, an overall limit of 3% of the share capital (i.e. 616,431 shares on the basis of the share capital at 31 December 2019) was set for all employee and company officer shareholding programmes (share subscription and share purchase options, BSAAR redeemable equity warrants, free shares, and share capital increases reserved for employees enrolled in the company savings plan).

Awards of free Sopra Steria Group shares are granted to some staff members, subject to their continued employment within the Group at the grant date, and either subject or not subject to conditions relating to the Group's performance. Benefits granted under free share award plans constitute additional compensation and are measured and recognised in the financial statements.

At the end of each reporting period, the Group reviews the potential number of shares that could be awarded based on the recipients present and estimates regarding the achievement of non-market performance conditions provided for under the plans. The impact of this re-estimate is recognised in profit or loss as an offset against equity.

The value of free shares in awards granted to employees as compensation for services rendered is measured by reference to the fair value of the equity instrument at the grant date. This fair value is based on the share price at this same date. Non-market vesting conditions must not be taken into account when estimating the fair value of the shares at the measurement date. When these equity instruments are subject to conditions of non-transferability, the cost of non-transferability is taken into account in their fair value. Where appropriate, the inability to collect dividends is also taken into account in the fair value calculation. Lastly, the cumulative expense recognised also takes into account the estimated number of shares that will eventually vest.

The expense related to share-based payments made to employees under free share plans is recognised on a straight-line basis in profit or loss over the vesting period, under Expenses related to stock options and related items, which enters into the calculation of Profit from recurring operations. Since this is an equity-settled plan, the double-entry for this expense is recognised in equity under the Consolidated reserves and other reserves heading.

5.4.2. Employee share ownership plan

In 2020, the Group did not set up any employee share ownership plans.

Furthermore, the Share Incentive Plan – a special plan in place in the United Kingdom – continued and incurred an expense of €1.8 million.

5.5. Senior management compensation (related parties)

(in millions of euros)	31/12/2020	31/12/2019
Short-term employee benefits	3.2	3.2
Post-employment benefits	0.0	0.0
Other long-term employee benefits	-	-
Termination benefits	-	-
Equity compensation benefits	0.2	0.5
TOTAL	**3.5**	**3.7**

The compensation information provided in the table above relates to the Chairman of the Board of Directors, the Chief Executive Officer and all Directors holding a salaried position within the Group.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Note 5.3.1). There are no obligations toward senior executives with respect to post-employment benefits or other long-term employee benefits.

NOTE 6 CORPORATE INCOME TAX

6.1. Tax expense

(in millions of euros)	Financial year 2020	Financial year 2019
Current tax	-57.9	-78.6
Deferred tax	-2.5	-8.8
TOTAL	**-60.4**	**-87.3**

a. Current tax

The Group determines its current tax expense by applying the tax laws in force in countries where its subsidiaries and associates conduct their business and generate taxable revenues. The tax laws applied are those enacted or substantively enacted at the end of the reporting period.

b. Deferred tax

Deferred tax is recognised on all temporary differences between the tax base and the carrying amount of assets and liabilities on consolidation.

Deferred tax assets are only recognised if it is probable that they will be recovered as a result of taxable profit expected in future periods within a reasonable time frame.

They are reviewed at the end of each reporting period.

Tax assets and liabilities are measured based on the tax rates enacted or substantively enacted applicable to the reporting period during which the asset will be realised or the liability settled. Their effect is recognised in profit or loss as *Deferred tax* unless it relates to items recorded under *Other comprehensive income*, in which case the effect is also included among gains and losses recognised directly in equity. Deferred tax assets and liabilities, regardless of their expiry date, are offset when:

- the Group has the legal right to settle current tax amounts on a net basis; and
- the deferred tax assets and liabilities relate to the same tax entity.

6.2. Reconciliation of statutory and effective tax expense

(in millions of euros)	Financial year 2020	Financial year 2019
Net profit	**118.9**	**173.1**
Adjustment for:		
■ Net profit from associates	2.3	1.8
■ Tax expense	-60.4	-87.3
Profit before tax	**177.1**	**258.7**
Statutory tax rate	**32.02%**	**34.43%**
Statutory tax expense	**-56.7**	**-89.1**
Permanent differences	-7.2	-9.3
Impact of non-activated losses for the financial year	-5.1	-0.2
Use/activation of previously uncapitalised loss carryforwards	0.0	1.6
Impact of tax credits	10.0	9.9
Tax rate differences	10.1	14.1
Prior-year tax adjustments	-1.1	3.2
CVAE (net of tax)	-15.7	-16.4
Other tax	5.4	-1.1
ACTUAL TAX EXPENSE	**-60.4**	**-87.3**
Effective tax rate	*34.09%*	*33.77%*

The reconciliation between the statutory tax expense and the effective tax expense is conducted using the statutory tax rate in France for the Group's parent company. This statutory tax rate consists of the 31.0% corporate tax rate plus the 1.02% *Contribution Sociale de Solidarité des Sociétés* (C3S) social security tax.

The *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE) – a tax on corporate value added, which is a component of the *Contribution Économique Territoriale* (CET) regional business tax in

France – is recognised as part of the corporate income tax expense, as is the *Imposta Regionale Attività Produttive* (IRAP) regional production tax in Italy.

The Group operates in many countries with differing tax laws and tax rates. Within each country, tax rates may also vary depending on the tax policies implemented by local governments and can lead to differences between the current and deferred tax rates, as is the case mainly in France. Local weighted average tax rates applicable to Group companies can therefore vary from year to year depending on the relative level of taxable profit. These movements are reflected in Tax rate differences. This also takes into account the impact of the reduced tax rate in France, which nevertheless represents an immaterial amount.

In 2020, as in 2019, *Other tax* essentially consisted of unrecovered withholdings.

6.3. Deferred tax assets and liabilities

6.3.1. Change in net deferred tax

(in millions of euros)	01/01/2020	Change through profit or loss	Change through OCI	Scope effect	Currency translation effect	Other	31/12/2020
Deferred tax arising from:							
Intangible assets	-26.4	4.9	0.0	-0.1	0.6	-	-21.1
Property, plant and equipment	4.1	-0.4	-	-	-0.2	-	3.6
Non-current financial assets	0.9	0.3	-	-	-0.0	-	1.1
Inventories, services in progress and outstanding invoices	-0.4	-4.5	-	1.3	0.0	-	-3.6
Other current assets	-0.9	-3.0	-0.0	0.0	-0.2	-	-4.1
Derivatives	0.3	-0.3	0.9	-	-0.0	-	0.8
■ With impact on the income statement	0.7	-0.3	-	-	0.0	-	0.4
■ With impact on OCI	-0.4	-	0.9	-	-0.0	-	0.5
Financial debt	-0.6	0.2	-	-	0.0	-	-0.4
Retirement benefit obligations	73.1	-4.4	18.0	1.5	-1.5	-	86.7
■ With impact on the income statement	8.8	-4.4	0.0	1.5	1.4	-	7.3
■ With impact on OCI	64.3	-	18.0	-	-2.9	-	79.4
Provisions	1.9	0.9	-	-0.0	-0.1	-	2.7
Assets and liabilities related to lease assets	6.8	1.8	-4.6	0.1	-0.0	-	4.2
Other current liabilities	-3.2	-1.2	-	-0.4	-0.2	-	-4.9
Tax loss carryforwards	42.7	3.2	-0.0	2.5	-0.0	-	48.3
Net deferred tax asset/(liability)	**98.1**	**-2.4**	**14.4**	**4.9**	**-1.5**	**-**	**113.4**
Deferred tax included in assets held for sale	0.0	-	-	-	-	-0.0	-0.0
NET DEFERRED TAX ASSET/(LIABILITY) REPORTED IN THE BALANCE SHEET	**98.1**	**-2.4**	**14.4**	**4.9**	**-1.5**	**-0.0**	**113.4**
Of which:							
Deferred tax recognised in profit or loss	34.3	-2.4	-4.6	4.9	1.3	-0.0	33.5
Deferred tax recognised in equity (OCI)	63.8	-	19.0	-	-2.9	-	79.9
■ Reclassifiable to profit or loss	-0.4	-	0.9	-	-0.0	-	0.5
■ Not reclassifiable to profit or loss (retirement benefit obligations)	64.3	-	18.0	-	-2.9	-	79.4

6.3.2. Deferred tax assets not recognised by the Group

(in millions of euros)	31/12/2020	31/12/2019
Tax losses carried forward	41.3	22.2
Temporary differences	-	-
TOTAL	**41.3**	**22.2**

6.3.3. Change in tax loss carryforwards

(in millions of euros)	France	United Kingdom	Scandinavia	Spain	Other countries	Total
31 December 2019	**207.4**	**5.2**	**12.9**	**7.6**	**22.1**	**255.2**
Changes in scope	28.0	-	-	-	-	28.0
Created	85.0	0.0	0.6	0.8	20.8	107.2
Used	-83.8	-	-	-	-1.6	-85.4
Expired	-	-	-	-	-	-
Translation adjustments	-	-0.3	1.0	-	-2.2	-1.5
Other movements	34.3	-	22.6	-0.5	1.0	57.5
31 DECEMBER 2020	**270.8**	**5.0**	**37.2**	**7.9**	**40.0**	**360.9**
Deferred tax basis – Activated	170.1	-0.0	0.3	4.4	11.3	186.1
Deferred tax basis – Non-activated	100.8	5.0	36.9	3.5	28.8	174.9
Deferred tax – Activated	43.9	-	0.1	1.1	3.3	48.3
Deferred tax – Non-activated	26.0	0.0	8.0	0.9	6.4	41.3

In France, a portion of the non-activated tax losses – €13.0 million in deferred taxes (based on a tax rate of 25.83%) – consisted of the tax loss carryforwards prior to 1 January 2014 originating from Steria. The authorities' decision to disallow their transfer to Sopra Steria is being challenged through litigation.

In Scandinavia, the tax loss carryforwards of the companies established in Sweden and Denmark did not lead to the recognition of any deferred tax assets.

Lastly, in "Other countries", tax losses for small companies located in Brazil, Spain, Austria and several African countries were not activated.

NOTE 7 COMPONENTS OF THE WORKING CAPITAL REQUIREMENT AND OTHER FINANCIAL ASSETS AND LIABILITIES

These items include non-current financial assets, trade receivables and related accounts, other current assets, other non-current liabilities, trade payables and other current liabilities.

7.1. Other non-current financial assets

(in millions of euros)	31/12/2020	31/12/2019
Non-consolidated securities	19.4	19.8
Other loans and receivables	54.2	36.4
Derivatives	0.3	2.2
TOTAL	**74.0**	**58.3**

The Group classifies its financial assets into the following categories:

- assets at fair value through other comprehensive income;
- assets at fair value through profit or loss; and
- assets at amortised cost.

Classification depends on the purposes for which financial assets were acquired. According to its management model, the Group's management determines the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

The financial assets recognised by the Group consist of the items described below:

a. Assets at fair value through other comprehensive income

This category includes investments in equity instruments that the Group has chosen to irrevocably place in this category.

Changes in the fair value of these assets are recognised directly in equity and are not reclassifiable to profit or loss. These assets are not impaired.

The Group has included in this category its investments in unconsolidated entities over which it exercises no control or significant influence.

b. Assets at amortised cost (loans and receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the Group transfers funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The Group distinguishes between:

- long-term loans and receivables classified as non-current financial assets;
- short-term trade receivables and other equivalent receivables. Short-term trade receivables continue to be measured at the nominal amount originally invoiced, which usually equates to the fair value of the consideration to be received.

c. Assets at fair value through profit or loss

These are non-derivative financial assets which the Group has chosen not to measure through other comprehensive income.

This category comprises financial assets held for trading (*i.e.* acquired with a view to resale in the near term). They are mostly marketable securities and other cash equivalents.

Changes in the fair value of assets of this category are recognised in profit or loss within *Other financial income and expenses.*

d. Impairment of financial assets

At each balance sheet date, the Group assesses whether or not there exists objective evidence that a financial asset or group of financial assets may be impaired.

The Group assesses the credit risk associated with loans and receivables when they are issued. They may be subsequently impaired if the Group expects that their estimated recoverable amount is less than their net carrying amount.

For trade receivables, these write-downs are charged to profit or loss as part of *Operating profit on business activity* and reversed in the event of an improvement in the recoverable amount. For loans and deposits, they are recorded within *Other financial income and expenses.*

7.1.1. Non-consolidated securities

(in millions of euros)	Gross value	Impairment	Carrying amount
31 December 2018	**12.2**	**0.0**	**12.2**
Changes in scope	0.0	-	0.0
Increases	5.1	0.1	5.0
Decreases	-1.6	-0.0	-1.6
Revaluation	-0.1	-	-0.1
Translation adjustments and other movements	4.3	0.0	4.3
31 December 2019	**19.9**	**0.2**	**19.8**
Changes in scope	0.2	0.1	0.1
Increases	6.5	2.3	4.2
Decreases	-4.0	-0.0	-4.0
Revaluation	-0.6	-0.0	-0.6
Translation adjustments and other movements	-0.0	0.0	-0.0
31 DECEMBER 2020	**22.0**	**2.6**	**19.4**

The most significant component of non-consolidated securities is the shares in CS Communication & Systèmes (€9.7 million at 31 December 2020, compared to €9.9 million at 31 December 2019).

7.1.2. Other loans and receivables

(in millions of euros)	31/12/2020	31/12/2019
Loans	0.1	0.3
R&D tax credit receivables	12.4	12.4
Other non-current receivables	24.0	10.6
Deposits and other non-current financial assets	21.0	15.3
Provisions for loans, deposits and other non-current financial assets	-3.2	-2.2
TOTAL	**54.2**	**36.4**

R&D tax credit receivables classified as *Other loans and receivables* are those which will be used or redeemed after more than one year.

Deposits and other non-current financial assets mainly include security deposits paid for leased premises and receivables relating to equity investments.

Other non-current receivables include €4.9 million in advances paid in the United Kingdom by the NHS SBS entity to new customers of its platform to facilitate their migration, and €19.0 million for services performed but not yet invoiced in Germany by Sopra Financial Technology GmbH.

These deposits and other receivables are held at their nominal value, given that the effect of discounting is not material.

7.2. Trade receivables and related accounts

(in millions of euros)	31/12/2020	31/12/2019
Trade receivables – Gross value	629.8	758.8
Impairment of trade receivables	-22.2	-21.1
Trade receivables – Net value	**607.6**	**737.7**
Customer contract assets	346.9	336.6
TOTAL	**954.6**	**1,074.3**

Net trade receivables, expressed in months of revenue, came to less than 2 months of revenue at 31 December 2020, a slight improvement with respect to 31 December 2019. This ratio is calculated by comparing *Net trade receivables* with revenue obtained using the countback method. *Net trade receivables* is obtained by eliminating VAT from the *Trade receivables* balance and subtracting the deferred income balance appearing under liabilities.

An analysis of credit risk in light of the provisions of IFRS 9 *Financial Instruments* does not show any material impact.

Customer contract assets are described in Note 4.1. Changes during the period resulted in part from the appearance of billable amounts transforming assets into trade receivables, and in part from the recognition of revenue leading to the appearance of new customer contract assets.

7.2.1. Aged trade receivables at 31 December 2020

			Of which: Past due, with the following breakdown			
(in millions of euros)	Carrying amount	Of which: Not past due at the balance sheet date	Less than 30 days	Between 30 and 90 days	Between 90 and 120 days	More than 120 days
TRADE RECEIVABLES	**629.8**	**467.5**	**79.9**	**32.5**	**8.3**	**41.6**

7.2.2. Changes in provisions for trade receivables

(in millions of euros)	31/12/2020	31/12/2019
Impairment of trade receivables at beginning of period	**21.1**	**17.3**
Changes in scope	0.6	4.7
Additions net of reversals	0.3	-1.0
Other movements	0.3	-0.1
Translation adjustments	-0.1	0.1
IMPAIRMENT OF TRADE RECEIVABLES AT END OF PERIOD	**22.2**	**21.1**

7.3. Other current assets

(in millions of euros)	31/12/2020	31/12/2019
Inventories and work in progress	43.8	30.4
Advances and payments on account	3.2	6.1
Staff and social security	5.6	4.4
Tax receivables (other than corporate income tax)	161.1	115.5
Corporate income tax	85.5	106.8
Loans, guarantees and other financial receivables maturing in less than one year	3.4	5.4
Other receivables	44.9	17.9
Impairment of other receivables	-1.0	-0.9
Prepaid expenses	62.8	56.2
Derivatives	1.2	6.6
TOTAL	**410.6**	**348.3**

Inventories and work in progress essentially result from the costs of fulfilling contracts (transition phases of third-party application maintenance, infrastructure management and outsourcing contracts; preparatory phases for licences in SaaS mode), as described in Note 4.1. Their increase results from the signature of new contracts.

Tax receivables include those relating to the CIR (R&D tax credit) in France.

7.4. Other non-current liabilities

(in millions of euros)	31/12/2020	31/12/2019
Put options granted	84.3	77.3
Other liabilities – Non-current portion	17.3	31.2
Derivatives	2.4	3.7
TOTAL	**104.1**	**112.2**

In the United Kingdom, the put option granted by the Group to the Cabinet Office for the shares it holds in the SSCL joint venture, which may be exercised between 1 January 2022 and 1 January 2024, represented a non-current liability of €84.3 million at 31 December 2020 (€69.6 million at 31 December 2019).

The Group also entered into an irrevocable commitment to acquire the shares held by minority shareholders in Tecfit – the holding company of Galitt, which was acquired in the second half of 2017 – by way of a put option granted to these shareholders. The corresponding non-current liability was €7.7 million at 31 December 2019. In 2020, it was recognised as a current liability (see Note 7.5).

Finally, other non-current liabilities included a liability related to the acquisition of an operating licence as part of the fulfilment of a contract in the United Kingdom with a UK administration, for €0.7 million (€15.1 million at 31 December 2019), and also, in 2020, funding requirements for the Group's investments in corporate venture funds, for €11.3 million (€10.0 million at 31 December 2019).

At 31 December 2020, *Derivatives* consisted of interest rate and foreign currency hedges (see Notes 12.5.3 and 12.5.4).

Put options granted to non-controlling interests

When non-controlling interests have an option to sell their investment to the Group, a financial liability is recorded in other non-current liabilities for the present value of the option's estimated exercise price. The offset of the financial liability generated by these commitments is deducted from:

- the corresponding amount of non-controlling interests initially; and
- the Group's share of consolidated reserves for the remainder.

Subsequent changes in this put option arising from changes in estimates or relating to the unwinding of discount are offset against the corresponding non-controlling interests and the remainder is deducted from the Group's share of consolidated reserves.

7.5. Other current liabilities

(in millions of euros)	31/12/2020	31/12/2019
Liabilities on fixed assets – Portion due in less than one year	18.1	3.0
Advances and payments on account received for orders	22.3	5.5
Employee-related liabilities	445.4	443.8
Tax liabilities	223.7	239.2
Corporate income tax	102.2	143.6
Customer contract liabilities	328.2	296.6
Other liabilities	23.4	88.9
Derivatives	3.8	0.3
TOTAL	**1,167.1**	**1,220.9**

Customer contract liabilities are described in Note 4.1. Changes arose in part from the transformation of former liabilities into revenue, and in part from the appearance of new liabilities due to services that have been invoiced but not yet performed. The majority of these liabilities existing at 31 December 2019 were converted into revenue during financial year 2020.

Other liabilities include in particular the Group's commitment to buy back its own shares to be used in connection with its free performance share plans for €3.5 million (€16.9 million at 31 December 2019). They also include liabilities related to the put option granted on their shares to minority shareholders in Tecfit (the holding company of Galitt), previously classified within non-current liabilities and exercisable in April 2021 for €6.1 million. In 2019, they included the €42.0 million option granted to SAB's minority shareholders, which was exercised in July 2020 for €37.6 million.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

8.1. Goodwill

8.1.1. Statement of changes in goodwill

Movements in financial year 2020 were as follows:

(in millions of euros)	Gross value	Impairment	Carrying amount
31 December 2018	**1,787.6**	**79.1**	**1,708.5**
Acquisitions			
■ SAB	59.9	-	59.9
■ Sopra Financial Technology GmbH	5.5	-	5.5
■ NeoSpheres	3.7	-	3.7
Adjustments for business combinations	**1.5**	**-**	**1.5**
Removal from the scope of consolidation	**-1.4**	**-**	**-1.4**
Impairment	**-**	**-**	**-**
Translation adjustments	**37.6**	**1.4**	**36.2**
31 December 2019	**1,894.4**	**80.5**	**1,813.9**
Acquisitions			
■ Sodifrance	58.0	-	58.0
■ cxpartners	5.8	-	5.8
■ ADN'co	2.0	-	2.0
Adjustments for business combinations (SAB)	**5.8**	**-**	**5.8**
Removal from the scope of consolidation	**-**	**-**	**-**
Impairment	**-**	**-**	**-**
Translation adjustments	**-43.8**	**-1.5**	**-42.3**
31 DECEMBER 2020	**1,922.2**	**79.0**	**1,843.2**

The €42.3 million change in translation adjustments mainly resulted from changes in the value of the euro against the following currencies:

(in millions of euros)	**31/12/2020**	**31/12/2019**
GBP	-38.2	34.6
NOK-SEK	-4.0	0.8
Other currencies	-0.1	0.8
TOTAL	**-42.3**	**36.2**

8.1.2. Breakdown of goodwill by cash-generating unit (CGU)

The net carrying amounts of goodwill by CGU are as follows:

(in millions of euros)	**31/12/2020**	**31/12/2019**
France	558.7	498.7
United Kingdom	571.3	598.0
Other Europe [(1)]	330.9	334.0
Sopra Banking Software	366.1	367.0
Sopra HR Software	16.2	16.2
TOTAL	**1,843.2**	**1,813.9**

(1) "Other Europe" comprises the following CGUs, which are tested separately: Germany, Scandinavia, Spain, Italy, Switzerland, Benelux and Sopra Financial Technology.

For each business combination, the Group may elect to recognise under its balance sheet assets either partial goodwill (corresponding only to its percentage of ownership interest) or full goodwill (also including the goodwill corresponding to minority interests) according to the method for business combinations presented in Note 2.1. This decision is made on an acquisition-by-acquisition basis.

Should the calculation of goodwill result in a negative difference (bargain purchase), the Group recognises the resulting gain entirely in profit or loss, after reassessing whether all assets and liabilities have been correctly identified.

Goodwill is allocated to cash-generating units for the purposes of impairment tests as set out in Note 8.1.3. Such tests are performed when there is an indication of impairment, and in any event at the balance sheet date of 31 December.

8.1.3. Impairment testing

The Group conducted impairment testing at 30 June because it deemed the consequences of the Covid-19 crisis constituted an indication of impairment. The Group did not recognise any impairment as a result of this testing. The Group also performed impairment tests at 31 December 2020 in line with standard practice. It began by reviewing its discount rate and perpetual growth rate parameters with respect to 31 December 2019 of the previous year. As part of the exercise, it decided not to include an additional risk premium related to Covid-19 in calculations of its discount rate.

The tests were thus performed using the following parameters:

	Discount rate		**Perpetual growth rate**	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
France	8.2%	8.5%	2.0%	2.1%
United Kingdom	8.4%	9.2%	2.0%	2.1%
Other Europe	8.2% to 9.0%	8.4% to 9.8%	2.0%	2.1%
Sopra Banking Software	8.2%	8.5%	2.0%	2.1%
Sopra HR Software	8.2%	8.5%	2.0%	2.1%

The Group then applied these parameters to its cash flow projections. These projections factor in the impact of the coronavirus crisis, including estimates of a return to pre-crisis levels of business activity and profitability, cash-generating unit by cash-generating unit based on the activities and major contracts affected within each one. These tests did not lead to any recognition of impairment.

The Group also tested 1.0-point changes in these assumptions. A 1.0-point decrease in the perpetual growth rate, a 1.0-point increase in the discount rate, or both, would not lead to any recognition of impairment.

Furthermore, the Group also performed additional testing to measure sensitivity to a decrease in the operating margin for the Sopra Banking Software CGU. The Group would need to write down the assets of this CGU in the event of a 3.4-point decrease in the operating margin, all other things being equal.

Finally, additional testing was also performed to measure sensitivity to key assumptions (such as the discount rate, perpetual growth rate, operating margin and revenue growth rate) for each cash-generating unit.

The Group performed tests using the following assumptions:

- a 2-point increase in the discount rate; or
- a 2-point decrease in the perpetual growth rate (*i.e.* no perpetual growth); or
- the combination of a 2-point increase in the discount rate and a 2-point decrease in the perpetual growth rate; or
- a 2-point decrease in the projected operating margin; or
- a 2-point decrease in the projected growth rate.

Based on these tests, the Group would be required to write down its assets for the "Sopra Banking Software" CGU alone in the event of an increase of more than 1.6 points in the discount rate combined with a simultaneous 0.5-point decrease in the perpetual growth rate, all other things being equal. For the other CGUs, the additional tests which were undertaken to measure sensitivity to key assumptions would not lead to the recognition of any impairment.

IAS 36 Impairment of Assets requires *that an entity* assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity must estimate the asset's recoverable amount.

Irrespective of whether there is any indication of impairment, an entity must also:

- test intangible assets with indefinite useful lives annually;
- test the impairment of goodwill acquired in a business combination.

In practice, impairment testing is above all relevant to goodwill, which constitutes the majority of Sopra Steria Group's consolidated non-current assets.

Impairment testing is performed at the level of the cash-generating units (CGUs) to which assets are allocated. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's segmentation into CGUs is consistent with the operating structure of its businesses, its management and reporting system, and its segment reporting (see Note 3). Impairment testing involves comparing CGUs' carrying amounts with their recoverable amounts. A CGU's recoverable amount is the higher of its fair value (generally market value) less costs of disposal and its value in use. Due to the application of IFRS 16 *Leases* starting 1 January 2019, the carrying amount of assets includes right-of-use assets less lease liabilities.

The value in use of a CGU is determined using the discounted cash flow (DCF) method:

- cash flows for an explicit forecast period of five years, with the first year of the period based on the budget;
- cash flows beyond the five-year explicit period are calculated by applying a perpetual growth rate to the last cash flow for the foreseeable period, reflecting the anticipated rate of real long-term economic growth adjusted for long-term inflation forecasts.

The Group decided to include lease payments in cash flows following the application of IFRS 16 *Leases* from 1 January 2019.

The discount rate is based on the weighted average cost of capital. This is compared with the estimates produced by financial analysts. The final discount rate used for each CGU is derived from this comparison and falls between the weighted average cost of capital and the average of analyst estimates.

Perpetual growth rates are based on an average of analyst estimates.

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to profit or loss as part of *Other operating income and expenses.*

The reversal of impairment losses for goodwill arising on fully consolidated investments is prohibited.

8.2. Other intangible assets

(in millions of euros)	Gross value	Amortisation	31/12/2020	31/12/2019
Enterprise software/Technology	90.5	48.1	42.4	52.2
Customer relationships	215.5	112.4	103.2	112.2
Favourable contracts	0.9	0.8	0.1	0.2
Brands	19.0	3.2	15.9	16.8
Software acquired and other intangible assets	335.7	264.3	71.4	91.4
TOTAL	**661.7**	**428.8**	**232.9**	**272.9**

Other intangible assets comprise technologies, customer relationships, favourable contracts, order backlogs and brands allocated as part of the purchase price allocation process for a business combination. Expenses relating to the amortisation of allocated intangible assets enter into the calculation of *Profit from recurring operations.*

Changes in *Intangible assets* are set out in the table below:

(in millions of euros)	Gross value	Amortisation	Carrying amount
31 December 2018	**498.4**	**244.9**	**253.5**
Changes in scope	105.7	68.2	37.4
Allocated intangible assets	25.6	-	25.6
Acquisitions	5.8	-	5.8
Disposals – Scrapping	-14.2	-14.0	-0.3
Other movements	-0.2	-2.0	1.8
Translation adjustments	12.5	6.6	6.0
Amortisation charge	-	56.9	-56.9
31 December 2019	**633.5**	**360.6**	**272.9**
Changes in scope	20.8	15.4	5.4
Allocated intangible assets	18.0	-	18.0
Acquisitions	10.8	-	10.8
Disposals – Scrapping	-5.1	-4.5	-0.6
Other movements	-1.8	-1.0	-0.8
Translation adjustments	-14.6	-8.9	-5.7
Amortisation charge	-	67.1	-67.1
31 DECEMBER 2020	**661.7**	**428.8**	**232.9**

Allocated intangible assets recognised in respect of new acquisitions during the 2020 financial year are described in Note 2.1. They consisted of €18.0 million in customer relationships related to the acquisition of Sodifrance. In 2019, the acquisitions of SAB and SFT led to the recognition of €8.4 million in customer relationships and €17.2 million in enterprise software.

Other changes mainly arose from intangible assets acquired as part of business combinations carried out in 2020.

No significant development expenditures for software and solutions (Banking, Human Resources and Property Management) have been recognised under intangible assets.

a. Assets acquired separately

These are software assets recorded at cost. They are amortised using the straight-line method over one to ten years, depending on their estimated useful lives.

b. Assets acquired in connection with business combinations

These are software assets, customer relationships, brands and distributor relationships measured at fair value as part of a purchase price allocation for entities acquired in business combinations. They are amortised using the straight-line method over three to fifteen years, depending on their estimated useful lives. Acquired brands whose useful lives cannot be estimated are not amortised.

c. Internally generated assets

Pursuant to IAS 38 *Intangible Assets*:

- research and development costs are expensed in the year in which they are incurred;
- software development costs are capitalised if all of the following can be demonstrated:
  - technical feasibility of completing the intangible asset for use or sale,
  - intent to complete the intangible asset and use or sell it,
  - ability to use or sell the intangible asset,
  - generation of probable future economic benefits,
  - availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
  - ability to reliably measure the expenditure attributable to the intangible asset during its development.

8.3. Property, plant and equipment

(in millions of euros)	Land and buildings	Fixtures and fittings, furniture and sundry equipment	IT equipment	Total
Gross value				
31 December 2018	**34.9**	**219.8**	**162.1**	**416.8**
Changes in scope	13.1	20.6	12.8	46.4
Acquisitions	0.5	16.9	15.6	33.0
Disposals – Scrapping	-0.0	-2.3	-7.9	-10.3
Other movements	0.0	-10.7	-38.1	-48.8
Translation adjustments	0.5	1.2	2.4	4.2
31 December 2019	**49.1**	**245.5**	**146.8**	**441.3**
Changes in scope	0.5	4.4	2.3	7.2
Acquisitions	2.1	12.0	13.8	27.8
Disposals – Scrapping	-4.8	-6.1	-3.8	-14.7
Other movements	0.7	-0.1	0.3	1.0
Translation adjustments	-1.8	-2.7	-4.1	-8.6
31 DECEMBER 2020	**45.7**	**253.1**	**155.2**	**454.1**
Depreciation				
31 December 2018	**23.4**	**130.4**	**118.3**	**272.2**
Changes in scope	2.9	13.2	9.6	25.7
Charges	2.0	17.5	15.9	35.4
Disposals – Scrapping	-0.0	-2.1	-7.8	-9.9
Other movements	-0.0	-6.5	-21.7	-28.2
Translation adjustments	0.3	0.7	1.8	2.9
31 December 2019	**28.6**	**153.2**	**116.2**	**298.0**
Changes in scope	0.4	2.0	1.9	4.2
Charges	2.6	18.0	17.5	38.1
Disposals – Scrapping	-3.2	-5.9	-3.5	-12.6
Other movements	-0.3	1.0	-0.5	0.1
Translation adjustments	-1.1	-1.9	-3.2	-6.2
31 DECEMBER 2020	**27.0**	**166.3**	**128.3**	**321.6**
Net value				
31 December 2018	**11.5**	**89.4**	**43.8**	**144.7**
31 December 2019	**20.4**	**92.3**	**30.6**	**143.4**
31 DECEMBER 2020	**18.7**	**86.8**	**26.9**	**132.5**

The Group's investments in property, plant and equipment (€27.8 million) mainly consisted of €6.9 million for office equipment in France and abroad and €13.8 million for IT equipment.

Property, plant and equipment essentially consists of land and buildings, fixtures and fittings, office furniture and equipment, and IT equipment.

Property, plant and equipment is measured at acquisition cost (excluding any borrowing costs) less accumulated depreciation and any impairment losses. No amounts have been remeasured.

Depreciation is calculated using the straight-line method over the expected useful lives of each of the following fixed asset categories:

- buildings: 25 to 30 years;
- fixtures and fittings: 4 to 10 years;
- IT hardware and equipment: 3 to 8 years;
- vehicles: 4 to 5 years;
- office furniture and equipment: 4 to 10 years.

Depreciation is applied against assets' acquisition cost after deducting any residual value. Assets' residual values and expected useful lives are reviewed at each balance sheet date.

NOTE 9 LEASES

9.1. Right-of-use assets by category of leased assets

(in millions of euros)	Premises	Vehicles	IT equipment	Other property, plant and equipment	Total
Gross value					
31 December 2018	-	-	-		-
First-time application of IFRS 16	523.5	35.7	37.6	4.0	600.7
Changes in scope	52.3	0.3	5.6	0.4	58.6
Acquisitions	56.5	7.8	7.8	0.2	72.2
Disposals – Scrapping	-27.6	-9.3	-11.4	-0.7	-49.0
Other movements	-	-	2.1	-	2.1
Translation adjustments	4.5	0.2	0.1	0.1	4.9
31 December 2019	**609.1**	**34.6**	**41.8**	**4.0**	**689.4**
Changes in scope	15.2	0.6	-	0.0	15.9
Acquisitions	68.0	6.8	3.5	1.4	79.7
Disposals – Scrapping	-82.6	-5.6	-10.8	-0.6	-99.7
Other movements	-1.2	0.3	-0.3	-0.1	-1.2
Translation adjustments	3.1	0.6	0.3	-0.1	3.9
31 DECEMBER 2020	**611.6**	**37.3**	**34.5**	**4.6**	**688.0**
Depreciation					
31 December 2018	-	-	-	-	-
First-time application of IFRS 16	256.5	18.1	21.6	1.9	298.1
Changes in scope	13.6	0.2	0.2	0.3	14.3
Charges	74.4	9.9	10.8	1.2	96.4
Disposals – Scrapping	-21.2	-9.2	-11.1	-0.7	-42.2
Other movements	-	-	0.1	-	0.1
Translation adjustments	2.1	0.1	0.0	0.1	2.3
31 December 2019	**325.5**	**19.0**	**21.7**	**2.8**	**369.1**
Changes in scope	8.4	0.3	-	0.0	8.6
Charges	86.9	9.4	9.2	0.9	106.4
Disposals – Scrapping	-68.2	-5.6	-10.1	-0.5	-84.4
Other movements	0.2	0.1	-0.0	-0.0	0.2
Translation adjustments	-1.9	-0.1	-0.1	-0.1	-2.3
31 DECEMBER 2020	**350.9**	**23.0**	**20.6**	**3.1**	**397.7**
Net value					
31 December 2018	-	-	-	-	-
31 December 2019	**283.6**	**15.5**	**20.1**	**1.2**	**320.4**
31 DECEMBER 2020	**260.7**	**14.3**	**13.8**	**1.5**	**290.3**

Leases

Leases are recognised in the balance sheet at the lease commencement date, which corresponds to the date at which the lessor makes the underlying asset available to the lessee, and results in the recognition of a balance sheet asset within *Right-of-use assets* and a liability within *Lease liabilities*. The value of lease liabilities corresponds to the present value of minimum future payments, discounted over the lease term using either the interest rate implicit in the lease or otherwise the incremental borrowing rate of the entity leasing the asset. The lease term chiefly reflects the non-cancellable period of the lease. The Group may adjust it, where it consider this to be reasonable, to reflect the period of a renewal or an extension option, which could be exercised, or an early termination option, which could be invoked where the corresponding penalties (contractual penalties and economic costs of doing so) would be more than negligible.

At the lease commencement date, the value of the right-of-use asset recognised in the balance sheet corresponds to the lease liability adjusted for any initial direct costs incurred in obtaining the lease, prepaid lease payments, incentives received from the lessor at that date, or costs to be incurred by the lessee in dismantling and removing the underlying asset.

Minimum future payments include fixed lease payments, variable lease payments that depend on an index or a rate, residual value guarantees, the exercise price of a purchase option, and termination or non-renewal penalties if the Group is reasonably certain to exercise or not exercise these options. Some of these values may change over the term of the lease, in which case the values of lease liabilities and right-of-use assets are revised upward or downward. They do not include any service components that may be included in the lease, which continue to be recognised as expenses.

In the balance sheet, *Lease liabilities* are split out into non-current and current portions. *Right-of-use assets* are amortised on a straight-line basis over the lease term or the useful life of the underlying asset if the lease transfers ownership of the asset to the lessee, or if the lessee is reasonably certain of exercising a purchase option. In the income statement, these amortisation expenses are included within *Depreciation, amortisation, provisions and impairment* under *Operating profit on business activity.* The *Net interest expense on lease liabilities* is split out from the line item *Other financial income and expenses.*

Finally, as an exception, short-term leases (lease term of 12 months or less) and leases of low-value assets (individual value less than 5,000 USD) are directly recognised as expenses and are therefore not restated in the balance sheet. Variable lease payments are also recognised as expenses according to the use or revenue generated by the use of the underlying asset.

9.2. Breakdown of lease liabilities by maturity

(in millions of euros)	Carrying amount	Current	Non-current	Breakdown of non-current portion: 1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
LEASE LIABILITIES	**317.5**	**91.3**	**226.2**	**61.2**	**44.5**	**33.1**	**26.4**	**60.9**

NOTE 10 EQUITY-ACCOUNTED INVESTMENTS

10.1. Net profit from associates

(in millions of euros)	31/12/2020	% held at 31/12/2020	31/12/2019	% held at 31/12/2019
Share of net result of Axway Software	2.7	32.38%	1.8	32.57%
Share of net result of Holocare	-0.5	66.67%	-	-
TOTAL	**2.3**		**1.8**	

10.2. Carrying amount of investments in associates

The carrying amount of investments in associates consisted mainly of the value of Axway Software shares. This latter changed as follows:

	Axway Software shares		
(in millions of euros)	Gross value	Impairment	Carrying amount
31 December 2018	**195.1**	**-**	**195.1**
Changes in scope	-	-	-
Share capital transactions	-	-	-
Dividends paid	-2.8	-	-2.8
Net profit	1.8	-	1.8
Translation adjustments	0.9	-	0.9
Changes in shareholding	0.0	-	0.0
Disposal	-	-	-
Other movements	0.0	-	0.0
31 December 2019	**195.0**	**-**	**195.0**
Changes in scope	-	-	-
Share capital transactions	0.2	-	0.2
Dividends paid	-	-	-
Net profit	2.7	-	2.7
Translation adjustments	-6.6	-	-6.6
Changes in shareholding	-0.7	-	-0.7
Disposal	-	-	-
Other movements	1.4	-	1.4
31 DECEMBER 2020	**192.0**	**-**	**192.0**

At 31 December 2020, Sopra Steria Group held a 32.38% stake, *versus* 32.57% at 31 December 2019. This stake does not give the Group a controlling interest in this subsidiary and does not allow it to involve itself in the running of business or influence variable returns from this subsidiary. As such, the Group exerts a significant influence and reviews this situation each financial year. In 2020, no events or developments occurred that changed this situation.

Their recoverable amount is estimated as follows:

(in millions of euros)	31/12/2020	31/12/2019
Market value (Category 1)*	186.7	85.7
Market value less costs to sell	182.9	84.0
Value in use	234.2	207.4
DCF calculation parameters:		
■ - Discount rate	8.6%	9.5%
■ - Perpetual growth rate	2.2%	2.0%
RECOVERABLE AMOUNT	**234.2**	**207.4**

(*) Since Axway Software's shares are listed, their fair (market) value less costs of disposal is equal to market price less costs to sell, which constitutes the Level 1 fair value under IFRS.

Their value in use – the higher of the two values used to determine the recoverable amount – supports the carrying amount of the equity-accounted Axway Software shares at 31 December 2020.

The Group tested 0.5-point changes in its assumptions, all other things being equal. Based on this test, neither a 0.5-point increase in the discount rate, nor a 0.5-point decrease in the perpetual growth rate, nor the combination of these two factors would lead to an impairment loss. This test is based on the judgement of management and was developed within the context of uncertainties inherent in the transformation of Axway Software's business model.

SUMMARY FINANCIAL INFORMATION RELATING TO THE AXWAY SOFTWARE GROUP

(in millions of euros)	31/12/2020	31/12/2019
Non-current assets	421.7	442.7
Current assets	137.8	126.2
Equity	355.5	362.6
Non-current liabilities excluding equity	82.6	75.7
Current liabilities	121.4	130.6
Revenue	297.2	300.0
NET PROFIT	**8.5**	**5.4**

Recognition and impairment of investments in associates

Investments in associates are initially recognised at acquisition cost, and their value is then adjusted to reflect changes in the Group's share of their net assets. The remainder of this share appears under *Equity-accounted investments* on the asset side of the balance sheet. Its change over the financial year is recognised in profit or loss within *Net profit from associates.*

Equity-accounted shares in a company constitute a single asset and must be tested for impairment in accordance with IAS 36 *Impairment of Assets*.

Goodwill on associates is included in the value of equity-accounted investments, the value of which is measured inclusive of goodwill. As such, goodwill on associates must not be tested for impairment separately.

At each balance sheet date, where there is an indication of impairment of an investment in an associate, the parent company must carry out an impairment test consisting of comparing the carrying amount of the relevant equity-accounted investment with its recoverable amount.

Under IAS 36, the recoverable amount of an investment in an associate is the higher of its value in use, calculated on the basis of future cash flows, and the fair value of the investment less costs of disposal. Where an associate's shares are listed, fair value less costs of disposal is equal to market price less costs to sell: in the absence of any firm sale agreement, this is the price at which the shares are currently trading.

Any impairment losses are charged to profit or loss as *Other operating income and expenses.*

Where there is an improvement in the recoverable amount of an equity-accounted investment such that the impairment loss may be written back, the full amount of the impairment loss, including the portion relating to goodwill, must be written back.

NOTE 11 PROVISIONS AND CONTINGENT LIABILITIES

11.1. Current and non-current provisions

(in millions of euros)	01/01/2020	Changes in scope	Charges	Reversals (used)	Reversals (not used)	Other	Translation adjustments	31/12/2020	Non-current portion	Current portion
Disputes	4.1	2.5	1.8	-0.5	-0.3	1.9	-0.0	9.5	7.0	2.5
Losses on contracts	0.6	-	0.7	-1.9	-	2.6	-0.1	1.9	1.2	0.7
Tax risks other than income tax	40.8	0.9	-	-	-4.7	-	-	37.0	37.0	-
Restructuring	4.0	-	8.4	-3.8	-0.4	-	-0.0	8.2	2.2	6.0
Cost of renovating premises	8.8	-	2.8	-0.3	-1.3	3.0	-0.4	12.6	10.2	2.4
Other contingencies	18.6	24.0	14.5	-1.8	-2.0	-5.9	-0.7	46.8	31.8	15.0
TOTAL	**77.0**	**27.4**	**28.3**	**-8.4**	**-8.7**	**1.6**	**-1.1**	**116.0**	**89.4**	**26.6**

Provisions for disputes mainly cover disputes before employment tribunals and end-of-contract bonuses for employees (€4.6 million at 31 December 2020, *versus* €3.1 million at 31 December 2019). The remainder corresponds to customer disputes, primarily in France.

Provisions for tax risks other than income tax mainly concern risks relating to the R&D tax credit in France.

Provisions for restructuring correspond to the cost of one-off restructuring measures, mainly in Germany (€5.7 million) and France (€1.4 million).

Other provisions for contingencies mainly cover risks relating to clients and projects (€36.3 million, including €2.4 million in France, €4.4 million in the United Kingdom, €3.7 million in Germany and €23.5 million for Sopra Banking Software from the acquisition of Fidor Solutions), contractual risks (€3.7 million) and employee-related risks (€4.1 million).

Present obligations resulting from past events involving third parties are recognised in provisions only when it is probable that such obligations will give rise to an outflow of resources to third parties without consideration from said parties that is at least equivalent, and if the outflow of resources can be reliably measured.

Since provisions are estimated based on future risks and expenses, such amounts include an element of uncertainty and may be adjusted in subsequent periods. The impact of discounting provisions is taken into account if significant.

In the specific case of restructuring, an obligation is recognised as soon as the restructuring has been publicly announced and a detailed plan presented or the plan implementation has commenced. This cost mainly corresponds to severance payments, early retirement, costs related to notice periods not worked, training costs for departing employees and other costs relating to site closures. A provision is recognised for the rent and related costs to be paid, net of estimated subleasing income, in respect of any property if the asset is subleased or vacant and is not intended to be used in connection with main activities.

Scrapped assets and impairment of inventories and other assets directly related to the restructuring measures are also recognised in restructuring costs.

11.2. Contingent liabilities

The contingent liabilities recognised arose as a result of the Sopra-Steria business combination in 2014 and the acquisition of Sodifrance in 2020.

At 31 December 2020, they totalled €6.9 million after tax, including €6.0 million corresponding to tax and contractual risks in India.

To the extent that a liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the Group among its commitments given. By exception, in connection with business combinations, the Group may recognise a contingent liability on the balance sheet if it results from a present obligation arising from past events and its fair value can be reliably estimated, even where it is not probable that an outflow of resources will be necessary to extinguish the obligation.

NOTE 12 FINANCING AND FINANCIAL RISK MANAGEMENT

12.1. Financial income and expenses

12.1.1. Cost of net financial debt

(in millions of euros)	Financial year 2020	Financial year 2019
Interest income	1.4	2.7
Income from cash and cash equivalents	**1.4**	**2.7**
Interest expenses	-10.4	-11.4
Gains and losses on hedges of gross financial debt	-0.9	-1.2
Cost of gross financial debt	**-11.3**	**-12.6**
COST OF NET FINANCIAL DEBT	**-9.9**	**-9.9**

The €1.3 million decrease in interest income resulted from the lower average balance of investments in India (€29.7 million in 2020, *versus* €37.1 million in 2019) and from the lower rate of returns (3.8% in 2020 *versus* 6.2% in 2019).

The *Cost of gross financial debt* (€11.3 million) was down by €1.3 million. The average amount of debt outstanding in respect of bank borrowings, bonds, NEU CP (Negotiable European Commercial Paper) and NEU MTN (Negotiable European Medium-Term Notes) was €691 million in 2020, *versus* €828 million in 2019. The average cost of borrowing after hedging was 1.64% in 2020 (1.52% in 2019). This increase in the average cost of borrowing resulted in part from the decrease in the amount of NEU CP and new issues of NEU MTN, as well as from the combined decrease in the interest rates and balance on the syndicated loan.

12.1.2. Other financial income and expenses

(in millions of euros)	Financial year 2020	Financial year 2019
Foreign exchange gains and losses	**0.5**	**0.1**
Other financial income	**0.6**	**0.9**
Net interest expense on lease liabilities	-7.6	-9.9
Net interest expense on retirement benefit obligations	-4.2	-6.9
Expense on unwinding of discounted non-current liabilities	-0.9	-0.9
Change in the value of derivatives	0.7	-0.0
Gain or loss on disposal of financial assets	0.0	2.7
Other financial expenses	-4.4	-0.5
Total other financial expenses	**-16.4**	**-15.7**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**-15.4**	**-14.7**

Other financial expenses include the impairment of securities for €3.3 million.

12.2. Cash and cash equivalents

(in millions of euros)	31/12/2020	31/12/2019
Short-term investment securities	39.4	23.5
Cash and cash equivalents	206.1	174.0
Cash and cash equivalents	**245.5**	**197.5**
Current bank overdrafts	-0.6	-4.9
NET CASH IN THE CASH FLOW STATEMENT	**245.0**	**192.6**

Net cash and cash equivalents include available liquid funds (cash at bank and in hand), liquid marketable securities that meet the definition of cash equivalents, bills of exchange presented for collection and falling due before the balance sheet date, and temporary bank overdrafts.

Net debt, as presented in Note 12.3, is more representative of the Group's financial position.

Marketable securities and other short-term investments include money-market holdings, short-term deposits and advances under the liquidity agreement. The risk of a change in value on these investments is negligible.

Of the €245.5 million in cash and cash equivalents (excluding current bank overdrafts) at 31 December 2020, €148.7 million was held by the parent company and €96.8 million by the subsidiaries. Among the subsidiaries, entities in India contributed €41.5 million to net cash and cash equivalents at 31 December 2020 (*versus* €27.1 million at 31 December 2019).

Cash and cash equivalents *comprise cash, bank demand* deposits, other highly liquid investments with maturities not exceeding three months, and bank overdrafts. Bank overdrafts are included in current liabilities as part of Financial debt – Short-term *portion.*

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash, and that are subject to an insignificant risk of changes in value, with the exception of foreign exchange impacts.

UCITS classified by the AMF (France's financial markets regulator) as belonging to the "money market fund" and "short-term money market fund" categories are, for practical purposes, presumed to automatically meet all four quoted eligibility criteria. Other cash UCITS cannot be presumed to be eligible for classification as "cash equivalents": an analysis must be carried out to establish whether or not the four quoted criteria are met.

Cash equivalents are recognised at fair value; changes in fair value are charged to profit or loss under *Cost of net financial debt*.

12.3. Financial debt – Net financial debt

(in millions of euros)	Current	Non-current	31/12/2020	31/12/2019
Bonds	2.3	249.4	251.7	251.6
Bank borrowings	11.9	185.1	197.0	223.5
Other sundry financial debt	91.8	130.0	221.8	231.4
Current bank overdrafts	0.6	-	0.6	4.9
FINANCIAL DEBT	**106.6**	**564.5**	**671.2**	**711.4**
Short-term investment securities	-39.4	-	-39.4	-23.5
Cash and cash equivalents	-206.1	-	-206.1	-174.0
NET FINANCIAL DEBT	**-138.9**	**564.5**	**425.6**	**513.9**

Financial debt essentially comprises the following:

- bond debt and bank borrowings, initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently recognised at amortised cost; any difference between the capital amounts borrowed (net of transaction costs) and the amounts repayable is recognised in profit or loss over the duration of the borrowings using the effective interest method;
- NEU CP short-term negotiable securities, which have a maturity of less than 12 months and are recognised at amortised cost;
- NEU MTN medium-term negotiable securities, which have maturities spread over one to five years from issuance, and are recognised at amortised cost;
- current bank overdrafts.

Financial debt repayable within 12 months of the balance sheet date is classified as current liabilities.

12.3.1. Bonds

On 5 July 2019, the Group issued a €250 million bond to top-ranking institutional investors. The bond has two tranches: a 7-year €130 million bond with a fixed annual coupon of 1.749%, and an 8-year €120 million tranche with a fixed annual coupon of 2.0%.

12.3.2. Bank borrowings

In 2014, the Group took out a €1,200 million five-year borrowing facility with two options to extend the expiry date by one year. This facility comprised a €200 million amortising tranche, an £80 million amortising tranche and a €900 million multi-currency revolving credit line. In 2018, following the exercise of the second one-year extension option, the expiry date was postponed to 6 July 2023. At 31 December 2020, the outstanding amount drawn on the loan was from the two amortising tranches (€96 million and £38.4 million after contractual amortisations for the period). The €900 million multi-currency revolving credit facility is undrawn. In addition, the Group also has two non-amortising bilateral bank facilities: one drawn to €60 million and the other undrawn for €50 million, both maturing in 2024.

12.3.3. Other financial debt

In 2015, the Group arranged an unrated multi-currency NEU CP programme of short-term negotiable securities that was not underwritten, in a maximum amount of €700 million. This programme is presented in documentation available on the Banque de France website, which was last updated on 30 June 2020. The average amount outstanding under the NEU CP programme was €110.1 million in 2020, compared with €268.2 million in 2019.

The outstanding amount under the NEU CP programme at 31 December 2020 was €65.0 million (€120.0 million at 31 December 2019). The NEU CPs are included in *Other sundry financial debt.*

In December 2017, as part of its efforts to diversify its borrowings, the Group arranged an NEU MTN programme of medium-term negotiable securities that was not underwritten, with a maximum amount of €300 million. As was the case for the earlier NEU CP programme, the NEU MTN programme is presented in documentation available on the Banque de France website. The NEU MTN programme pays fixed or floating rates, with a spread at each issue date, and maturities range from one to five years. At 31 December 2020, the outstanding amount under the NEU MTN programme was €144.0 million, with maturities of up to three years (€99.0 million at 31 December 2019). The net increase in the amount of NEU MTN corresponded to €65 million in matured securities and €110 million in new issues. The NEU MTNs are included in *Other sundry financial debt.*

12.4. Derivatives reported in the balance sheet

(in millions of euros)	31/12/2020		Breakdown by class of financial instrument					
	Carrying amount	Fair value	Assets and liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Loans, receivables and other debt	Financial liabilities at amortised cost	Derivatives	Other items not considered as financial instruments
Non-current financial assets	74.0	74.0	-	19.4	54.2	-	0.3	-
Trade receivables and related accounts	954.6	954.6	-	-	954.6	-	-	-
Other current assets	410.6	410.6	-	-	323.9	-	1.2	85.5
Cash and cash equivalents	245.5	245.5	245.5	-	-	-	-	-
FINANCIAL ASSETS	**1,684.6**	**1,684.6**	**245.5**	**19.4**	**1,332.7**	**-**	**1.5**	**85.5**
Financial debt – Long-term portion	564.5	564.5	-	-	-	564.5	-	-
Other non-current liabilities	104.1	104.1	-	-	101.7	-	2.4	-
Financial debt – Short-term portion	106.6	106.6	-	-	-	106.6	-	-
Trade payables and related accounts	278.6	278.6	-	-	278.6	-	-	-
Other current liabilities	1,167.1	1,167.1	-	-	1,061.0	-	3.8	102.2
FINANCIAL LIABILITIES	**2,221.0**	**2,221.0**	**-**	**-**	**1,441.3**	**671.2**	**6.2**	**102.2**

Items measured at fair value through profit or loss, and derivative hedging instruments, are valued by reference to quoted interbank interest rates (such as Euribor) and to foreign exchange rates set daily by the European Central Bank. All financial instruments in this category are financial assets and liabilities classified as such upon first recognition.

Financial debt is recognised at amortised cost using the effective interest rate. Hedging instruments may be put in place to hedge against fluctuations in interest rates by swapping part of the Group's floating-rate debt for fixed-rate debt.

The Group has entered into and continues to implement transactions designed to hedge its exposure to foreign currency risk through the use of derivatives, including exchange-traded futures and options as well as over-the-counter instruments with top-tier counterparties, as part of its overall risk management policy and due to the substantial scale of its production activities in India, Poland and Tunisia.

Derivatives are recognised at fair value in the consolidated balance sheet.

Changes in the fair value of derivatives not qualifying for hedge accounting are recognised directly in profit or loss for the period.

Income tax receivables and payables are not financial instruments.

The profit and loss impact of these financial instruments is as follows:

(in millions of euros)	31/12/2020 Profit or loss impact	Breakdown by category of instrument Fair value through profit or loss	Financial assets at fair value through OCI	Loans, receivables and other debt	Liabilities at amortised cost	Derivatives
Total interest income	1.4	-	1.4	-	-	-
Total interest expense	-10.4	-	-	-	-10.4	-
Remeasurement	-0.9	-	-	-	-	-0.9
NET GAINS OR LOSSES	**-9.9**	**-**	**1.4**	**-**	**-10.4**	**-0.9**

The Group uses derivatives such as currency forwards, swaps and options to hedge its exposure to interest rate risk and fluctuations in foreign currencies. Derivatives are recognised at fair value.

Any gains or losses resulting from fair value movements in derivatives not designated as hedging instruments are recognised directly in profit or loss as *Other financial income and expenses*.

The fair value of currency forwards is calculated by reference to current rates for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to the market value of similar instruments.

For hedge accounting purposes, hedges are classified as either:

- fair value hedges, which hedge exposure to changes in the fair value of a recognised asset or liability or a firm commitment (except foreign currency risk);
- cash flow hedges, which hedge exposure to fluctuations in cash flows attributable either to a specific risk associated with a recognised asset or liability or a highly probable future transaction or foreign currency risk on a firm commitment;
- hedges of a net investment in a foreign operation.

Hedging instruments that satisfy hedge accounting criteria are recognised as follows:

a. Fair value hedges

Changes in the fair value of a derivative designated as a fair value hedge are recognised in profit or loss (*Other current operating income and expenses* or *Other financial income and expenses* according to the type of hedged item). The ineffective portion of the hedges is recognised in profit or loss as part of *Other financial income* or *Other financial expenses*, either over the term of the instrument for financial hedges, or at the date of the hedged purchase or sale for hedges of commercial risk. Fair value gains and losses on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are also recognised in profit or loss.

b. Cash flow hedges

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss, in *Other financial income and expenses.*

Gains and losses recognised directly in equity are released to profit or loss under *Other comprehensive income* in the period during which the hedged transaction impacts profit or loss.

If the Group does not expect the realisation of the forecast transaction or commitment, the gains and losses previously recognised directly in equity will be released to profit or loss. If the hedging instrument matures, is sold, cancelled or exercised and is not replaced or renewed or if its designation as a hedging instrument is revoked, amounts previously recognised in equity will be held in equity until realisation of the forecast transaction or firm commitment.

c. Hedges of a net investment

Hedges of a net investment in a foreign operation, including hedges of monetary items recognised as part of a net investment, are recognised in *Other comprehensive income.*

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss.

On the disposal of the foreign operation, cumulative gains and losses recognised directly in equity are released to profit or loss.

12.5. Financial risk management

12.5.1. Liquidity risk

The Group's policy is to have borrowing facilities at its disposal that are much larger than its needs and to manage cash centrally at Group level where permitted by local law. Moreover, subsidiaries' cash surpluses or borrowing requirements are managed centrally, being invested or met by the Sopra Steria Group parent company, which carries the bulk of the Group's borrowings and bank credit lines.

In 2020, the Covid-19 crisis did not have any significant consequences on the Group's liquidity given the financing already in place and the cash generation during the period. The Group renewed €65 million in NEU MTN maturing January 2020, refinancing them in the amount of €110 million and was not significantly impacted by the temporary closure in April 2020 of the NEU CP market for non-rated borrowers.

The Group aims to diversify its borrowings. It launched a €300 million NEU MTN programme in December 2017 to supplement its €700 million NEU CP programme. In addition, fixed-rate bilateral credit lines were in place for a total of €110 million, with maturities in 2024. At 31 December 2020, bilateral credit lines were drawn down in the amount of €60 million.

At 31 December 2020, the Group had lines of credit totalling €1,573 million, 29% of which was drawn down.

Undrawn available credit lines amounted to €950 million (€900 million in RCFs and €50 million in bilateral credit lines), in addition to undrawn overdraft facilities for €161 million. Aside from the syndicated loan, bilateral credit lines and bonds, the Group's financing essentially consists of issues under NEU CP (short-term commercial paper) and NEU MTN programmes. These lines of credit break down as shown below:

	Amount authorised at 31/12/2020		Drawdown at 31/12/2020		Drawdown rate	Repayment terms	Interest rate at 31/12/2020
	€m	£m	€m	£m			
Available lines of credit							
Bond	250.0	-	250.0	-	100%	At maturity €130m 07/2026 €120m 07/2027	1.87%
Syndicated loan							
▪ Tranche A	96.0	-	96.0	-	100%	Amortising until 2023	0.90%
▪ Tranche B		38.4		38.4	100%	Amortising until 2023	0.93%
Multi-currency revolving credit facility	900.0		-	-	0%	At maturity 07/2023	
Bilateral credit lines	110.0		60.0		55%	2024	0.40%
Other	12.9	-	12.9	-	100%	2021	0.00%
Overdraft	161.5	-	0.5	-	0%	N/A	0.57%
Total lines of credit authorised per currency	**1,530.4**	**38.4**	**419.4**	**38.4**			
TOTAL LINES OF CREDIT AUTHORISED (€ EQUIVALENT)	**1573.1**		**462.1**		**29%**		**1.34%**
Other types of financing used							
NEU CP & NEU MTN	N/A	N/A	209.0		N/A	2021 to 2023	0.10%
Other			0.1		N/A		N/A
Total financing per currency			**628.4**	**38.4**			
TOTAL FINANCING (€ EQUIVALENT)			**671.2**				**0.95%**

Interest rates payable on the syndicated loan equal the interbank rate of the currency concerned at the time of drawdown (minimum 0%), plus a margin set for a period of six months based on the leverage ratio.

The €250 million bond issued on 5 July 2019 has an effective interest rate of 1.749% for the €130 million tranche and 2% for the €120 million tranche.

The syndicated loan and bond issue are subject to terms and conditions, which include financial covenants.

Two financial ratios are calculated every six months using the consolidated financial statements on a 12-month rolling basis:

- the first – known as the leverage ratio – is equal to net financial debt divided by *pro forma* EBITDA;
- the second – known as the interest coverage ratio – is equal to *pro forma* EBITDA divided by the cost of net financial debt.

The first financial ratio must not exceed 3.0 at any reporting date. The second ratio must not fall below 5.0.

Net financial debt is defined on a consolidated basis as all loans and related borrowings (excluding intercompany liabilities and lease liabilities), less available cash and cash equivalents.

Pro forma EBITDA is consolidated operating profit on business activity adding back depreciation, amortisation and provisions included in operating profit on business activity before the impact of IFRS 16 *Leases* (see Note 1.5.1). It is calculated on a 12-month rolling basis and is therefore restated so as to be presented in the financial statements at constant scope over 12 months.

At 31 December 2020, the net financial debt/*pro forma* EBITDA ratio covenant was met, with the ratio coming in at 1.12 compared with a covenant of 3.0. It is calculated as follows:

(in millions of euros)	31/12/2020	31/12/2019
Short-term borrowings (< 1 year)	106.6	217.1
Long-term borrowings (> 1 year)	564.5	494.4
Cash and cash equivalents	-245.5	-197.5
Other financial guarantees	-	-
Net financial debt (including financial guarantees)	**425.6**	**513.9**
***Pro forma* EBITDA**	**379.4**	**408.3**
NET FINANCIAL DEBT/PRO FORMA EBITDA RATIO	**1.12**	**1.26**

For the second ratio, *pro forma* EBITDA is as defined above and the cost of net financial debt is also calculated on a rolling 12-month basis.

At 31 December 2020, the "*Pro forma* EBITDA/Cost of net financial debt" covenant – requiring a ratio of at least 5.0 – was met, with the ratio coming in at 38.27. It is calculated as follows:

(in millions of euros)	31/12/2020	31/12/2019
***Pro forma* EBITDA**	**379.4**	**408.3**
Cost of net financial debt	**9.9**	**9.9**
PRO FORMA EBITDA/COST OF NET FINANCIAL DEBT RATIO	**38.27**	**41.35**

In addition to satisfying the financial ratio prerequisites described above, the Group's two main financing agreements also contain:

- certain performance requirements that are entirely customary for this type of financing;
- clauses relating to events of default such as payment default, inaccurate tax returns, cross-default, bankruptcy, or the occurrence of an event having a material adverse effect;
- clauses stipulating early repayment in full in the event that there is a change of control in ownership of the Company.

The bank loan agreement also stipulates a number of circumstances in which the loan must be repaid in advance, in full or in part as applicable, or renegotiated with the banks:

- early repayment if all or a substantial number of the Company's assets are sold;
- repayment using proceeds from asset disposals (beyond a specified threshold);
- repayment of a sum equal to each new borrowing taken out by the Company (beyond a specified threshold);
- renegotiation of the financing terms and conditions in the event of financial market disruption (*i.e.* market disruption clause). This clause is only applicable if a minimum number of banks are unable to obtain refinancing on the capital market at the date on which the financing is requested, given interest rate fluctuations. The purpose of this clause is to find a replacement rate.

At 31 December 2020, the maturity schedule for the Group's financial debt was as follows:

(in millions of euros)	Carrying amount	Total contractual flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bond	251.7	277.7	4.6	4.6	4.6	4.6	4.6	254.8
Bank borrowings	197.0	205.7	14.6	14.1	117.0	60.0	-	-
NEU CP & MTN	209.0	210.3	79.4	70.5	60.4	-	-	-
Other sundry financial debt	12.8	12.9	12.9	-	-	-	-	-
Current bank overdrafts	0.6	0.6	0.6	-	-	-	-	-
Financial debt	**671.2**	**707.2**	**112.0**	**89.2**	**182.0**	**64.6**	**4.6**	**254.8**
Short-term investment securities	-39.4	-39.4	-39.4	-	-	-	-	-
Cash and cash equivalents	-206.1	-206.1	-206.1	-	-	-	-	-
CONSOLIDATED NET FINANCIAL DEBT	**425.6**	**461.7**	**-133.5**	**89.2**	**182.0**	**64.6**	**4.6**	**254.8**

At 31 December 2020, the Group's gross borrowings broke down as follows by type of debt and currency:

	Currency of origin			
(in millions of euros)	Euro	Pound sterling	Other	Total
Bond	251.7	-	-	251.7
Bank borrowings	146.1	39.0	-	185.1
Short-term bank borrowings (< 1 year)	8.4	3.6	-	11.9
NEU CP (commercial paper) & MTN	209.0	-	-	209.0
Other sundry financial debt	12.8	-	-	12.8
Bank overdrafts (cash liabilities)	0.5	-	-	0.5
GROSS FINANCIAL DEBT	**628.5**	**42.6**	**-**	**671.2**

At 31 December 2020, the Group's portfolio of investment securities broke down as follows:

(in millions of euros)	Short-term investments	Advances under the liquidity agreement	Total portfolio of investment securities
Net asset value	39.3	2.0	41.2
NET POSITION	**39.3**	**2.0**	**41.2**

Short-term investments are managed by the Group's Finance Department, and comply with internally defined principles of prudence.

At constant exchange rates relative to 31 December 2020, and taking into account short-term investments held at that date, a 50-basis-point decrease in floating rates would reduce annual financial income by €0.2 million.

12.5.2. Bank counterparty risk

All foreign currency and interest rate hedges are put in place with leading banks belonging to the Group's banking syndicate, with which market transaction agreements have been signed.

The majority of the Group's financial investments relate to the subsidiaries in India and the Sopra Steria Group parent company. Financial investments are carried out either *via* short-term bank deposits with banks mainly belonging to the banking syndicate, or *via* money-market instruments managed by leading financial institutions, which are themselves subsidiaries of banks mainly belonging to the syndicate. These investments are subject to approval by the Group, and comply with internally defined principles of prudence.

Thanks to these various measures, the Group considers that it has implemented a system that significantly reduces its bank counterparty risk in the current economic context. However, the Group remains subject to a residual risk which may affect its performance under certain conditions.

12.5.3. Interest rate risk

The Group's aim is to protect itself against interest rate fluctuations by hedging part of its floating-rate debt and investing its cash over periods of less than three months.

The derivatives used to hedge the debt are interest rate swap contracts or options, which may or may not be eligible for hedge accounting.

The eligible counterparties for interest rate hedging and investments are leading financial institutions which belong to the Sopra Steria banking syndicate. These financial instruments are managed by the Group's Finance Department.

All of the Group's interest rate hedges have been put in place through the parent company (Sopra Steria Group).

Following the arrangement in July 2019 of a €250 million Euro PP fixed-rate bond issue with maturities of 7 and 8 years, the Group restructured its portfolio of interest rate hedges to secure lower rates over longer maturities, as detailed below:

	Fair value							
	31/12/2020					Maturity		
(in millions of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount*	< 1 year	1 to 5 years	> 5 years
Swap (cash flow hedge) in euros	-	-	-	-	-	-	-	-
Swap (cash flow hedge) in foreign currency	-	-	-	-	-	-	-	-
Options eligible for hedge accounting in euros	0.2	0.0	0.4	0.5	275.0	125.0	150.0	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting in euros	-	-	0.1	-	50.0	50.0	-	-
TOTAL INTEREST RATE HEDGES	**0.2**	**0.0**	**0.4**	**0.5**	**325.0**	**175.0**	**150.0**	**-**

(*) Excluding the notional amount of the swaption

The remeasurement of these financial instruments in equity is recognised in *Other comprehensive income*.

The remeasurement of these financial instruments in profit or loss is recognised in Other financial income and expenses.

The profit or loss and equity impacts of the Group's interest rate hedging instruments are as follows:

	Balance sheet amounts					Changes in fair value			
							Profit or loss impact		
(in millions of euros)	31/12/2019	Changes in fair value	Changes in scope	Other changes	31/12/2020	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Swap (cash flow hedge) in euros	-	-	-	-	-	-	-	-	-
Swap (cash flow hedge) in foreign currency	-	-	-	-	-	-	-	-	-
Options eligible for hedge accounting in euros	-1.0	0.3	-	-	-0.7	0.2	0.0	-0.0	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting	-0.2	0.1	-	-	-0.1	-	-	-	0.1
TOTAL PRE-TAX IMPACT	**-1.2**	**0.4**	**-**	**-**	**-0.8**	**0.2**	**0.0**	**-0.0**	**0.1**

The sensitivity of the interest rate derivatives portfolio to a plus or minus 50-basis-point change in the euro yield curves at 31 December 2020 is as follows:

	-50 bp		+50 bp	
(in millions of euros)	**Equity impact**	**P&L impact** *(hedge ineffectiveness)*	**Equity impact**	**P&L impact** *(hedge ineffectiveness)*
Swaps (cash flow hedge) in euros	-	-	-	-
Swaps (cash flow hedge) in foreign currency	-	-	-	-
Swaps not eligible for hedge accounting	-	-	-	-
Options eligible for hedge accounting in euros	-0.2	-0.0	0.7	0.0
Options eligible for hedge accounting in foreign currency	-	-	-	-
Options not eligible for hedge accounting	-	-0.0	-	0.0
TOTAL	**-0.2**	**0.0**	**0.7**	**0.0**
Total impact	*-0.2*		*0.7*	

The total amount of gross borrowings subject to interest rate risk was €311.2 million. Interest rate hedges in force at 31 December 2020 reduced this exposure to €36.2 million.

The Group's residual exposure to interest rate risk is as follows:

(in millions of euros)	**Rate**	**31/12/2020**	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**
	Fixed rate	-	-	-	-	-	-	-
Short-term investment securities	Floating rate	41.2	41.2	-	-	-	-	-
	Floating rate	204.3	204.3	-	-	-	-	-
	Fixed rate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**245.5**	**245.5**	**-**	**-**	**-**	**-**	**-**
Financial assets	**Total financial assets**	**245.5**	**245.5**	**-**	**-**	**-**	**-**	**-**
Bonds	Fixed rate	-251.7	-2.2	0.1	0.1	0.1	0.1	-249.9
Bank borrowings	Floating rate	-136.7	-10.7	-10.7	-115.2	-	-	-
Bank borrowings	Fixed rate	-60.3	-0.3	-	-	-60.0	-	-
NEU CP (commercial paper) & MTN	Floating rate	-174.0	-79.0	-70.0	-25.0	-	-	-
	Fixed rate	-35.0		-	-35.0	-	-	-
	Fixed rate	-12.9	-12.9	-	-	-	-	-
Other financial debt	Floating rate	-	-	-	-	-	-	-
	Fixed rate	-	-	-	-	-	-	-
	Floating rate	-0.6	-0.6	-	-	-	-	-
	Fixed rate	**-359.9**	**-15.4**	**0.1**	**-34.9**	**-59.9**	**0.1**	**-249.9**
	Floating rate	**-311.2**	**-90.3**	**-80.7**	**-140.2**	**-**	**-**	**-**
Financial liabilities (gross exposure before hedging)	**Total financial liabilities**	**-671.2**	**-105.7**	**-80.7**	**-175.1**	**-59.9**	**0.1**	**-249.9**
NET EXPOSURE BEFORE HEDGING	**FIXED RATE**	**-359.9**	**-15.4**	**0.1**	**-34.9**	**-59.9**	**0.1**	**-249.9**
	FLOATING RATE	**-65.7**	**155.2**	**-80.7**	**-140.2**	**-**	**-**	**-**
	Fixed-rate payer swaps in euros	-	-	-	-	-	-	-
	Fixed-rate payer swaps in foreign currency	-	-	-	-	-	-	-
Interest rate hedging instruments	Fixed-rate payer options	275.0	125.0	-	75.0	75.0	-	-
GROSS EXPOSURE AFTER HEDGING	**FIXED RATE**	**-634.9**	**-140.4**	**0.1**	**-109.9**	**-134.9**	**0.1**	**-**
	FLOATING RATE	**-36.2**	**34.7**	**-80.7**	**-65.2**	**75.0**	**-**	**-**
	FIXED RATE	**-634.9**	**-140.4**	**0.1**	**-109.9**	**-134.9**	**0.1**	**-**
NET EXPOSURE AFTER HEDGING	**FLOATING RATE**	**209.3**	**280.2**	**-80.7**	**-65.2**	**75.0**	**-**	**-**

The fair value of interest rate hedging derivatives is measured using the following assumptions:

- Level 1: Quoted data: 0%;
- Level 2: Observable data: 100%;
- Level 3: Internal models: 0%.

12.5.4. Foreign currency risk

The Group is subject to three main types of risks linked to fluctuations in exchange rates:

- translation risk in the various financial statements making up the Group's consolidated financial statements for business conducted in countries with a functional currency other than the euro;
- transaction risk linked to purchases and sales of services, where the transaction currency is different from that of the country in which the service is recognised;
- financial foreign currency risk arising from the Group's foreign-currency borrowings (risk arising from changes in the value of the financial debt denominated in pounds sterling).

As part of its general risk management policy, the Group systematically hedges against foreign currency transaction risks that constitute material risks for the Group as a whole.

Centralised management of foreign currency transaction risk is in place with the Group's main entities (apart from India). Sopra Steria Group acts as the centralising entity, granting exchange rate guarantees to subsidiaries and, after netting internal exposures, hedges the residual exposure through the use of derivatives.

Foreign currency risk hedging mainly relates to transaction exposures involving the Group's production platforms in India, Poland and Tunisia, and certain commercial contracts denominated in US dollars and in Norwegian kroner. These hedges cover both invoiced items and future cash flows: changes in fair value corresponding to these hedges are taken to profit or loss for invoiced items and to equity for future cash flows.

The remeasurement through profit or loss of these financial instruments hedging balance sheet items is offset by the revaluation of foreign currency receivables over the period.

The Group's Finance Department provides hedging *via* futures or options entered into either on organised markets or over the counter with top-tier counterparties that are members of the banking syndicate.

The Group's policy is not to conduct speculative transactions on financial markets.

Finally, the structure of the Group's borrowing, part of which is denominated in sterling, provides a natural (if only partial) hedge against currency translation risk on net assets, recognised directly in the balance sheet. Similarly, in connection with the Kentor acquisition in Sweden, the Group entered into a hedging arrangement for the Swedish krona to cover its financing requirements for this entity.

The balance sheet value of the Group's foreign currency hedging instruments, and applicable notional amounts hedged, are as follows:

	Fair value 31/12/2020					Maturity		
(in millions of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	Less than 1 year	1 to 5 years	More than 5 years
Fair value hedges								
Foreign currency forwards	-	0.8	-	2.1	74.5	74.5	-	-
Foreign currency options	-	-	-	-	-	-	-	-
Cash flow hedges								
Foreign currency forwards	0.1	0.4	1.9	0.9	131.2	44.2	87.0	-
Foreign currency options	-	0.0	0.1	0.2	17.3	12.3	5.0	-
Instruments not designated for hedging*	**-**	**0.0**	**0.0**	**0.0**	**8.1**	**6.4**	**1.8**	**-**
TOTAL FOREIGN CURRENCY HEDGES	**0.1**	**1.2**	**2.0**	**3.3**	**231.1**	**137.3**	**93.7**	**-**

* *The Group hedges the foreign exchange transaction risk but chooses in certain cases not to apply hedge accounting.*

The remeasurement of these financial instruments in profit or loss is recognised in *Other current operating income and expenses*, with the exception of the time value and the impact of financial instruments not eligible for hedge accounting, which are recognised in *Other financial income and expenses*.

The profit or loss and equity impacts of the Group's foreign currency hedging instruments are as follows:

(in millions of euros)	Balance sheet amounts					Changes in fair value			
							Profit or loss impact		
	31/12/2019	Changes in fair value	Changes in scope	Other changes	31/12/2020	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Fair value hedges									
Foreign currency forwards	4.4	-5.8	-	-	-1.3	-	-	-5.8	-
Foreign currency options	0.2	-0.2	-	-	-0.0	-	-	-0.2	-
Cash flow hedges									
Foreign currency forwards	1.1	-3.4	-	-	-2.3	-3.4	-	-	-
Foreign currency options	0.1	-0.9	-	1.0	0.3	-0.5	-	-0.3	-
Instruments not designated for hedging	**0.0**	**0.5**	**-**	**-0.6**	**-0.1**	**-**	**-**	**-**	**0.5**
TOTAL PRE-TAX IMPACT	**5.9**	**-9.7**	**-**	**0.4**	**-3.4**	**-3.9**	**-**	**-6.3**	**0.5**

Exposure to foreign exchange risk is as follows:

COMMERCIAL TRANSACTIONS

(in millions of euros)	GBP	NOK	EUR	INR	TND	USD	SEK	Other	Total
Assets	30.8	0.0	50.8	0.0	1.0	4.8	0.0	3.5	90.9
Liabilities	1.1	0.0	14.9	0.0	7.4	5.1	0.0	14.6	43.1
Foreign currency commitments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net position before hedging	**29.7**	**0.0**	**35.9**	**0.0**	**-6.4**	**-0.3**	**0.0**	**-11.2**	**47.8**
Hedging instruments	67.7	15.3	64.5	0.0	-11.7	-3.3	0.0	-53.6	78.9
NET POSITION AFTER HEDGING	**-38.0**	**-15.3**	**-28.6**	**0.0**	**5.3**	**3.0**	**0.0**	**42.4**	**-31.1**

FINANCING INCLUDING CURRENT ACCOUNT

(in millions of euros)	GBP	NOK	EUR	INR	TND	USD	SEK	Other	Total
Assets	187.8	61.2	0.0	41.5	0.2	0.2	0.2	30.4	321.6
Liabilities	-0.0	0.0	0.0	0.0	0.0	9.0	21.4	6.2	36.6
Foreign currency commitments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net position before hedging	**187.9**	**61.2**	**0.0**	**41.5**	**0.2**	**-8.8**	**-21.2**	**24.2**	**284.9**
Hedging instruments*	284.4	0.0	0.0	0.0	0.0	0.0	-19.1	0.0	265.4
NET POSITION AFTER HEDGING	**-96.6**	**61.2**	**0.0**	**41.5**	**0.2**	**-8.8**	**-2.2**	**24.2**	**19.6**

* *Net investment hedge in foreign currency.*

TOTAL (MARKET POSITIONS+FINANCING)

(in millions of euros)	GBP	NOK	EUR	INR	TND	USD	SEK	Other	Total
Assets	218.6	61.2	50.8	41.5	1.2	5.0	0.2	33.9	412.4
Liabilities	1.1	0.0	14.9	0.0	7.4	14.1	21.4	20.8	79.7
Foreign currency commitments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net position before hedging	**217.6**	**61.2**	**35.9**	**41.5**	**-6.2**	**-9.1**	**-21.2**	**13.0**	**332.7**
Hedging instruments	352.1	15.3	64.5	0.0	-11.7	-3.3	-19.1	-53.6	344.2
NET POSITION AFTER HEDGING	**-134.6**	**45.9**	**-28.6**	**41.5**	**5.5**	**-5.9**	**-2.2**	**66.6**	**-11.5**

SENSITIVITY ANALYSIS

(in millions of euros)	GBP	NOK	EUR	INR	TND	USD	SEK	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	5%	
NET PROFIT IMPACT	**0.2**	**-0.0**	**0.5**	**-**	**-0.3**	**0.1**	**0.0**	**0.4**	**0.9**
EQUITY IMPACT	**-6.9**	**2.3**	**-1.9**	**2.1**	**0.6**	**-0.4**	**-0.1**	**2.9**	**-1.5**

12.5.5. Equity risk

The Group does not hold any investments in equities or any significant equity interests in listed companies other than Axway Software shares accounted for under the equity method (see Note 10) and the shares in CS Communication & Systèmes (see Note 7.1.1).

At 31 December 2020, the value of treasury shares was €41.1 million.

Given the limited number of treasury shares it holds (1.51% of the share capital), the Group is not materially exposed to equity risk. Furthermore, since the value of treasury shares is deducted from equity, changes in the share price have no impact on the consolidated income statement.

NOTE 13 CASH FLOWS

13.1. Change in net financial debt

(in millions of euros)	31/12/2019	Proceeds from/(Payments on) borrowings	Changes in scope	Translation adjustments	Other movements	31/12/2020
Bonds excluding accrued interest	250.0	-5.0	5.0	-	-	250.0
Bank borrowings excluding accrued interest	225.6	-33.2	9.5	-2.8	-0.4	198.8
Other sundry financial debt excluding current accounts and accrued interest	231.4	-15.5	7.0	-1.5	0.4	221.8
Financial debt in the cash flow statement	**707.0**	**-53.7**	**21.5**	**-4.3**	**-**	**670.6**
Current accounts	-0.0	0.1	0.0	-0.1	-0.0	-0.0
Accrued interest on financial debt	-0.5	0.7	-0.2	-	-	0.0
Financial debt excluding current bank overdrafts	**706.5**	**-52.9**	**21.4**	**-4.4**	**-0.0**	**670.6**
Current bank overdrafts	-4.9	14.8	-0.1	-10.4	-	-0.6
Short-term investment securities	23.5	19.2	0.2	-3.5	-	39.4
Cash and cash equivalents	174.0	-4.1	27.1	9.1	0.0	206.1
Net cash in the cash flow statement	**192.6**	**30.0**	**27.2**	**-4.8**	**0.0**	**245.0**
NET FINANCIAL DEBT	**513.9**	**-82.9**	**-5.8**	**0.4**	**-0.0**	**425.6**
Change in net financial debt			**-88.3**			

The breakdown provided in the *Change in net financial debt* table explains the purposes of the new borrowings and repayments of existing borrowings recognised in the cash flow statement.

The change in net financial debt is broken down into indicators. *Net cash from operating activities* is based on *Operating profit on business activity*, after deducting the depreciation, amortisation and the provisions it includes, which gives EBITDA, and other non-cash items adjusted for tax paid, restructuring and integration costs, and the change in the working capital requirement. It differs from *Net cash from operating activities* as shown in the consolidated cash flow statement presented in the financial statements on page 162, in that this caption includes the cash impact of *Other financial income and expenses* (see Note 12.1.2).

Free cash flow is defined as net cash from operating activities adjusted for the impact of purchases (net of disposals) of property, plant and equipment and intangible assets during the period; lease payments; all financial income and expenses payable or receivable (except those related to lease liabilities); and additional contributions paid to cover any deficits in certain defined-benefit pension plans.

Adjusted for net cash generated by financing activities and the impact of exchange rate fluctuations on net debt, this explains the change in net financial debt.

(in millions of euros)	Financial year 2020	Financial year 2019
Operating profit on business activity	**300.2**	**354.3**
Depreciation, amortisation and provisions (excluding allocated intangible assets)	187.4	159.3
EBITDA	**487.6**	**513.6**
Non-cash items	7.3	-3.9
Tax paid	-82.9	-81.0
Impairment of current assets	-0.6	0.9
Change in current operating WCR	72.5	25.3
Non-recurring costs, including reorganisation and restructuring costs	-82.2	-32.7
Net cash flow from operating activities	**401.7**	**422.2**
Purchase of property, plant and equipment and intangible assets	-53.6	-49.8
Proceeds from sale of property, plant and equipment and intangible assets	0.4	0.1
Net change from investing activities involving property, plant and equipment and intangible assets	**-53.2**	**-49.7**
Lease payments	-109.4	-109.8
Net interest (excluding interest on lease liabilities)	-10.0	-9.3
Additional contributions related to defined-benefit pension plans	-25.5	-24.1
Free cash flow	**203.5**	**229.3**
Impact of changes in scope	-97.5	-89.5
Impact of payments relating to non-current financial assets	-3.5	-7.4
Impact of receipts relating to non-current financial assets	1.5	4.7
Dividends paid	-4.3	-39.9
Dividends received	0.0	2.9
Capital increases	-0.0	-0.0
Purchase and sale of treasury shares	-10.9	-2.8
Other cash flows relating to investing activities	-	-
Net cash flow	**88.8**	**97.4**
Impact of changes in foreign exchange rates	-0.4	-7.3
Impact of changes in accounting policies (IFRS 16)	-	16.9
CHANGE IN NET FINANCIAL DEBT	**88.4**	**107.0**
Cash and cash equivalents – Beginning of period	192.6	159.8
Non-current financial debt – Beginning of period	-494.4	-338.3
Current financial debt – Beginning of period	-212.2	-442.4
Net financial debt – Beginning of period	**-513.9**	**-620.9**
Cash and cash equivalents – End of period	245.0	192.6
Non-current financial debt – End of period	-564.5	-494.4
Current financial debt – End of period	-106.1	-212.2
Net financial debt – End of period	**-425.6**	**-513.9**
CHANGE IN NET FINANCIAL DEBT	**88.3**	**107.0**

Free cash flow came to €203.5 million (€229.3 million in 2019). It reflected a slight improvement in the cash conversion rate with respect to operating profit on business activity compared with the previous financial year. This performance mainly resulted from a substantial improvement in the management of the working capital requirement, despite an increase in outflows on non-recurring costs (including the restructuring costs of business reorganisations) affected by the consequences of the Covid-19 pandemic crisis and the impact of the cyberattack on the Group on 21 October (see Note 4.2.3).

Outflows related to acquisitions of companies, recognised within *Impact of changes in scope*, were stable, totalling €97.5 million. Those that took place in 2020 are described in Note 2.1 and break down as follows:

(in millions of euros)	Financial year 2020	Financial year 2019
Cost of acquisitions paid (excluding earn-outs)	-103.4	-95.8
Net debt/(Net cash) of acquired companies	5.9	-0.6
Earn-outs	-	-1.9
Disposal price for shares sold in consolidated equity investments	-	4.4
Cash transferred out/Deconsolidated entities	-0.0	4.3
TOTAL	**-97.5**	**-89.5**

In 2020, they mainly included the acquisitions of Sodifrance and Fidor Solutions, and the exercise of the put option for SAB shares.

In 2019, they included the acquisitions of SAB, Sopra Financial Technology GmbH and NeoSpheres, as well as earn-outs on prior acquisitions, Apak and O.R. System. Conversely, the disposal of Sopra Steria Recruitment Ltd had a positive impact of €8.7 million.

As a result of these effects, net financial debt at 31 December 2020 decreased to €425.6 million, compared with €513.9 million at 31 December 2019.

13.2. Reconciliation of WCR with the cash flow statement

The impact of the components of the operating working capital requirement shown on the balance sheet on cash generation can be broken down as follows:

(in millions of euros)	31/12/2020	31/12/2019	Net change	Of which: Items not included in WCR	Of which: WCR items	Change in WCR items without cash impact: Foreign exchange	Change in WCR items without cash impact: Other	Impact on cash flow statement
Other non-current financial assets	36.7	25.2	11.5	-1.9	13.3	-0.3	18.0	4.3
■ Other loans and receivables	36.4	23.0	13.3	-	13.3	-0.3	18.0	4.3
■ Other non-current financial assets	0.3	2.2	-1.9	-1.9	-	-	-	-
Non-current assets	**36.7**	**25.2**	**11.5**	**-1.9**	**13.3**	**-0.3**	**18.0**	**4.3**
Trade receivables and related accounts	954.6	1,074.3	-119.7	-	-119.7	-12.2	-3.0	104.6
■ Trade receivables	607.6	737.7	-130.1	-	-130.1	-6.4	11.4	135.1
■ Accrued income	346.9	336.6	10.4	-	10.4	-5.8	-14.3	-30.5
Other current receivables	410.6	348.3	62.2	-28.7	90.9	-3.7	12.2	-82.4
Current assets	**1,365.1**	**1,422.6**	**-57.5**	**-28.7**	**-28.8**	**-15.9**	**9.2**	**22.1**
TOTAL ASSETS	**1,401.8**	**1,447.8**	**-46.0**	**-30.6**	**-15.4**	**-16.2**	**27.2**	**26.4**
Retirement benefits and similar obligations – Liabilities	-10.2	-10.2	0.0	-	0.0	0.6	-1.5	-0.9
■ Other long-term employee benefits	-10.2	-10.2	0.0	-	0.0	0.6	-1.5	-0.9
Other non-current liabilities	-104.1	-112.2	8.1	-1.4	9.4	4.9	4.5	-0.0
Non-current liabilities	**-114.3**	**-122.4**	**8.1**	**-1.4**	**9.4**	**5.5**	**3.1**	**-0.9**
Trade payables	-278.6	-286.3	7.7	1.7	6.0	-2.3	2.9	-5.4
Advances and payments on account received for orders	-22.3	-5.5	-16.8	-	-16.8	0.1	-0.0	16.9
Deferred income on client projects	-328.2	-296.6	-31.6	-	-31.6	4.8	0.3	36.6
Other current liabilities	-816.6	-918.8	102.2	22.7	79.5	7.7	41.2	-30.6
Current liabilities	**-1,445.7**	**-1,507.2**	**61.5**	**24.4**	**37.1**	**10.2**	**44.4**	**17.5**
TOTAL LIABILITIES	**-1,560.0**	**-1,629.6**	**69.6**	**23.0**	**46.5**	**15.7**	**47.4**	**16.6**
TOTAL WCR	**-158.2**	**-181.8**	**23.6**	**-7.5**	**31.1**	**-0.5**	**74.6**	**43.0**

13.3. Other cash flows in the consolidated cash flow statement

Beyond the changes presented in the *Change in net financial debt* table, the consolidated cash flow statement presented on page 162 was affected by movements related to financing activities.

Payments on borrowings mainly concerned payments on the medium-term loan and the NEU CP programme (see Note 12.3).

NOTE 14 EQUITY AND EARNINGS PER SHARE

14.1. Equity

The consolidated statement of changes in equity is presented on page 161.

14.1.1. Changes in share capital

At 31 December 2020, Sopra Steria Group had a share capital of €20,547,701, the same as at 31 December 2019. It is represented by 20,547,701 fully paid-up shares with a par value of €1 each.

14.1.2. Transactions in treasury shares

At 31 December 2020, the value of treasury shares recognised as a deduction from consolidated equity was €36.2 million, consisting of 310,525 shares, including 263,713 shares held by UK trusts falling within the consolidation scope and 46,812 shares acquired by Sopra Steria Group, 5,400 of which were acquired under the liquidity agreement and the rest of which were acquired to make any potential share-based payments. This value also includes €3.5 million relating to the Group's commitment to acquire shares on the market for its free performance share plans (see Note 5.4.1).

All of the Sopra Steria Group shares held by the parent company or any of its subsidiaries are recognised at their acquisition cost, deducted from consolidated equity.

14.1.3. Dividends

On 9 April 2020, the Board of Directors decided to submit a resolution at the General Meeting of 9 June 2020 proposing not to pay a dividend in respect of financial year 2019. This resolution passed at the General Meeting.

The dividend paid in financial year 2019 in respect of financial year 2018 was €38.0 million, equating to €1.85 per share.

14.1.4. Accumulated translation reserves

In line with the principles described in Note 1.4.2.b, accumulated translation reserves include the gains or losses arising on translation from the functional currencies of the Group's entities to the presentation currency as well as the currency hedging effects of net investments in foreign operations. Movements are recorded in *Other comprehensive income.* Accumulated translation reserves also reflect the translation effects of gains or losses on disposals of foreign operations.

At 31 December 2020, accumulated translation reserves by currency were as follows:

(in millions of euros)	31/12/2020	31/12/2019
Swiss franc	8.0	7.9
Pound sterling	-80.7	-49.6
Indian rupee	-0.4	2.6
Norwegian krone	-23.6	-18.0
Polish zloty	-0.6	-0.2
Singapore dollar	0.1	0.5
Tunisian dinar	-1.9	-1.7
US dollar	0.4	-0.0
Other currencies	-10.2	1.3
ACCUMULATED TRANSLATION RESERVES (ATTRIBUTABLE TO THE GROUP)	**-108.9**	**-57.2**

The *Other currencies* category mainly includes the accumulated translation reserves of associates, and chiefly Axway Software, in the amount of €1.7 million (€8.3 million at 31 December 2019).

14.1.5. Non-controlling interests

The contributions to the income statement and balance sheet of entities in which there are non-controlling interests mainly come from joint ventures formed with the UK authorities in the United Kingdom: NHS SBS, 50%-owned by the UK Department of Health, and SSCL, 25%-owned by the Cabinet Office. The Group has 50% and 75% control, respectively. They also relate to the companies in the Galitt group acquired in 2017, as well as Sopra Financial Technology GmbH, acquired in 2019.

The Group has granted the Cabinet Office a put option to sell the shares it holds in SSCL.

In the same vein, the Group has entered into an irrevocable commitment to acquire the remaining shares in Galitt, in the form of a put option granted to the other shareholders.

Due to the accounting treatment of the put option granted in respect of SSCL and Galitt shares, the amount of non-controlling interests on the balance sheet mainly relates to the UK Department of Health's share in the net assets of NHS SBS (€29.8 million), and the share of the German banking network Sparda's cooperative banks in Sopra Financial Technology GmbH (€17.8 million).

In the income statement, amounts attributable to non-controlling interests mainly comprised €5.7 million for SSCL, €2.9 million for NHS SBS and €3.5 million for Sopra Financial Technology GmbH.

Summary financial information for SSCL, NHS SBS, Galitt and Sopra Financial Technology GmbH is as follows:

	31/12/2020			
(in millions of euros)	SSCL	NHS SBS	Galitt	SFT
Non-current assets	13.7	30.1	41.5	112.6
Current assets	161.2	70.6	9.2	18.2
Non-current liabilities	3.0	22.3	5.8	51.8
Current liabilities	65.8	18.8	-11.9	34.2
Revenue	246.3	93.0	33.1	204.9
NET PROFIT	**22.8**	**5.9**	**0.7**	**7.0**

Non-controlling interests arise where a portion of equity ownership in a subsidiary is not attributable directly or indirectly to the parent company.

When non-controlling interests have an option to sell their investment to the Group, a financial liability is recorded in *Other non-current liabilities* (see Note 7.4) for the present value of the option's estimated exercise price. The offset of the financial liability generated by these commitments is deducted from:

the corresponding amount of non-controlling interests initially; and

the Group's share of consolidated reserves for the remainder.

Subsequent changes in this put option arising from changes in estimates or relating to the unwinding of discount are offset against the corresponding non-controlling interests and the remainder is deducted from the Group's share of consolidated reserves.

14.1.6. Capital management objectives, policy and procedures

The Company's capital is solely composed of the items disclosed in the balance sheet. There are no financial liabilities considered to be components of capital and, conversely, there are no equity components not considered to be part of the Company's capital.

The Company is not subject to any external constraints on its capital.

Treasury shares are detailed in Note 14.1.2.

The only potentially dilutive instruments are the free shares granted under Sopra Steria's free performance share plans (see Note 5.4.1).

14.2. Earnings per share

	Financial year 2020	Financial year 2019
Net profit attributable to the Group *(in millions of euros)* (a)	106.8	160.3
Weighted average number of ordinary shares outstanding (b)	20,547,701	20,547,701
Weighted average number of treasury shares (c)	294,209	313,075
Weighted average number of shares outstanding excluding treasury shares (d) = (b) - (c)	20,253,492	20,234,626
BASIC EARNINGS PER SHARE (IN EUROS) (A/D)	**5.27**	**7.92**

	Financial year 2020	Financial year 2019
Net profit attributable to the Group *(in millions of euros)* (a)	106.8	160.3
Weighted average number of shares outstanding excluding treasury shares (d)	20,253,492	20,234,626
Dilutive effect of instruments that give rise to potential ordinary shares (e)	68,951	116,462
Theoretical weighted average number of equity instruments (f) = (d)+(e)	20,322,443	20,351,088
DILUTED EARNINGS PER SHARE (IN EUROS) (A/F)	**5.25**	**7.88**

The method used to calculate earnings per share is set out below.

Treasury shares are detailed in Note 14.1.2.

Potentially dilutive instruments are presented in Note 5.4.

Earnings per share as stated in the income statement are calculated on the basis of the Group's share in the net profit as follows:

basic earnings per share are based on the weighted average number of shares outstanding during the financial year, calculated according to the dates when the funds arising from cash share issues were received and, in respect of shares issued for contributions in kind *via* equity, the date on which the corresponding new Group companies were consolidated for the first time;

- diluted earnings per share are calculated by adjusting the Group's share of net profit and the weighted average number of shares outstanding for the dilutive effect of share subscription option plans in force at the financial year-end and free share plans. The treasury stock method is applied on the basis of the average share price for the year.

NOTE 15 RELATED-PARTY TRANSACTIONS

15.1. Transactions with equity-accounted associates and non-consolidated entities

(in millions of euros)	31/12/2020	31/12/2019
Transactions between Sopra Steria Group and the Axway Software group		
Sales of goods and services	0.1	0.4
Purchases of goods and services	-3.2	-1.5
Operating receivables	-	0.2
Operating payables	-1.0	-0.8
Financial income	-	-
Financial receivables (current account)	-	-
Transactions between Sopra Steria Group subsidiaries and the Axway Software group		
Sales of goods and services	7.6	6.1
Purchases of goods and services	-4.3	-3.8
Operating receivables	1.5	0.9
Operating payables	-2.3	-0.7
Financial income	-	-
Financial receivables (current account)	-	-
Transactions between Sopra Steria Group and holding company Sopra GMT		
Sales of goods and services	0.2	0.4
Purchases of goods and services	-1.2	-1.6
Operating receivables	0.1	0.1
Operating payables	-0.4	-0.1
Financial income	-	-
Financial receivables (current account)	-	-

15.2. Subsidiaries and equity interests

Transactions and balances between Sopra Steria Group and its subsidiaries were eliminated in full on consolidation, since all of the subsidiaries are fully consolidated.

Non-consolidated equity investments are all recognised within *Non-consolidated securities* (see Note 7.1.1).

NOTE 16 OFF-BALANCE SHEET COMMITMENTS

16.1. Commitments given related to current operations

(in millions of euros)	31/12/2020	31/12/2019
Bank guarantees for project completion	18.6	26.6
Other guarantees	8.1	11.5
TOTAL	**26.7**	**38.1**

Under the IT service contracts it enters into with its clients, the Group may, if formally requested by its clients, provide bank guarantees in respect of the performance of obligations undertaken in these contracts. The amount of these guarantees was €18.6 million at 31 December 2020 (€26.6 million at 31 December 2019). To date, no use has ever been made of any such guarantee.

In addition, the Group is exposed under its leases to future cash outflows, which were not taken into account in the measurement of its lease liabilities. These arise from property leases, under which the Group will have the right to control their use after 31 December 2020. These amounted to €90.4 million at 31 December 2020. No such exposure existed at 31 December 2019.

16.2. Commitments received

(in millions of euros)	31/12/2020	31/12/2019
Unused credit lines	950.0	950.0
Unused current bank overdrafts	161.0	157.1
Other commitments received	4.5	4.5
TOTAL	**1,115.4**	**1,111.6**

As part of a cash pooling arrangement set up in 2012 between the entities of the Group and BMG (Bank Mendes Gans), Sopra Steria Group acts as guarantor for the amounts borrowed by its subsidiaries.

NOTE 17 SUBSEQUENT EVENTS

No subsequent events occurred after the end of financial year 2020.

NOTE 18 LIST OF GROUP COMPANIES

Company	Country	% control	% held	Consolidation method
France				
Sopra Steria Group	France	-	-	Parent company
Sopra Steria Infrastructure & Security Services	France	100.00%	100.00%	FC
Sopra Steria Services	France	100.00%	100.00%	FC
XYZ 12 2016	France	100.00%	100.00%	FC
Beamap SAS	France	100.00%	100.00%	FC
CIMPA SAS	France	100.00%	100.00%	FC
CIMPA GmbH	Germany	100.00%	100.00%	FC
CIMPA Ltd	United Kingdom	100.00%	100.00%	FC
CIMPA PLM España SL	Spain	100.00%	100.00%	FC
Sopra Steria Polska	Poland	100.00%	100.00%	FC
Steria Medshore SAS	Morocco	100.00%	100.00%	FC
Sopra Steria Group – Morocco branch	Morocco	100.00%	100.00%	FC
2MoRO SAS	France	100.00%	100.00%	FC
2MoRO Inc.	Canada	37.00%	37.00%	N/A
Tecfit	France	88.13%	88.13%	FC
Galitt	France	99.07%	87.31%	FC
Sodifrance SA	France	100.00%	100.00%	FC
HP2M SAS	France	100.00%	100.00%	FC
Strateg'e.Boss SAS	France	100.00%	100.00%	FC
Sodifrance-Isis SAS	France	100.00%	100.00%	FC
Soft-Maint SAS	France	100.00%	100.00%	FC
Anteo Consulting SAS	France	100.00%	100.00%	FC
Anteo e-Business Solutions SAS	France	100.00%	100.00%	FC
Mia Software SAS	France	100.00%	100.00%	FC
Apprentissage Professionnel Informatique	France	100.00%	100.00%	FC
Soft-Maint Tunisie	Tunisia	100.00%	100.00%	FC
United Kingdom				
Sopra Group Holding Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Holdings Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Services Ltd	United Kingdom	100.00%	100.00%	FC
Caboodle Solutions Ltd	United Kingdom	100.00%	100.00%	FC
ASL Information Services Limited	United Kingdom	100.00%	100.00%	FC
Druid Group Ltd	United Kingdom	100.00%	100.00%	FC
OSI Group Holdings Limited	United Kingdom	100.00%	100.00%	FC
FI Group Limited	United Kingdom	100.00%	100.00%	FC
OSI Group Limited	United Kingdom	100.00%	100.00%	FC
Steria BSP Ltd	United Kingdom	100.00%	100.00%	FC
NHS Shared Employee Services Limited	United Kingdom	100.00%	75.50%	FC
NHS Shared Business Services Ltd	United Kingdom	50.00%	50.00%	FC
Steria UK Ltd	United Kingdom	100.00%	100.00%	FC
Steria UK Corporate Ltd	United Kingdom	100.00%	100.00%	FC
Shared Services Connected Ltd (SSCL)	United Kingdom	75.00%	75.00%	FC
First Banking Systems	United Kingdom	100.00%	100.00%	FC
Firth Solutions Ltd	United Kingdom	100.00%	100.00%	FC
FI Academy Ltd	United Kingdom	100.00%	100.00%	FC
FI Kernel Ltd	United Kingdom	100.00%	100.00%	FC

Company	Country	% control	% held	Consolidation method
Steria Employee Trustee Company Ltd	United Kingdom	100.00%	100.00%	FC
Steria Employee Trustee Company Ltd	United Kingdom	100.00%	100.00%	FC
Xansa 2004 Employee Benefit Trust	United Kingdom	100.00%	100.00%	FC
Zansa Ltd	United Kingdom	100.00%	100.00%	FC
CX Partners	United Kingdom	100.00%	100.00%	FC
Xansa Cyprus (No. 1) Ltd	Cyprus	100.00%	100.00%	FC
Xansa Cyprus (No. 2) Ltd	Cyprus	100.00%	100.00%	FC
Xansa India Sez DP Ltd	India	100.00%	100.00%	FC
Steria India Ltd	India	100.00%	100.00%	FC
Sopra Steria Asia Pte Ltd	Singapore	100.00%	100.00%	FC
Steria Malaysia	Malaysia	100.00%	100.00%	N/A
Steria Hong Kong	Hong Kong	100.00%	100.00%	N/A
Sopra Steria China	China	100.00%	100.00%	FC
Xansa Inc.	Canada	100.00%	100.00%	FC
Other Europe				
Sopra Steria SE	Germany	100.00%	100.00%	FC
ISS Software GmbH	Germany	100.00%	100.00%	FC
Sopra Steria Services GmbH	Germany	100.00%	100.00%	FC
Sopra Financial Technology GmbH	Germany	51.00%	51.00%	FC
it-economics GmbH	Germany	100.00%	100.00%	FC
it-economics Bulgaria EOOD	Bulgaria	100.00%	100.00%	FC
Sopra Steria GmbH	Austria	100.00%	100.00%	FC
Sopra Steria Benelux	Belgium	100.00%	100.00%	FC
Sopra Steria Benelux – Luxembourg branch	Luxembourg	100.00%	100.00%	FC
Sopra Steria Benelux – Netherlands branch	Netherlands	100.00%	100.00%	FC
Sopra Steria PSF Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Steria AG	Switzerland	100.00%	100.00%	FC
Sopra Steria Group SpA	Italy	100.00%	100.00%	FC
Sopra Steria España SAU	Spain	100.00%	100.00%	FC
Sopra Steria Euskadi SL	Spain	100.00%	100.00%	FC
Sopra Group Catalunya SA	Spain	100.00%	100.00%	FC
Sopra Steria A/S	Denmark	100.00%	100.00%	FC
Sopra Steria AS	Norway	100.00%	100.00%	FC
The Solid Group	Norway	100.00%	100.00%	FC
Sopra Steria AB	Sweden	100.00%	100.00%	FC
Sopra Steria Sweden AB	Sweden	100.00%	100.00%	FC
Kentor Holding AB	Sweden	100.00%	100.00%	FC
Kentor OOO	Russia	100.00%	100.00%	FC
Sopra Banking Software				
Sopra Banking Software	France	100.00%	100.00%	FC
Cassiopae SAS – South Korea branch	South Korea	100.00%	100.00%	N/A
O.R. System do Brasil	Brazil	100.00%	100.00%	N/A
O.R. System Polska	Poland	100.00%	100.00%	N/A
Sopra Financial Solutions Iberia SL	Spain	100.00%	100.00%	FC
Sopra Banking Software Ltd	United Kingdom	100.00%	100.00%	FC
SBS 123 Ltd	United Kingdom	100.00%	100.00%	FC
Field Solutions Investment Ltd	United Kingdom	100.00%	100.00%	FC
Cassiopae Ltd	United Kingdom	100.00%	100.00%	FC
Apak Group Ltd	United Kingdom	100.00%	100.00%	FC
Apak Group Inc.	United States	100.00%	100.00%	FC
Sopra Banking Software Belgium	Belgium	100.00%	100.00%	FC
Sopra Banking Software – Iceland branch	Iceland	100.00%	100.00%	FC
Sopra Banking Software Luxembourg	Luxembourg	100.00%	100.00%	FC

Company	Country	% control	% held	Consolidation method
Sopra Banking Software Netherlands BV	Netherlands	100.00%	100.00%	FC
Sopra Banking Software GmbH	Germany	100.00%	100.00%	FC
Cassiopae Solutions Private Ltd	India	99.90%	99.90%	FC
Sopra Banking Software Singapore Pte Ltd	Singapore	100.00%	100.00%	FC
Beijing Sopra Science and Technology Ltd	China	100.00%	100.00%	FC
Sopra Banking Software Morocco	Morocco	100.00%	100.00%	FC
Cassiopae MEA	Tunisia	100.00%	100.00%	FC
Sopra Software Cameroun	Cameroon	95.00%	95.00%	FC
Cassiopae US Inc.	United States	100.00%	100.00%	FC
Sopra Banking Software Brasil Ltda	Brazil	100.00%	100.00%	FC
Sopra Banking Gabon	Gabon	100.00%	100.00%	FC
Sopra Banking Côte d'Ivoire	Côte d'Ivoire	100.00%	100.00%	FC
Sopra Banking Software Sénégal	Senegal	100.00%	100.00%	FC
SAB	France	100.00%	100.00%	FC
SAMIC	Monaco	99.60%	99.60%	FC
SAB Med	Lebanon	98.00%	98.00%	FC
SAB Tunisie	Tunisia	99.99%	99.99%	FC
SAB Atlas	Morocco	100.00%	100.00%	FC
SAB Pacifique	Polynesia	100.00%	100.00%	FC
Fidor Solutions AG	Germany	100.00%	100.00%	FC
Fidor FZCO	United Arab Emirates	100.00%	100.00%	FC
Fidor Solutions Apac Pte Ltd	Singapore	100.00%	100.00%	FC
Other solutions				
Sopra HR Software	France	100.00%	100.00%	FC
Sopra HR Software Ltd	United Kingdom	100.00%	100.00%	FC
Sopra HR Software SPRL	Belgium	100.00%	100.00%	FC
Sopra HR Software Sarl	Luxembourg	100.00%	100.00%	FC
Sopra HR Software GmbH	Germany	100.00%	100.00%	FC
Sopra HR Software Sarl	Switzerland	100.00%	100.00%	FC
Sopra HR Software Srl	Italy	100.00%	100.00%	FC
Sopra HR Software SL	Spain	100.00%	100.00%	FC
Sopra HR Software Sarl	Tunisia	100.00%	100.00%	FC
Sopra HR Software Sarl	Morocco	100.00%	100.00%	FC
Holocare AS	Norway	66.67%	66.67%	EM
AXWAY	**France**	**32.38%**	**32.38%**	**EM**

FC: Fully consolidated
EM: Equity method
NC: Non-consolidated (non-consolidated companies are not considered significant)

The Group does not directly or indirectly control any special-purpose entities.

NOTE 19 STATUTORY AUDITORS' FEES

	Mazars network		Nexia network	
(in millions of euros excl. VAT)	**2020**	**2019**	**2020**	**2019**
Certification of the parent company and consolidated financial statements				
Sopra Steria Group	0.5	0.5	0.3	0.3
Fully consolidated subsidiaries	1.6	1.3	0.7	0.6
Subtotal	**2.1**	**1.9**	**1.0**	**0.9**
Services other than the certification of the accounts*				
Sopra Steria Group	0.1	0.3	0.0	0.0
Fully consolidated subsidiaries	0.1	0.1	0.1	0.1
Subtotal	**0.2**	**0.4**	**0.1**	**0.1**
TOTAL STATUTORY AUDITORS' FEES	**2.3**	**2.2**	**1.1**	**1.0**

(*) These services mainly relate to services performed in connection with the acquisition of entities ("due diligence").

Statutory Auditors' report on the consolidated financial statements

To the General Meeting of Sopra Steria Group SA,

Opinion

In compliance with the engagement entrusted to us by the shareholders at your General Meetings, we have audited the accompanying consolidated financial statements of Sopra Steria Group SA for the financial year ended 31 December 2020.

We certify that the consolidated financial statements are, with respect to IFRS as adopted in the European Union, true and fair and provide an accurate view of the results of your Company's operations for the financial year under review and of the financial position and assets and liabilities, at the end of the financial year, of the group formed by the persons and entities included in the scope of consolidation.

The above opinion is consistent our report to the Audit Committee.

Basis of our opinion

AUDIT FRAMEWORK

We performed our assignment in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the section of this report entitled "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements".

INDEPENDENCE

We performed our audit in accordance with independence rules provided by the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from 1 January 2020 to the date our report was issued, and in particular we have not provided any services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

The global crisis caused by the Covid-19 pandemic has created exceptional conditions for the preparation and audit of the financial statements for this financial year. The crisis and the resulting emergency public health measures have had various consequences for companies, particularly affecting their business activity and financing and giving rise to greater uncertainty as to their future outlook. Some of these measures, such as restrictions on movement and remote working, have also had an impact on companies' internal organisation and affected how audits are carried out.

Given this complex and changing context and in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement which, according to our professional judgment, were most significant for the audit of the consolidated financial statements for the financial year, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

REVENUE RECOGNITION ON FIXED-PRICE CONTRACTS

(Note 4.1 to the consolidated financial statements)

Risk identified

Sopra Steria Group, one of Europe's key players in digital transformation, offers end-to-end, high-value-added services comprising consulting and systems integration, development of industry- and technology-specific solutions, IT infrastructure management, cybersecurity and business process services (BPS).

The Group's revenue to 31 December 2020 totalled €4.3 billion, a significant portion of which related to fixed-price contracts. Fixed-price contracts are characterised by commitments relating to the price, the end result and the deadline.

As presented in Note 4.1 to the consolidated financial statements, revenue from services performed under fixed-price contracts is recognised over time (and not at a specific point in time) using the percentage-of-completion method in the following two situations:

- the services are performed in the customer's environment or enhance a customer's asset. The customer obtains control as the asset is created or developed;
- the contract provides for the development of highly specific assets in the Group's environment (e.g. solutions) prior to implementation in the customer's infrastructure. The contract also provides for settlement of the value of such services in the event of termination for convenience (where the customer is entitled to do so). The Group has no alternative use for the asset created and has an enforceable right to payment for performance completed to date.

Revenue and profit generated over time from these services is recognised on the basis of a qualified estimate of the level of completion, measured as the difference between the contract value and the amount required to cover the total number of person-days remaining to be performed.

We considered the recognition of revenue on fixed-price contracts as a key audit matter due to its significance in the Group's financial statements and the level of judgment and estimation required by management to determine the revenue and income on completion from these contracts.

Our response

We familiarised ourselves with the internal control procedures implemented by the Group and tested the key controls relating to determining income from fixed-price contracts.

For a sample of contracts deemed material due to their financial impact and risk profile:

- we reconciled contractual data, including any contractual changes resulting from additional requests and contractual claims, with management and accounting data;
- we talked to management and project managers in order to assess the reasonable nature of the estimates made by management and corroborate the estimated amount allocated to cover the total number of person-days remaining to be performed, particularly in comparison with prior estimates and by reviewing correspondence with the client and assessing whether this has been translated correctly into the accounts. In performing this work we drew on experience acquired in previous financial years relating to similar contracts;
- for contracts subject to claims, we talked to the Group's legal department and reviewed correspondence with the client in order to assess the estimates made by management.

We also used substantive checks on a sample of trade receivables and accrued income in order to assess management's estimates relating to the prospect of recovering these receivables.

VALUATION AND IMPAIRMENT OF GOODWILL

(Notes 2.1, 8.1.2 and 8.1.3 to the consolidated financial statements)

Risk identified

As at 31 December 2020, the net value of goodwill in the Group's consolidated financial statements was €1,843.2 million, equal to 40.6% of total assets.

As set in out in Notes 2.1, 8.1.2 and 8.1.3 to the consolidated financial statements, goodwill is allocated to cash-generating units (CGUs) for the purposes of impairment tests. The Group's segmentation into CGUs is consistent with the operating structure of its businesses, its management and reporting system, and its segment reporting. Impairment tests are performed whenever there is an indication of impairment, and in any event at the balance sheet date of 31 December. These tests consist in comparing the CGU's carrying amount with its recoverable amount, which corresponds to the higher of (i) its fair value less costs of disposal and (ii) its value in use. An impairment loss is recognised whenever the recoverable amount of goodwill is lower than the carrying amount the weighted average cost of capital.

As presented in Note 1.3 to the consolidated financial statements, the Covid-19 crisis had an impact on the estimates that the Group uses to value certain assets and liabilities. In particular, this is mainly relevant and structuring for the assumptions and estimates used to assess the recoverable amount of goodwill.

To determine the value in use of the CGU, management primarily uses the discounted cash flow (DCF) method, which involves the use of key assumptions relating to each asset category, including in particular the perpetual growth rate and the discount rate based on the weighted average cost of capital.

Determining the recoverable amount of goodwill, which represents a particularly significant amount relative to total assets, is primarily based on management's judgment, in particular as regards the perpetual growth rate used to forecast cash flows and the discount rate applied. We therefore considered the valuation of goodwill and the implementation of impairment testing to be a key audit matter.

Our response

Our work consisted primarily of:

- reviewing the compliance of the methodology used by the Group with applicable accounting standards;
- assessing whether the allocation of assets to CGUs is exhaustive and complies with applicable accounting standards;
- assessing the reasonable nature of assumptions used to determine future cash flows in relation to operating data, with regard to the business and financial context for the Group's operations, in particular the context of uncertainty caused by the Covid-19 public health crisis, and their consistency with the most recent estimates presented to the Board of Directors within the framework of budgetary processes;
- check the calculation of goodwill recorded over the period;
- assessing, with the help of our valuation experts, the consistency of the perpetual growth rate and the weighted average unit cost of capital in all components;
- analysing the sensitivity of the value in use determined by management to a change in the main assumptions made, particularly for the Sopra Banking Software CGU.

Lastly, we verified that Notes 2.1 and 8.1 to the consolidated financial statements provided appropriate information.

VALUATION AND IMPAIRMENT OF EQUITY-ACCOUNTED INVESTMENTS

(Note 10.2 to the consolidated financial statements)

Risk identified

As at 31 December 2020, the net value of equity-accounted investments in the Group's consolidated financial statements was €193.4 million, equal to 4.3% of total assets. These equity interests correspond to the Group's stake in Axway Software.

As explained in Note 10.2 to the consolidated financial statements, impairment tests are performed whenever there is an indication of impairment, and in any event at the balance sheet date of 31 December. These tests consist in comparing the carrying amount of equity-accounted investments with their recoverable amount, which corresponds to the higher of (i) their fair value less costs of disposal and (ii) their value in use:

- as Axway Software's shares are listed, their fair value less costs of disposal is equal to market price less costs to sell;
- to determine the value in use of equity-accounted investments, management primarily uses the discounted cash flow (DCF) method, which involves the use of key assumptions relating to each asset category, including in particular the perpetual growth rate and the discount rate based on the weighted average cost of capital.

An impairment loss is recognised whenever the recoverable amount of equity-accounted investments is lower than their carrying amount.

Determining the recoverable amount of equity-accounted investments is primarily based on management's judgment, in particular as regards the perpetual growth rate used to forecast cash flows and the discount rate applied. We therefore considered the valuation of equity-accounted investments and the implementation of impairment testing to be a key audit matter.

Our response

Our work consisted primarily of:

- reviewing the compliance of the methodology used by the Group with applicable accounting standards;
- assessing the reasonable nature of assumptions used to determine future cash flows in relation to operating data, with regard to the business and financial context for the Group's operations, and their consistency with the most recent estimates presented to the Board of Directors within the framework of budgetary processes;
- assessing, with the help of our valuation experts, the consistency of the perpetual growth rate and the weighted average unit cost of capital in all components;
- analysing the sensitivity of the value in use determined by management to a change in the main assumptions made.

Lastly, we verified that Note 10.2 to the consolidated financial statements provided appropriate information.

POST-EMPLOYMENT BENEFIT OBLIGATIONS

(Note 5.3.1 to the consolidated financial statements)

Risk identified

Post-employment benefits mainly concern the Group's obligations towards its employees to provide retirement bonuses in France and defined-benefit pension plans in the United Kingdom, Germany and other European countries (Belgium and Norway). The actuarial value of accumulated benefits as at 31 December 2020 was €390.4 million.

The net liability in respect of retirement benefits and similar obligations was calculated at the balance sheet date based on the most recent valuations available. Since these liabilities are covered by plan assets with a fair value of 1,717.8 million, the net liability at 31 December 2020 totalled €380.1 million. The most significant plan assets concern the United Kingdom and France.

Valuing pension plan assets and liabilities, as well as the actuarial cost for the financial year, requires a high level of judgment by management to determine appropriate assumptions to be made, such as the discount rate, inflation, future pay rises, staff turnover and mortality tables.

The change in some of these assumptions may have a material impact on determining the net liability recognised as well as on the Group's profit.

In view of the amounts represented by these obligations and associated plan assets, as well as the technical skill required to evaluate these amounts, we considered this type of post-employment benefit obligations to be a key audit matter.

Our response

We familiarised ourselves with the process for valuing post-employment benefit obligations implemented by the Group. A review of actuarial assumptions was performed by:

- assessing the discount rate and inflation in order to evaluate their consistency with market conditions;
- assessing the reasonable nature of assumptions relating to pay rises, staff turnover and mortality in order to evaluate their consistency with the specific characteristics of each plan and, where applicable, with national and sector benchmarks;
- reviewing calculations made by the Group's external actuaries.

As regards plan assets, we also assessed whether the assumptions made by management to value these assets and the documentation provided by management to justify the recognition of a net plan asset were appropriate.

Lastly, we verified the appropriateness of the information provided in Note 5.3.1 to the consolidated financial statements.

Specific verifications

We also performed the specific verifications in accordance with professional standards applicable in France and required by law in relation to the information on the Group contained in the Management Report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We certify that the consolidated statement of non-financial performance in accordance with Article L. 225-102-1 of the French Commercial Code is provided in the information relating to the Group in the Management Report, it being understood that in accordance with Article L. 823-10 of the French Commercial Code, the information contained in this declaration has not been the subject of our verifications of sincerity or of consistency with the consolidated financial statements, and must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included15 in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of …16 , complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included15 in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

APPOINTMENT OF STATUTORY AUDITORS

Mazars was appointed Statutory Auditor of Sopra Steria Group SA by the shareholders at the General Meeting of 1 June 2000, and Auditeurs et Conseil Associés – ACA Nexia by the shareholders at the General Meeting of 30 June 1986.

As at 31 December 2020, Mazars was in its 21st consecutive year as Statutory Auditor and Auditeurs et Conseil Associés – ACA Nexia was in its 35th consecutive year as Statutory Auditor, respectively 21 years and 31 years since the Company's shares were first listed for trading on a regulated market.

Responsibility of management and persons charged with governance in relation to the consolidated financial statements

It is management's responsibility to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union, as well as to implement the internal controls it deems necessary to prepare consolidated financial statements that are free of material misstatement, whether due to fraud or error.

On preparing the consolidated financial statements, it is up to management to assess the Company's ability to continue as a going concern, and to present in the financial statements, if applicable, any necessary information relating to the continuity of operations and apply the going concern assumption unless it is planned that the Company will be liquidated or cease trading.

It is the responsibility of the Audit Committee to monitor the process of preparing financial information and monitor the effectiveness of internal control and risk management systems, as well as internal audit, where applicable, as regards procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

AUDIT AIM AND APPROACH

It is our responsibility to prepare a report on the consolidated financial statements. Our aim is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, although this does not guarantee that an audit performed in accordance with professional standards systematically allows for all material misstatements to be detected. Misstatements may be due to fraud or error and are considered material when it can reasonably be expected that they may, taken individually or combined, influence the financial decisions of users made on the basis of the financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment of certifying the financial statements does not consist of guaranteeing the viability or quality of your Company's management.

Within the framework of an audit performed in accordance with professional standards applicable in France, the Statutory Auditor uses its professional judgment throughout the audit process. In addition:

- it identifies and assesses the risk of the consolidated financial statements containing material misstatements, whether due to fraud or error, defines and implements audit procedures in light of these risks, and collects evidence that it deems sufficient and appropriate to form a basis for its opinion. The risk of failure to detect a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, false statements or circumvention of internal control procedures;
- it familiarises itself with internal controls relevant for the audit in order to define appropriate audit procedures under the circumstances, and not with the aim of expressing an opinion on the effectiveness of internal control procedures;
- it assesses the appropriateness of accounting policies used and the reasonable nature of accounting estimates made by management, as well as associated information provided in the consolidated financial statements;
- it assesses the appropriateness of management's application of the going concern principle and, depending on the evidence collected, whether or not any material uncertainty exists relating to events or circumstances that may call into question the Company's ability to continue as a going concern. This assessment relies on evidence collected up to the date of its report, noting that subsequent circumstances or events may call into question the continuity of operations. If it concludes that a material uncertainty exists, it shall draw readers' attention to the information provided in the consolidated financial statements relating to this uncertainty or, if this information is not provided or is not relevant, it shall give a qualified certification or refuse to certify the financial statements;
- it assesses the overall presentation of the consolidated financial statements and evaluates whether the consolidated financial statements reflect underlying transactions and events in a way that gives a true and fair view;
- as regards financial information from persons or entities within the scope of consolidation, it collects information that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on these financial statements.

REPORT TO THE AUDIT COMMITTEE

We send a report to the Audit Committee setting out in particular the scope of our audit work and the programme of works carried out, as well as the conclusions of our work. We also bring to its attention, if applicable, any significant weaknesses in internal control procedures that we have identified as regards procedures relating to the preparation and treatment of accounting and financial information.

The information provided in the report to the Audit Committee includes risks of material misstatement, which we deem to have been the most significant for our audit of the consolidated financial statements for the financial year and which therefore constitute key audit matters, which it is our duty to describe in this report.

We also provide the Audit Committee with the declaration required by Article 6 of Regulation (EU) No. 537-2014 attesting to our independence with the meaning of applicable regulations in France as set out in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. If applicable, we shall discuss with the Audit Committee the risks to our independence and safeguarding measures implemented.

Paris and Courbevoie, 04 March 2021

The Statutory Auditors

Aca Nexia	Mazars
Olivier Juramie	**Bruno Pouget**

(1) This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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Income statement

(in thousands of euros)	Notes	2020	2019
Net revenue	*4.1.1*	1,512,781	1,651,461
Other operating income		61,500	56,830
Operating income		**1,574,281**	**1,708,291**
Purchases consumed		550,186	602,261
Staff costs		901,396	922,005
Other operating expenses		3,319	7,348
Taxes and duties		36,709	35,269
Depreciation, amortisation, provisions and impairment		24,239	35,017
Operating expenses		**1,515,849**	**1,601,901**
Operating profit		**58,432**	**106,390**
Financial income and expenses	*4.3*	60,667	43,006
Pre-tax profit on ordinary activities		**119,099**	**149,396**
Exceptional income and expenses	*4.4*	5,455	647
Employee profit-sharing and incentives	*4.2.1*	-3,112	-17,678
Corporate income tax	*4.5*	20,835	14,713
NET PROFIT		**142,276**	**147,078**

Balance sheet

ASSETS

(in thousands of euros)	Notes	Gross value	Depreciation, amortisation and impairment	2020	2019
Intangible assets	5.1.1	222,745	102,366	120,379	122,692
Property, plant and equipment	5.1.2	151,714	99,651	52,063	56,615
Financial investments	5.1.3	1,996,749	15,925	1,980,824	1,955,777
Non-current assets		**2,371,208**	**217,942**	**2,153,266**	**2,135,083**
Inventories and work in progress	5.2.1	3,086	-	3,086	3,882
Trade receivables and related accounts	5.2.2	332,211	217	331,994	412,745
Other receivables, prepayments and accrued income	5.2.3	469,887	47	469,840	310,287
Cash and cash equivalents		165,014	-	165,014	150,658
Current assets		**970,198**	**264**	**969,934**	**877,573**
Debt issuance costs	5.2.5	565	-	565	654
Foreign currency translation losses	5.2.5	127	-	127	3,469
TOTAL ASSETS		**3,342,099**	**218,206**	**3,123,892**	**3,016,779**

LIABILITIES AND EQUITY

(in thousands of euros)	Notes	2020	2019
Share capital		20,548	20,548
Share premium		531,477	531,477
Reserves		585,567	438,489
Profit for the year		142,276	147,078
Regulated provisions		-	-
Equity	5.3	**1,279,867**	**1,137,592**
Provisions	5.4	**121,432**	**128,160**
Financial debt	5.5.1	872,608	918,804
Trade payables and related accounts	5.5.3	121,233	145,291
Tax and social security payables	5.5.4	286,753	314,404
Other liabilities, accruals and deferred income	5.5.5	435,253	366,543
Liabilities		**1,715,847**	**1,745,042**
Foreign currency translation gains	5.5.7	6,746	5,985
Total liabilities and equity		**3,123,892**	**3,016,779**

Cash flow statement

(in thousands of euros)	Notes	2020	2019
Profit for the year		**142,276**	**147,078**
Non-monetary items with no cash impact			
■ Depreciation and amortisation of property, plant and equipment, intangible assets and financial investments	*5.1*	17,061	12,511
■ Gains and losses on disposal of assets		-	-2,675
Changes in working capital requirements			
■ Change in provisions and other non-monetary items		-6,706	5,365
■ Change in inventories		796	763
■ Change in trade receivables		80,816	-88,481
■ Change in other receivables (excluding receivables on disposals of assets)		-65,433	-21,485
■ Change in trade payables (excluding payables on purchases of assets)		-24,080	7,972
■ Change in other payables		-25,894	23,942
Net cash from operating activities		**118,836**	**84,990**
Purchase of property, plant and equipment and intangible assets	*5.1.1 and 5.1.2*	-6,252	-8,345
Change in trade payables on fixed assets		-708	433
Proceeds from sale of property, plant and equipment and intangible assets		-	-
Purchase of long-term investment securities	*5.1.3*	-63,671	-37,024
Change in payables on securities	*5.5.5*	1,965	9,350
Proceeds from sale of equity interests		3,917	4,260
Change in other financial investments		-4,614	1,777
Net cash from/(used in) investing activities		**-69,363**	**-29,549**
Issuance of long-term borrowings	*5.5.1*	110,018	250,000
Repayment of long-term borrowings	*5.5.1*	-90,635	-204,223
Increase/(Decrease) in short-term borrowings	*5.5.1*	-55,000	-40,677
Changes in share capital	*5.3.1*	-	-
Dividends paid	*5.3.1*	-	-37,953
Change in Group current accounts and cash accounts related to the notional cash pool		-38,202	8,979
Change in long-term financial receivables	*5.1.3*	37,668	12,556
Net cash from/(used in) financing activities		**-36,151**	**-11,317**
Net change in cash (excluding cash accounts related to the notional cash pool)		**13,322**	**44,123**
Opening cash position (excluding cash accounts related to the notional cash pool)		132,458	88,335
Closing cash position (excluding cash accounts related to the notional cash pool)		145,780	132,458

1. Company description

Sopra Steria Group is the parent company of the Sopra Steria group.

Its registered office is located at 3 Rue du Pré Faucon in Annecy-le-Vieux (France), where its consolidated financial statements may be consulted.

It performs a number of roles:

- it operates as a holding company, holding financial interests through which it has direct or indirect control over Group companies;

It implements the Group's funding policy, and as such ensures that the funding requirements of its subsidiaries are met. It also centrally manages market risks to which it and its subsidiaries are exposed.

- it operates in consulting, systems integration, software and other solutions mainly delivered in France.

2. Significant events

2.1. Impact of the Covid-19 crisis

The Covid-19 pandemic has caused major operational difficulties in terms of business continuity, organisational adaptation, personal health and safety and compliance with public health measures. It has had an impact on the entity's parent company financial statements and the Group's consolidated financial statements, as well as on the estimates it uses to measure certain assets, liabilities, income and expenses, and on liquidity risk.

In terms of the presentation of the financial statements, the entity's and the Group's performance was broadly affected across all the lines of its income statement. In France, neither the Autorité des Marchés Financiers (AMF) nor the Autorité des Normes Comptables (ANC) recommend using non-recurring profit or loss line items to systematically recognise the consequences of Covid-19. Instead, they recommend providing a targeted line-by-line explanation in the notes, and only using non-recurring profit or loss line items to recognise the income and expenses that are usually recorded there.

As such, the Company recognised the entire impact of operations not running at full capacity due to the crisis within *Operating profit*. This impact included the suspension or discontinuation of contracts with customers, partially offset by a reduction in staff costs related to the implementation of furlough measures and by the reduction in certain expense items, such as travel expenses. Moreover, it implemented reorganisation and restructuring measures, the impact of which was recognised within *Exceptional income and expenses* (see Note 4.4), in addition to the measures that had already been decided upon prior to the crisis.

Lastly, the Company incurred additional logistics costs to allow employees to work remotely and to address the health-related issues – social distancing in particular – at all of its offices. These non-recurring, unusual additional costs were also treated as exceptional items (see Note 4.4).

The crisis has also affected the estimates the Company uses to measure certain assets, liabilities, income and expenses. In particular, this is mainly relevant and decisive for the assumptions and estimates used to measure the recoverable amount of intangible assets (primarily goodwill and technical merger losses) and non-current financial assets.

2.2. Impact of the cyberattack

On 21 October 2020, the Company announced it had detected a cyberattack using a previously unknown version of the Ryuk ransomware.

This attack was rapidly blocked thanks to in-house IT and cybersecurity teams.

The Company also immediately took measures to contain its spread and launch a remediation plan.

Additional information on the accounting treatment is provided in Note 4.4.

2.3. Acquisition of the Sodifrance group

The Company acquired the entire share capital of the Sodifrance group for €60.502 million during the financial year.

The acquisition was completed in two stages:

- on 16 September 2020, it bought a 94.03% controlling interest in the share capital;
- during November, it purchased the 5.97% free float after filing a simplified public tender offer on 5 October 2020.

3. Accounting policies

The financial statements for the period under review were prepared and are presented in accordance with the accounting methods in force within the Group and in compliance with the principles laid down in articles 121–1 and 121-5 et seq. of France's 2014 National Chart of Accounts (Plan Comptable Général).

Accounting conventions have been applied in accordance with the provisions of the French Commercial Code and ANC Regulation 2019-09 on the revision of the national chart of accounts applicable at the period-end.

Generally accepted accounting principles were applied on a prudent basis and in accordance with the following underlying assumptions:

- going concern basis;
- consistency of accounting methods from one year to the next;
- accrual basis; and
- in accordance with general guidelines for the preparation and presentation of parent company financial statements.

The Covid-19 crisis did not have any impact on the Company's ability to continue as a going concern or on that of the Group to which it belongs. The Group's going concern status is underpinned by the fact that it has arranged credit lines comfortably exceeding its requirements.

No changes were made to accounting policies during the periods under review.

Foreign currency income and expense items are recorded at their euro equivalent at the transaction date.

Foreign currency receivables and payables are recorded in the balance sheet at their euro equivalent determined using the closing exchange rate. Any gains or losses arising on the retranslation of foreign currency receivables and payables are recorded in the balance sheet under *Translation adjustments*.

The Company also prepares consolidated financial statements. The Group consists of Sopra Steria Group (the parent company) and its subsidiaries as well as the Group's share in associates.

4. Notes to the income statement

4.1. Operating income

4.1.1. REVENUE

REVENUE BREAKS DOWN AS FOLLOWS BY VERTICAL MARKET:

	2020	2019
Services	24.2%	24.8%
Manufacturing	25.0%	26.3%
Finance	17.4%	18.1%
Public Sector	23.4%	20.5%
Telecoms & Media	7.5%	7.4%
Distribution	2.5%	2.9%
TOTAL	**100.0%**	**100.0%**

Of the €1,512.781 million of revenue generated in 2020, €98.619 million derived from international operations.

Costs of obtaining and fulfilling a contract

- The costs of obtaining a contract are capitalised in assets if two conditions are met: they would not have been incurred had the contract not been obtained, and they are recoverable. They can include sales commissions if these are specifically and solely linked to obtaining a contract and were not therefore granted in a discretionary manner.
- Costs of fulfilling a contract: Transition/transformation phases of third-party application maintenance, infrastructure management and outsourcing contracts, preparatory phase for licences in SaaS mode.
- The costs of fulfilling or implementing a contract are costs directly related to the contract, which are necessary to satisfying performance obligations in the future and are expected to be recovered. They do not meet the criteria defined in the general principles to constitute a distinct performance obligation.
- Certain third-party application maintenance, infrastructure management or outsourcing contracts may include transition and transformation phases. In basic contracts, these activities are combined for the purpose of preparing the operating phase. They are not distinct from subsequent services to be rendered. In this case, they represent costs to implement the contract. They are capitalised and recognised in Inventories and work in progress (Other current assets).
- Conversely, in more complex or sizeable contracts, the transformation phase is often longer and more significant. This generally occurs prior to operations or parallel to temporary operations to define a target operating model. In these situations, it represents a distinct performance obligation.
- Licences in SaaS mode require preparatory phases (functional integration, set-up of the technical environment) in order to reach a target operating phase. These are not distinct performance obligations but represent costs to implement the contract that are capitalised and recognised in Inventories and work in progress.
- The costs of fulfilling or implementing a contract capitalised in Inventories and work in progress are released to profit or loss in a pattern consistent with revenue recognition and never give rise to the recognition of revenue.

Production, consulting and assistance services provided on a time-and-materials basis; outsourcing; infrastructure management; and third-party application maintenance (corrective maintenance)

- Revenue from implementation, consulting and assistance services provided on a time-and-materials basis; outsourcing; infrastructure management; and third-party application maintenance (corrective maintenance) is recognised, in accordance with the general principles, when the customer simultaneously receives and consumes the benefits of the service. Revenue is recognised based on time spent or another billable unit of work.

Services covered by fixed-price contracts

- Revenue and profit generated by services performed under fixed-price contracts are recognised based on a technical estimate of the degree of completion.

Licences

- Should the analysis of a contract in accordance with the general principles identify the delivery of a licence as a distinct performance obligation, control is transferred to the customer either at a point in time (grant of a right to use), or over time (grant of a right to access).
- A right to access corresponds to the development of solutions in SaaS mode. Changes at any time made by the developer to the solution that expose the customer to any positive or negative effects do not represent a service for the customer. In this situation, revenue is recognised as and when the customer receives and consumes the benefits provided by performance. If the nature of the licence granted to the customer does not correspond to the definition of a right to access, it is a right to use. In this situation, revenue from the licence shall be recognised on delivery when all the obligations stipulated in the contract have been met.

Principal/Agent distinction

- Should the analysis of a contract identify the resale of goods or services as a separate performance obligation, it must be determined whether the Company is acting as an agent or a principal. It is acting as an agent if it is not responsible to the customer for satisfying the performance obligation and for the customer's acceptance, if there is no transformation of the goods or services and there is no inventory risk. In this situation, revenue is recognised for a net amount corresponding to the agent's margin or a commission. Otherwise, where it obtains control of the good or service prior to its transfer to the end-customer, it is acting as a principal. Revenue is recognised for the gross amount and external purchases are recorded in full as an operating expense.

4.1.2. EXPENSES TRANSFERRED

Expenses transferred in financial year 2020 amounted to €51.405 million.

They mainly consisted of transfers from one expense account to another, as well as intercompany rebilling of structur costs initially recognised by Sopra Steria as part of its management of certain contracts and Group employee share ownership plans.

4.2. Staff costs and employee benefits

4.2.1. EMPLOYEE PROFIT-SHARING AND INCENTIVES

The amount of legally prescribed employee profit-sharing was nil in financial year 2020, since net taxable profit equated to less than 5% of equity.

As such, this item only comprised an expense relating to employee incentives for a total of €3.112 million..

4.2.2. FREE PERFORMANCE SHARE PLANS AS A LONG-TERM INCENTIVE

At the Combined General Meeting of Sopra Steria Group on 12 June 2019, the shareholders authorised the Board of Directors to award free performance shares in the Company to employees and/or executive company officers, for up to a maximum of 3% of the Company's share capital on the date on which the Board of Directors decides to make the award.

At maturity, the Board of Directors may decide whether to issue new shares or buy back existing shares to fund these plans.

Performance shares are delivered to recipients provided they meet the requisite presence and performance conditions on conclusion of the vesting period. Performance conditions are measured by changes over three years in operating profit on business activity, consolidated revenue and consolidated free cash flow.

In 2020, two multi-year free performance share plans – known as the 2017 and 2018 LTI (long-term incentive) plans – were in force. The 2017 LTI plan expired in March 2020.

	Plan Sopra Steria	
	Plan LTI 2017 (1)	**Plan LTI 2018 (1)**
Date of General Meeting	22/06/2016	22/06/2016
Date granted by the Board of Directors	24/02/2017 25/10/2017	16/02/2018
Total number of shares in awards granted, not subject to conditions	109,000	128,000
Number of shares granted to:		
■ Company officers	3,000	3,000
■ Top ten employee grantees	20,000	21,000
Vesting date		
■ France	31/03/2020	31/03/2021
■ Other countries	31/03/2020	31/03/2021
Number of potential shares that could have been granted as at 1 January 2020	63,937	78,572
Granted in 2020	-	-
Awards cancelled in 2020	4,205	10,892
Vested at 31/12/2020	59,732	-
SHARES REMAINING AT 31 DECEMBER 2020	**-**	**67,680**

(1) Plan with conditional grant depending on the recipient's continued employment and performance conditions as measured by changes over three years in operating profit on business activity, consolidated revenue and consolidated free cash flow.

- The actual staff expense is not recognised until the date shares are delivered under the plan. This expense is measured at the purchase cost of the vested free shares.
- For multi-year plans contingent upon performance and/or presence conditions, a provision for contingencies is set aside on a straight-line basis over the vesting period in recognition of the probable outflow of resources when the decision or intention to award shares bought back is established. This provision is reassessed at each balance sheet date taking into account the opening cost of the shares on the date they were assigned to the plan or the cost of shares yet to vest, measured on the basis of the share price at the balance sheet date, and the probability that the plans will be implemented at the stated terms.

4.2.3. RETIREMENT BENEFIT OBLIGATIONS: AMOUNT RECOGNISED IN THE INCOME STATEMENT

The calculation assumptions for this obligation were as follows:

- each employee is entitled to a retirement bonus;
- the amount payable is calculated as set out in the collective bargaining agreement covering the category of employees in question;
- voluntary retirement age: 65;
- salary increase rate: 2.5%;
- staff turnover: 0% to 15.60%;
- social security contribution rate: 44.5%;
- discount rate: 0.44%.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

(in thousands of euros)	31/12/2020	31/12/2019
Current service cost	5,780	5,233
Interest on obligation	690	1,320
Past service cost	193	220
TOTAL RECOGNISED UNDER OPERATING EXPENSES	**6,662**	**6,774**
Net liability at the beginning of the period (with corridor)	**73,170**	**67,798**
Net expense recognised in the income statement	6,662	6,774
Benefits provided	-2,169	-1,402
Intercompany transfers and partial transfers of assets	-	-
NET LIABILITY AT THE END OF THE PERIOD	**77,663**	**73,170**

4.2.4. OTHER INFORMATION

a. Workforce

The average workforce in 2020 was 13,207 employees.

The workforce at 31 December 2020 totalled 12,848 employees.

b. Compensation of Directors and company officers

Directors' fees paid in 2020 in respect of financial year 2019 amounted to €500 thousand.

Compensation paid in 2020 to company officers totalled €1.282 million.

c. Payments received in connection with furlough measures related to the Covid-19 crisis

Furlough measures were implemented as a result of the Covid-19 crisis in France. The amounts received from government were recognised as a deduction to personnel expenses and amounted to €2.439 million.

The total base salary amount exempted from social security contributions came to €2.938 million.

4.3. Financial items

(in thousands of euros)	Notes	2020	2019
Dividends received from equity interests	*5.3.1.c*	53,842	52,510
Interest on bank borrowings and similar charges		-6,757	-9,669
Interest on employee profit-sharing		-	-36
Discounting of the pension provision		-690	-1,320
Interest received and paid on Group current accounts		2,938	2,193
Positive and negative foreign exchange impact (including provision)		11,685	-7,093
Impairment of equity interests	*5.3.1.b*	-3,944	2,295
Other financial income and expenses		3,593	4,128
NET FINANCIAL INCOME		**60,667**	**43,006**

Foreign exchange gains and losses mainly arise from transactions carried out in pounds sterling, Norwegian kroner and US dollars. In 2020, this item was mainly affected by the revaluation of financial debt outstanding denominated in pounds sterling.

4.4. Exceptional items

(in thousands of euros)	Notes	2020	2019
Scrapping of fixed assets		-119	-
Disposal of financial investments		-	2,675
Gains or losses on treasury share transactions		-62	639
Provisions for tax risks	*5.4.2*	4,745	580
Reorganisation costs		-8,108	-6,744
Accelerated depreciation and amortisation		-	172
Other		8,998	3,324
EXCEPTIONAL ITEMS		**5,455**	**647**

The main movements in exceptional income and expenses in 2020 were as follows:

- reorganisation costs: €8.108 million;
- reversal of a provision for the risk of tax audits of prior financial years: €4.745 million;
- costs related to the Covid-19 crisis: €2.579 million.
- costs directly related to the cyberattack on the Company during the fiscal year:
  - employee and subcontractor downtime due to operations not running at full capacity;
  - internal and external remediation.
- The company is covered against the risk generated by the cyberattack. The damage suffered during this event exceed the reimbursement limit of these insurance policies. The company has estimated that the amount receivable will be equal to this ceiling and has recognized it against the costs incurred.

Exceptional items are items that do not arise from the Company's day-to-day operations, either because they are unusual in amount or impact or because they are abnormal, non-predictive and infrequent.

4.5. Corporate income tax

4.5.1. TAX CONSOLIDATION

Sopra Steria Group and some of its subsidiaries have opted to file as a tax consolidation group. Each of the companies computes and recognises its own income tax charge as if it were taxed separately.

The tax savings resulting from the application of the tax consolidation group – equal to the difference between the sum of tax paid to the parent company by consolidated companies, and tax calculated on Group earnings and actually payable to the French Treasury – will accrue to the parent company.

However, given the provisions laid down in agreements with subsidiaries, tax savings recognised by the parent company during the financial year, arising from the use of tax losses and net long-term capital losses reported by consolidated companies, are only temporary, since they will be taken into account by consolidated companies when they determine their taxes for subsequent financial years.

At the financial year-end, the tax group recorded a loss and corporate income tax due for the year was nil.

4.5.2. TAX BREAKDOWN BETWEEN ORDINARY ACTIVITIES AND EXCEPTIONAL ITEMS

CORPORATE INCOME TAX BROKE DOWN AS FOLLOWS:

(in thousands of euros)	2020	2019
Tax on recurring operations	11,520	14,159
Tax on exceptional operations	-52	-646
Impact of tax consolidation	-11,468	-12,317
R&D tax credit	-19,112	-14,913
Other tax expenses	-669	-226
Other tax credits	-1,054	-770
TOTAL	**-20,835**	**-14,713**

4.5.3. DEFERRED AND UNREALISED TAX ITEMS

	Basis			
	2020		2019	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities
I. Certain or contingent differences				
Temporary non-deductible expenses				
To be deducted the following year				
■ Employee profit-sharing	-	-	-	-
■ C3S social security tax	2,407	-	2,599	-
To be deducted at a later date				
■ Provision for post-employment benefits	77,663	-	73,170	-
■ Provision for foreign exchange losses	10	-	2,411	-
■ Amortisation of intangible assets	1,286	-	857	-
■ Other	2,469	-	3,212	-
Temporary non-taxable income				
■ Capital gains on mergers/conversions	-	6,467	-	6,467
■ Deferred long-term capital gains	-	-	-	-
Deducted expenses (or taxed income) for tax purposes that have not been recognised				
■ Foreign currency translation losses	-	10	-	3,469
■ Foreign currency translation gains	6,629	-	5,985	-
■ Deferred expenses	-	-	-	-
Other	-	-	-	-
TOTAL	**90,464**	**6,477**	**88,234**	**9,936**
II. Items to be applied				
Losses that may be carried forward for tax offset	-	173,544	-	109,363
Long-term capital losses	-	-	-	-
III. Contingent tax items				
Capital gains on non-depreciable assets contributed on merger	-	148,729	-	148,729
Special reserve for construction profits	-	-	-	-

5. Notes to the balance sheet

5.1. Non-current assets

5.1.1. INTANGIBLE ASSETS

(in thousands of euros)	**Gross value** *(beginning of period)*	**Acquisitions**	**Disposals**	**Gross value** *(end of period)*
Research and development expenses				-
Concessions, patents and similar rights	48,692	-	1,123	47,569
Goodwill	172,926	-	-	172,926
Other intangible assets	2,250	-	-	2,250
TOTAL FIXED ASSETS	**223,868**	**-**	**1,123**	**222,745**

(in thousands of euros)	**Amortisation and provisions** *(beginning of period)*	**Charges**	**Reversals**	**Amortisation and provisions** *(end of period)*
Research and development expenses	-	-	-	-
Concessions, patents and similar rights	45,266	1,885	1,123	46,027
Goodwill	55,054	-	-	55,054
Other intangible assets	857	429	-	1,286
TOTAL AMORTISATION AND PROVISIONS	**101,177**	**2,313**	**1,123**	**102,367**

Intangible assets comprise:

- software acquired or contributed;
- goodwill and technical merger losses acquired or contributed during mergers.

Research and development costs for software and solutions, which totalled €23.648 million in 2020, are recognised as expenses.

Software development costs

- All research and development costs are charged to the income statement for the financial year during which they are incurred.

Development costs for software and solutions may be capitalised if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset for use or sale;
- the intent to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to reliably measure the expenditure attributable to the intangible asset during its development. The only research and development costs recognised are from companies acquired and subsequently merged.

Software acquired

- Software is recognised at cost. It is amortised on a straight-line basis over one to ten years.

Goodwill

- Goodwill consists of acquired assets of a business that cannot be shown in any other balance sheet item. As such, it is calculated by deducting from the total value of a business those elements of that business that can be recognised separately in the balance sheet.
- Sopra Steria Group conducts goodwill impairment tests every year.
- The duration of use of goodwill is presumed to be unlimited.
- The Company writes down the value of an asset if its current value (the higher of market value and value in use) is less than its carrying amount.
- Goodwill is allocated to a group of assets so that it can be tested at a level of relevance that enables its performance to be tracked.
- Recognised write-downs are definitive and may not be reversed.

Technical merger losses allocated to goodwill

- After allocation, technical losses on mergers are recognised in a specific account by the relevant asset category to facilitate their monitoring over time.
- Technical losses on mergers are depreciated using the same rules and under the same terms as the assets to which they relate.
- Each share of the merger loss allocated to an underlying asset is tested for impairment and written down whenever the current value of the underlying asset falls below its carrying amount plus the share of the merger loss allocated. The impairment loss is charged firstly to the share of the technical merger loss.
- Goodwill impairment therefore also includes impairment losses charged to the portion of the technical merger loss allocated to goodwill.

5.1.2. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	**Gross value** *(beginning of period)*	**Acquisitions**	**Disposals**	**Line-item transfers**	**Gross value** *(end of period)*
Land	323	-	-	-	323
Buildings	6,829	-	-	-	6,829
Technical installations	3,828	98	-	-	3,926
Sundry fittings	88,278	2,015	723	3,441	93,011
Vehicles	87	137	-	-	224
Office furniture and equipment	43,384	1,067	2,699	836	42,588
Other property, plant and equipment	14	-	-	-	14
Fixed assets in progress	6,140	2,935	-	-4,277	4,799
TOTAL FIXED ASSETS	**148,884**	**6,252**	**3,422**	**-**	**151,714**

(in thousands of euros)	**Depreciation and provisions** *(beginning of period)*	**Charges**	**Reversals**	**Line-item transfers**	**Depreciation and provisions** *(end of period)*
Land	166	10	-	-	175
Buildings	6,229	98	-	-	6,327
Technical installations	3,357	452	-	-	3,809
Sundry fittings	53,111	7,324	723	-	59,712
Vehicles	86	2	-	-	89
Office furniture and equipment	29,321	2,918	2,699	-	29,540
Other property, plant and equipment	-	-	-	-	-
Fixed assets in progress	-	-	-	-	-
TOTAL DEPRECIATION AND PROVISIONS	**92,269**	**10,804**	**3,422**	**-**	**99,651**

Property, plant and equipment consists of:

- land and buildings: Sopra Steria Group owns three buildings at the Annecy-le-Vieux site;
- office furniture, fixtures and equipment: This item refers to equipment on premises leased by Sopra Steria Group in major French cities.

Some IT equipment is acquired on three- or four-year finance leases and is not included under Property, plant and equipment in the parent company financial statements.

All properties other than the buildings at the Annecy-le-Vieux site are leased.

Property, plant and equipment is recognised in the balance sheet at cost.

Depreciation is calculated using the straight-line method over the useful lives assigned to each category of fixed assets.

Buildings	**25 years**
Fixtures and fittings	9 years
Hardware and equipment	3 to 5 years
Vehicles	5 years
Office furniture and equipment	5 to 10 years

5.1.3. FINANCIAL INVESTMENTS

(in thousands of euros)	Notes	Gross value *(beginning of period)*	Acquisitions/ Increases	Disposals/ Decreases	Gross value *(end of period)*
Equity interests and long-term investment securities	*5.1.3. c*	1,428,944	60,503	3,917	1,485,530
Other financial investments		538,813	16,091	43,685	511,219
TOTAL FIXED ASSETS		**1,967,757**	**76,594**	**47,602**	**1,996,749**

(in thousands of euros)	Notes	Impairment *(beginning of period)*	Charges	Reversals	Impairment *(end of period)*
Equity interests and long-term investment securities	*5.1.3. c*	9,813	2,348	-	12,162
Other financial investments		2,167	1,685	89	3,762
TOTAL IMPAIRMENT		**11,980**	**4,033**	**89**	**15,924**

- Equity interests are recognised at cost.
- At the financial year-end, an impairment loss is recognised whenever the carrying amount exceeds the value in use.
- Value in use is equal to enterprise value less net debt. Enterprise value is determined on the basis of discounted future cash flows derived from five-year business plans drawn up by management.

a. Breakdown of changes in the gross amounts recognised for equity interests and other financial investments

The increases merely reflected the acquisition of a controlling interest in Sodifrance for a total amount of €60.503 million. The details of the transaction were as follows:

- 100% of Strateg'e.Boss (a company holding 29.8% of HP2M), for €16.761 million;
- 70.2% of HP2M (Sodifrance's holding company, which held a 94.03% stake in it at the date of acquisition of a controlling interest), for €39.824 million;
- 5.97% of Sodifrance shares for €3.917 million.

The decreases arose from the resale of Sodifrance shares to HP2M so that it directly has full ownership of Sodifrance SA.

b. Impairment of equity interests

In accordance with CRC Regulation 2002-10, issued by the Comité de la Réglementation Comptable (the French accounting regulation committee), on the depreciation, amortisation and impairment of fixed assets, the following changes in impairment charges were recognised in financial year 2020:

(in thousands of euros)	Impairment *(beginning of period)*	Charges	Reversals	Impairment *(end of period)*
Steria Medshore (Morocco)	1,018	-	-	1,018
Sopra Steria A/S (Denmark)	3,135	-	-	3,135
CS Communication & Systèmes	5,659	148	-	5,807
COMECO	-	2,200	-	2,200
Other	2,168	1,685	89	3,764
TOTAL	**11,980**	**4,033**	**89**	**15,924**

During the financial year, the entity recognised impairment of financial assets in connection with investments in the amount of €1.685 million.

c. Subsidiaries and equity interests

Company *(in thousands of euros)*	Share capital	Other share-holders' equity	% of capital held	Carrying amount of shares held (including merger deficit) Gross	Net	Loans and advances granted by the Company	Guaran-tees and securities given	Revenue excluding VAT	Profit or loss	Dividends received by the Company
Subsidiaries										
Sopra Banking Software France	161,867	-100,667	100	238,619	238,619	258,060	18,423	236,026	-57,344	-
Sopra HR Software (France)	13,110	47,077	100	3,171	3,171	-	7,100	156,830	4,644	-
Sopra Steria Holdings Ltd (United Kingdom)	19,847	179,427	100	388,753	388,753	-	-	-	-4,230	-
Sopra Steria Group SpA (Italy)	3,660	2,476	100	12,503	12,503	610	-	78,197	1,893	3,587
Sopra Steria España SAU (Spain)	24,000	48,762	100	116,747	116,747	-	-	202,529	5,016	4,200
Beamap (France)	10	650	100	2,775	2,775	-	-	2,315	242	-
Sopra Steria AB (Sweden)	698	17,587	100	33,673	33,673	-	-	-	-51	-
Sopra Steria AG (Switzerland)	4,263	9,299	99	37,561	37,561	-	4,629	45,135	3,215	-
Sopra Steria A/S (Denmark)	1,344	1,830	100	12,220	9,086	-	-	10,522	-290	-
Sopra Steria Benelux (Belgium)	9,138	8,580	99	45,756	45,756	-	-	69,404	3,113	-
Sopra Steria AS (Norway)	1,910	40,568	100	126,303	126,303	-	-	280,558	23,024	15,942
Sopra Steria SE (Germany)	10,000	30,234	100	183,153	183,153	-	16,000	330,068	16,195	5,000
Sopra Steria Asia (Singapore)	1,233	-1,698	100	3,590	3,590	-	47,260	5,634	-7,640	-
Sopra Steria Infrastructure & Security Services (France)	26,155	-3,858	100	39,617	39,617	-	-	247,508	-3,669	-
Steria Medshore SAS (Morocco)	643	943	100	2,688	1,671	1,155	-	-	-29	-
Sopra Steria Polska Sp. z o.o. (Poland)	4,043	3,181	100	10,800	10,800	-	-	35,047	2,660	2,874
Sopra Steria UK Corporate Ltd (United Kingdom)	19,836	215,342	100	389,600	389,600	-	-	-	3,165	22,240
CIMPA (France)	152	8,440	100	100,000	100,000	-	-	103,132	-6,609	-
Tecfit (France)	833	11,587	88	46,709	46,709	-	-	-	-49	-
Sopra Steria Services (France)	10	-8	100	10	10	-	-	-	-1	-
XYZ 12 2016 (France)	10	-6	100	10	10	-	-	-	-1	-
SFT	22,940	15,531	51	22,624	22,624	-	-	204,983	7,045	-
HP2M (Sodifrance group)	7,248	9,909	100	39,825	39,825	6,004	-	-	5	-
Strateg'e Boss (Sodifrance group)	3,960	313	100	16,761	16,761	-	-	238	-3	-
Equity interests										
CS Communication & Systèmes	N/A	N/A	11	15,548	9,899	-	-	N/A	N/A	-
Axway Software	42,702	200,925	33	73,859	73,859	-	-	156,707	-18,163	-
COMECO	N/A	N/A	10	4,400	4,400	-	-	N/A	N/A	-

d. Loans and other financial investments

At the balance sheet date, this item mainly comprised the following:

- liquidity agreement (shares and cash): €2.704 million;
- treasury shares for €5.354 million (net of impairment);
- units in FCPI investment funds for €15.000 million;
- merger loss on financial assets: €481.747 million.

During the financial year, this item was affected by:

- the maturity of the 2017 LTI plan, for which the following movements were recorded:
  - the purchase of around 35,869 treasury shares in the market, for a total value of €5.145 million.
  - awards of 59,732 free shares, for a total value of €7.449 million.
- the purchase of 34,105 other treasury shares in the market, for a total value of €5.353 million, in order to partially cover the requirements of the next LTI plan, maturing in 2021;
- the repayment of the outstanding balance of the £30 million loan by its UK subsidiary Sopra Steria Ltd.

5.2. Other assets

5.2.1. INVENTORIES AND WORK IN PROGRESS

(in thousands of euros)	Inventories *(beginning of period)*	Increase	Decrease	Inventories *(end of period)*
Consumables	47	-	26	21
Work in progress	3,40	-	770	3,065
TOTAL	**3,882**	**-**	**796**	**3,086**

5.2.1. Inventories and work in progress

Work in progress recognises all costs incurred during the transition or transformation phases of third-party application maintenance, infrastructure management and outsourcing contracts, as well as preparatory phases for SaaS licences.

- Costs incurred in the startup phase of a contract may be deferred over the term of the contract and recognised in the balance sheet as work in progress when they relate to future activities of the contract and provided that they are probable and generate future economic benefits.
- Work in progress is recognised at its direct production cost and does not include administrative or commercial costs.

5.2.2. TRADE RECEIVABLES

(in thousands of euros)	2020	2019
Non-Group clients and related accounts	216,321	292,304
Accrued income	96,940	95,271
Group clients (including accrued income)	18,700	25,125
Doubtful debtors	250	331
Provision for doubtful debtors	-217	-284
TOTAL	**331,994**	**412,745**

Trade receivables and related accounts are recognised as assets and are stated at their carrying amount.

Accrued income is essentially comprised of production recognised for fixed-price projects using the percentage-of-completion method. Invoices are generally prepared for these contracts upon completion of the services rendered, which are covered over the lifespan of the projects through payments on account.

Trade receivables amounted to €331.994 million in 2020, compared with €412.745 million in 2019. This change reflected an improvement in receipts toward the end of the year and a lower level of unbilled revenue from work in progress due to the decline in business activity.

- Trade receivables are measured at their nominal value.
- A separate estimate is made for trade receivables at the end of the financial year and an impairment loss is recognised in the event of a risk of non-recovery, particularly when linked to collective proceedings. Doubtful debts for which legal proceedings have not been instigated are treated as accrued credit notes.

5.2.3. OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

(in thousands of euros)	2020	2019
Staff costs and related accounts	72	117
Social security	731	814
State and local authorities		
■ Corporate income tax	4,344	7,235
■ Value-added tax	19,740	21,491
■ Other tax	107,266	71,647
Group and associates	278,640	184,637
Impairment of current accounts	-47	-47
Other receivables	43,823	10,425
Prepaid expenses	15,271	13,969
TOTAL	**469,840**	**310,287**

The *Other tax* item includes in particular tax credits not used at 31 December 2020. It mainly consists of research tax credit receivables totalling €88,043 million.

The *Corporate income tax* item in the amount of €4.344 million consists of overpayment of a corporate income tax payment on account.

The *Group and associates* item consists of current account advances to Group subsidiaries (cf. Note 5.1.3.c).

Prepaid expenses relate to services invoiced in 2020 and attributable to subsequent years. They mainly concern costs associated with hardware and software maintenance contracts and leases of movable and immovable property. The increase in this item mainly relates to renewals of multi-year contracts during the year.

5.2.4. SHORT-TERM INVESTMENT SECURITIES

At the balance sheet date, no short-term investment securities had been subscribed.

- Short-term investment securities are recognised at cost.
- At each financial year-end, an impairment loss is recognised whenever the carrying amount exceeds the value in use, except in the case of treasury shares assigned to a predetermined plan to distribute free shares to employees of the Company.

5.2.5. DEBT ISSUANCE COSTS AND TRANSLATION ADJUSTMENTS – ASSET

(in thousands of euros)	2020	2019
Debt issuance costs	565	654
Foreign currency translation losses	127	3,469
TOTAL	**692**	**4,123**

The *Translation adjustments – Asset* item amounted to €0.127 million at end-December 2020, compared with €3.469 million at end-2019. This change relates mainly to the full repayment (in the amount of £30.000 million) of the loan extended to UK subsidiaries.

A provision for contingencies and losses is recognised in respect of foreign currency translation losses in the amount of such losses, unless the transactions are hedged or their term is sufficiently close. In this case, the unrealised gains and losses are considered to form part of the overall foreign exchange position and the charge to the provision is restricted to the amount by which losses exceed gains.

Debt issuance costs consisted of costs to negotiate and arrange the bond issue carried out on 5 July 2019 for an initial amount of €0.697 million. These costs are amortised over the term of the debt in proportion to the interest accrued.

5.2.6. IMPAIRMENT OF CURRENT ASSETS

(in thousands of euros)	**Impairment** *(beginning of period)*			**Impairment** *(end of period)*
Impairment of trade receivables	284	26	93	217
Impairment of current accounts	47	-	-	47
Cash and cash equivalents	-	-	-	-
TOTAL	**332**	**26**	**93**	**264**

5.2.7. ACCRUED INCOME

(in thousands of euros)	31/12/2020	31/12/2019
Accrued income		
Trade payables – Credit notes to be received	1,447	814
Trade receivables and related accounts	104,563	105,016
Tax and social security receivables	2,240	855
Cash and cash equivalents	169	428
TOTAL	**108,419**	**107,113**

5.3. Equity

5.3.1. STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Amounts *(beginning of period)*	Appropriation of earnings	Impact of mergers	Change in regulated provisions	Profit for the year	Amounts *(end of period)*
Share capital	20,548	-	-	-	-	20,548
Issue, merger and contribution premiums	531,477	-	-	-	-	531,477
Legal reserve	2,056	-	-	-	-	2,056
Discretionary reserves	436,433	-	-	-	-	436,433
Retained earnings	-	147,078	-	-	-	147,078
Profit for the year	147,078	-147,078	-	-	142,276	142,276
Regulated provisions	-	-	-	-	-	-
TOTAL EQUITY	**1,137,592**	**-**	**-**	**-**	**142,276**	**1,279,867**

No dividends were paid out during the financial year.

5.3.2. SHARE CAPITAL

At 31 December 2020, Sopra Steria Group had a share capital of €20,547,701. It is represented by 20,547,701 fully paid-up shares with a par value of €1 each.

There were no capital transactions during the year under review.

In accordance with the resolution passed at the Combined General Meeting of 27 June 2014, pursuant to Article L. 225-123 of the French Commercial Code arising from the Act of 29 March 2014, double voting rights were introduced on 7 July 2014 for all fully paid-up shares held in registered form in the same shareholder's name for at least two years.

At 31 December 2020, the total number of voting rights that could be exercised at Ordinary and Extraordinary General Meetings was 26,583,239, while the total number of theoretical voting rights at that date was 26,630,051.

The Company held a total of 46,812 treasury shares at 31 December 2020. Consequently, at the balance sheet date, reserves not available for distribution amounted to €6.060 million.

Free performance share award plans maturing in the financial year had no dilutive effect on capital.

5.4. Provisions for contingencies and losses

(in thousands of euros)	Notes	Amounts *(beginning of period)*	Additions in the year	Reversals in the year: Used	Reversals in the year: Not used	Amounts *(end of period)*
Provisions for retirement bonuses	*5.4.1*	73,170	6,662	2,169	-	77,663
Provisions for restructuring		1,470	-	1,254	-	216
Provisions for commercial disputes		250	2,300	-	250	2,300
Provisions for employee disputes		1,574	435	149	259	1,601
Provisions for foreign exchange losses		2,411	10	2,411	-	10
Provisions for tax risks	*5.4.2*	33,110	-	-	4,745	28,365
Provisions for renovating premises		-	1,650	-	-	1,650
Provisions for subsidiary risks		-	-	-	-	-
Provisions for contingencies on free share plans	*5.4.3*	14,786	901	7,449	-	8,238
Other provisions for contingencies		1,388	-	-	-	1,388
TOTAL		**128,160**	**11,958**	**13,432**	**5,254**	**121,432**

- Provisions for contingencies and losses are set aside to cover probable outflows of resources to third parties, without consideration for the Company.
- The Company recognises provisions for the following contingencies:
  - commercial risks (estimated costs of guarantee expenses, "losses on completion" on some long-term contracts);
  - employee-related costs (restructuring costs, performance-based free share plan);
  - costs related to business premises (unoccupied premises, renovations);
  - financial risks such as the risk of foreign exchange losses (cf. Note 5.2.5);
  - risks of tax adjustments linked to tax audits.
- It should be noted that provisions recognised on a prudent basis in no way prejudice the future outcome of current disputes.

5.4.1. PROVISIONS FOR RETIREMENT BONUSES

Sopra Steria Group recognises provisions for its employee benefit obligations in accordance with the terms of voluntary and compulsory retirement under the Syntec collective bargaining agreement, as amended in 2004 following the French pension reform act of 21 August 2003. Provisions for retirement bonuses are recognised on an actuarial basis as described below.

Assumptions referring to mortality rates are based on published statistical data.

Turnover tables are based on five-year age brackets and are updated at each balance sheet date to reflect separation data for the last five years.

The discount rate used to calculate the present obligation is the yield on high-quality corporate bonds (rated AA or higher) denominated in the payment currency and with a maturity close to the average estimated term of the retirement benefit obligation concerned.

The Company uses the 15-year Bloomberg rate for the eurozone as the benchmark for discounting its retirement benefit obligations. At 31 December, this rate stood at 0.44%.

(in thousands of euros)	31/12/2020	31/12/2019
Present value of the obligation financed (with corridor)	91,529	80,944
Fair value of plan assets	-	-
Difference	-	-
Present value of the obligation financed	**91,529**	**80,944**
Unrecognised actuarial losses (difference)	-13,866	-7,581
Unrecognised past service cost	-	-193
Net liabilities on the balance sheet (provision after charge for the year)	**77,663**	**73,170**
Balance sheet amounts	**-**	**-**
Liabilities	77,663	73,170
Assets	-	-
NET OBLIGATION IN THE BALANCE SHEET	**77,663**	**73,170**

The total obligation in respect of retirement bonuses amounted to €77.663 million.

- Sopra Steria Group recognises provisions for all of its commitments in respect of retirement bonuses in accordance with the retirement clauses of the Syntec collective bargaining agreement.
- Sopra Steria Group's obligation towards its employees is determined on an actuarial basis, using the projected unit credit method: the employer's present obligation is recognised in proportion to the probable length of service of the employees, taking into account actuarial assumptions such as the level of future compensation, life expectancy and staff turnover. Changes in actuarial assumptions that affect the valuation of the obligation are recognised as actuarial gains and losses. Actuarial gains and losses representing more than 10% of the amount of obligations are recognised and amortised over the expected average working lives of the employees participating in the plan.

5.4.2. PROVISIONS FOR TAX RISKS

The total amount of provisions for taxes recognised at 31 December 2020 was €28.365 million.

No new tax-related disputes arose during the period; changes during the financial year related to adjustments of provisions made in prior periods.

Unused reversals from these provisions amounted to €4.745 million in respect of financial year 2020. These adjustments were mainly related to the French Council of State (Conseil d'Etat)'s "Takima" ruling of 9 September 2020 on the maximum amount of invoices, based on eligible expenses, to be deducted from the basis for the R&D tax credit by an approved subcontractor.

5.4.3. PROVISIONS FOR PLANS TO AWARD EXISTING FREE PERFORMANCE SHARES

Since the Company had expressed its intention to fund long-term incentive (LTI) plans by acquiring existing shares in advance, it had to recognise a provision for contingencies in recognition of the probable outflow of resources.

During the financial year, as the 2017 LTI plan expired, the corresponding provision was reversed for €7.449 million.

The provision in respect of the 2018 LTI plan stood at €8.238 million at 31 December 2020.

The characteristics of this plan are set out in Note 4.2.2.

The next shares will be delivered in April 2021 when the 2018 LTI plan closes.

5.5. Other liabilities

5.5.1. FINANCIAL DEBT

(in thousands of euros)	Notes	Amounts *(beginning of period)*	Increase	Decrease	Amounts *(end of period)*
Syndicated loan	5.5.1.a	164,657	-	25,944	138,713
NEU CP programme	5.5.1.b	120,000	-	55,000	65,000
NEU MTN programme	5.5.1.c	99,000	110,000	65,000	144,000
Other financial debt	5.5.1.d	281,534	-	9,346	272,188
Employee profit-sharing		2	-	-	2
Bond	5.5.1.e	250,000	-	-	250,000
Accrued interest on financial debt		3,612	5,006	5,913	2,705
TOTAL		**918,804**	**115,006**	**161,203**	**872,608**

a. Syndicated loan

As part of the Group's funding policy, in 2014 the Company arranged a €1,200 million five-year borrowing facility with two options to extend the expiry date by one year. This facility comprised a €200 million amortising tranche, an £80 million amortising tranche and a €900 million multi-currency revolving credit line. In 2018, following the exercise of the second one-year extension option, the expiry date was postponed to 6 July 2023. At 31 December 2020, the outstanding amount drawn on the loan was from the two amortising tranches (€96 million and £38.4 million after contractual amortisations for the period). The €900 million multi-currency revolving credit facility is undrawn.

b. Details on the NEU CP programme

In 2015, as part of the Group's funding policy, the Company arranged an unrated multi-currency NEU CP programme of short-term negotiable securities that was not underwritten, with a maximum amount of €700 million. This programme is presented in documentation available on the Banque de France website, which was last updated on 30 June 2020. The average amount outstanding under the NEU CP programme was €110.1 million in 2020, compared with €268.2 million in 2019, and the programme was very active throughout 2020. The outstanding amount under the NEU CP programme at 31 December 2020 was €65.0 million (€120 million at 31 December 2019).

c. Details on the NEU MTN programme

In December 2017, as part of its efforts to diversify its borrowings, the Company arranged an NEU MTN programme of medium-term negotiable securities that was not underwritten, with a maximum amount of €300 million. As was the case for the earlier NEU CP programme, the NEU MTN programme is presented in documentation available on the Banque de France website. The NEU MTN programme pays fixed or floating rates, with a spread at each issue date, and maturities range from one to five years. At 31 December 2020, the outstanding amount under the NEU MTN programme was €144.0 million, with maturities of up to three years. The net increase in the amount of NEU MTN corresponded to €65 million in matured securities and €110 million in new issues.

d. Other financial debt

The *Other financial debt* item includes:

- bank overdrafts in the amount of €212.1 million relating to the management of a notional cash pooling arrangement. These amounts correspond to the debit positions of subsidiaries taking part in the cash pooling arrangement;
- a €60 million non-amortising bilateral bank facility maturing in early 2024. In addition, another €50 million bilateral credit line maturing in 2024 was undrawn at 31 December 2020 (see Note 6.2.2).

e. Bond

The bond issued on 5 July 2019 for an amount of €250 million has the following characteristics:

- 1st tranche – €130 million:
  - subscription date: 5 July 2019,
  - coupon rate: 1.749%,
  - redemption date: 5 July 2026;
- 2nd tranche – €120 million:
  - subscription date: 5 July 2019,
  - coupon rate: 2.0%,
  - redemption date: 5 July 2027.

f. Covenants

The terms and conditions to which the syndicated loan and bond issue are subject include a commitment to comply with certain financial covenants.

Two financial ratios are calculated every six months using the consolidated financial statements prepared in accordance with IFRS on a rolling 12-month basis:

- the first – known as the leverage ratio – is equal to net debt divided by pro forma EBITDA;
- the second – known as the interest coverage ratio – is equal to pro forma EBITDA divided by the cost of net financial debt.

The first financial ratio must not exceed 3.0 at any reporting date. The second ratio must not fall below 5.0.

Net financial debt is defined on a consolidated basis as all loans and related borrowings (excluding intercompany liabilities), less available cash and cash equivalents.

Pro forma EBITDA is consolidated operating profit on business activity adding back depreciation, amortisation and provisions included in operating profit on business activity before the impact of IFRS 16 Leases. It is calculated on a 12-month rolling basis and is therefore restated so as to be presented in the financial statements at constant scope over 12 months.

At 31 December 2020, the net financial debt/pro forma EBITDA ratio covenant was met, with the ratio coming in at 1.12 compared with a covenant of 3.0. It is calculated as follows:

(in thousands of euros)	31/12/2020	31/12/2019
Short-term borrowings (< 1 year)	106,600	217,100
Long-term borrowings (> 1 year)	564,500	494,400
Cash and cash equivalents	- 245,500	-197,500
Other financial guarantees	-	-
Net debt (including financial guarantees)	**425,600**	**513,900**
EBITDA	**379,414**	**408,288**
NET FINANCIAL DEBT / PRO FORMA EBITDA RATIO	**1.12**	**1.26**

For the second ratio, pro forma EBITDA is as defined above and the cost of net financial debt is also calculated on a rolling 12-month basis.

At 31 December 2020, the pro forma EBITDA to cost of net financial debt covenant – requiring a ratio of at least 5.0 – was met, with the ratio coming in at 38.27. It is calculated as follows:

(in thousands of euros)	31/12/2020	31/12/2019
EBITDA	**379,414**	**408,288**
Cost of net debt	**9,915**	**9,873**
PRO FORMA EBITDA / COST OF NET FINANCIAL DEBT RATIO	**38.27**	**41.37**

The Company's financial covenants were renegotiated to consider pro forma EBITDA before application in the consolidated financial statements of IFRS 16 Leases and net financial debt excluding lease liabilities.

5.5.2. FINANCIAL INSTRUMENTS

a. Interest rate hedge

Within the framework of the Group's policy, the Company's aim is to protect itself against interest rate fluctuations by hedging part of its floating rate debt and investing its cash over periods of less than three months. The Company does not conduct speculative transactions on financial markets.

The derivative financial instruments used to hedge the debt are interest rate swap contracts or options, which may or may not be eligible for hedge accounting.

The eligible counterparties for interest rate hedging and investments are leading financial institutions which belong to the Sopra Steria banking syndicate. These financial instruments are managed by the Group's Finance Department.

For transactions qualifying as hedges, the underlying hedged risk consists of a group of floating-rate financial liabilities. At 31 December 2020, floating-rate financial liabilities mainly comprised the euro-denominated tranche of the 2014 syndicated loan (€96 million), the NEU CPs (€65 million) and a portion of the NEU MTNs (€109 million).

(in thousands of euros)	Fair value 31/12/2020 Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount [(1)]	Maturity < 1 year	1 to 5 years	> 5 years
Swap (cash flow hedge) in euros	-	-	-					-
Swap (cash flow hedge) in foreign currency	-	-	-	-	-	-	-	-
Options eligible for hedge accounting in euros	166	1	393	511	275,000	125,000	150,000	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting in euros	-	-	55	-	50,000	50,000	-	-
TOTAL INTEREST RATE HEDGES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(1) Including internal foreign exchange contracts.

The transactions not qualifying as hedges relate to option contracts not linked to an underlying asset at 31 December 2020.

At 31 December 2020, the fair value of interest rate instruments was negative €0.793 million.

The portfolio's sensitivity in the event of a change in interest rates is:

- a decrease of €0.156 million in the event of a decrease of 50 basis points in interest rates;
- an increase of €0.683 million in the event of an increase of 50 basis points in interest rates.

(in thousands of euros)	-50 BP Equity impact	P&L impact (hedge ineffectiveness)	+50 BP Equity impact	P&L impact (hedge ineffectiveness)
Swaps (cash flow hedge) in euros	-	-	-	-
Swaps (cash flow hedge) in foreign currency	-	-	-	-
Swaps not eligible for hedge accounting	-	-	-	-
Options eligible for hedge accounting in euros	- 150	- 5	668	5
Options eligible for hedge accounting in foreign currency	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-	- 0	-	10
TOTAL	**- 150**	**- 6**	**668**	**15**
TOTAL IMPACT	**- 156**		**683**	

b. Foreign exchange hedge

Sopra Steria Group is subject to three main types of risks linked to fluctuations in exchange rates:

- currency translation risk associated with the repatriation of dividends of subsidiaries whose base currency is not the euro;
- transaction risk associated with purchases and sales of services in foreign currencies and internal foreign exchange contracts granted to subsidiaries in connection with the centralised management of foreign exchange risk;
- financing-related foreign exchange risk arising from foreign-currency borrowings (risk arising from changes in the value of the financial debt denominated in pounds sterling).

(in thousands of euros)	Nominal value	Fair value
Foreign exchange hedge[(1)]	87,124	257
Interest rate hedge	325,000	- 799

(1) Including internal foreign exchange contracts.

Transaction risk

As part of the Group's general risk management policy, Sopra Steria Group systematically hedges against foreign currency transaction risks that constitute material risks.

In addition, centralised management of foreign exchange transaction risk is in place with the Group's main entities (apart from India). Sopra Steria Group acts as the centralising entity, granting exchange rate guarantees to subsidiaries in pounds sterling, US dollars, Polish zlotys, Tunisian dinars and Norwegian krone. After netting internal exposures, Sopra Steria Group hedges the residual exposure through the use of derivatives.

The remeasurement through profit or loss of these financial instruments hedging balance sheet items is offset by the revaluation of foreign currency receivables over the period.

At 31 December 2020, the fair value of foreign exchange instruments was €0.257 million.

The portfolio's sensitivity in the event of a change in interest rates is:

- an increase of €2.246 million in the event of a 5% fall in the euro;
- a decrease of €1.975 million in the event of a 5% rise in the euro.

Foreign exchange risk

At 31 December 2020, sterling-denominated debt providing partial coverage of the assets comprised of shares in UK subsidiaries amounted to €184.638 million, while cash and cash equivalents in Swedish krona providing partial coverage of the debt of subsidiaries in Sweden came to €19.063 million.

All of the foreign exchange and interest rate positions are taken using listed financial instruments traded over the counter or through organised markets with minimal counterparty risk. Gains and losses on financial instruments accounted for as hedges are recognised symmetrically with the items hedged. The fair value of financial instruments is estimated on the basis of quoted prices in active markets or values provided by banks. Gains or losses arising on derivatives used to hedge forecast transactions with separately identifiable risks are deferred and taken into account in the valuation of the transaction in question, which occurs when it is settled.

5.5.3. TRADE PAYABLES

(in thousands of euros)	2020	2019
Non-Group suppliers and related accounts	18,127	34,450
Accrued expenses	50,079	59,916
Group suppliers (including accrued expenses)	53,028	50,925
TOTAL	**121,233**	**145,291**

5.5.4. TAX AND SOCIAL SECURITY PAYABLES

(in thousands of euros)	2020	2019
Staff costs and related accounts	86,800	97,581
Social security	105,588	108,746
State and local authorities		
▪ Corporate income tax	-	-
▪ Value-added tax	82,814	95,849
▪ Other tax	11,550	12,228
TOTAL	**286,753**	**314,404**

5.5.5. OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

(in thousands of euros)	2020	2019
Payables on fixed assets and related accounts	11,524	10,268
Group and associates	302,985	237,289
Other payables	35,876	29,896
Deferred income	84,867	89,089
TOTAL	**435,253**	**366,543**

Deferred income comprises the portion of interim billings issued in advance on fixed-price and maintenance contracts.

The Group and associates item consists of current account advances received from subsidiaries. These advances are related to cash transfers from subsidiaries participating in the zero-balance cash pooling system implemented by the Company.

At 31 December 2020, *Liabilities on fixed assets* included:

- liabilities on acquisitions of property, plant and equipment for €0.209 million;
- liabilities on acquisitions of non-current financial assets for €11.315 million. These concerned investments in FCPI funds and will be recognised upon each call for subscription.

5.5.6. ACCRUED EXPENSES

(in thousands of euros)	31/12/2020	31/12/2019
Accrued expenses		
Accrued interest on financial debt	2,705	3,612
Trade payables and related accounts	63,363	75,245
Trade receivables – Credit notes to be issued	22,510	18,653
Tax and social security payables	135,749	150,331
Other payables	-	-
TOTAL	**224,327**	**247,840**

The €14.582 million decrease in Tax and social security payables was mainly related to the decrease in employee-related provisions.

5.5.7. FOREIGN CURRENCY TRANSLATION GAINS

(in thousands of euros)	2020	2019
Foreign currency translation gains	6,746	5,985
TOTAL	**6,746**	**5,985**

Translation adjustments – The liability mainly relates to unrealised translation differences on the foreign currency portion of the syndicated loan.

5.6. Maturities of receivables and payables at the balance sheet date

5.6.1. RECEIVABLES

(in thousands of euros)	Gross amount	Due in 1 year or less	Due in more than 1 year
Non-current assets			
Receivables related to equity interests	-	-	-
Other financial investments	3,729	1,998	1,731
Current assets			
Doubtful debts and disputes	250	-	250
Other trade receivables	331,961	331,961	-
Staff costs and related accounts	72	72	-
Social security	731	731	-
State and local authorities	-	-	-
■ Corporate income tax	4,344	4,344	-
■ Value-added tax	19,740	19,740	-
■ Other tax	107,266	19,223	88,043
Group and associates	278,640	278,640	-
Other receivables	43,823	43,823	-
Prepaid expenses	15,271	15,271	-
TOTAL	**805,827**	**715,803**	**90,024**

5.6.2. PAYABLES

(in thousands of euros)	Gross amount	Due in 1 year or less	Due in more than 1 year and no more than 5 years	Due in more than 5 years
Bank borrowings				
■ 2 years maximum at origin	-	-	-	-
■ More than 2 years at origin	198,713	11,559	187,153	-
Bond	250,000	-	250,000	-
Other financial debt	423,895	293,779	130,116	-
Trade payables and related accounts	121,233	121,233	-	-
Staff costs and related accounts	86,800	86,800	-	-
Social security	105,588	105,588	-	-
State and local authorities:				
■ Corporate income tax	-	-	-	-
■ Value-added tax	82,814	82,814	-	-
■ Other tax	11,550	11,550	-	-
Payables on fixed assets and related accounts	11,524	11,524	-	-
Group and associates	302,985	302,985	-	-
Other payables	35,876	35,876	-	-
Deferred income	84,867	84,867	-	-
TOTAL	**1,715,847**	**1,148,577**	**567,269**	**-**

6. Other information

6.1. Information on finance leases

6.1.1. ASSETS HELD UNDER FINANCE LEASES

(in thousands of euros)	Original value	Depreciation charge – For the period	Depreciation charge – Accumulated	Net value
IT equipment	26,624	8,393	15,588	11,036

6.1.2. FINANCE LEASE COMMITMENTS

(in thousands of euros)	Actual lease payments – For the period	Actual lease payments – Accumulated	Lease payments remaining – Less than 1 year	Lease payments remaining – From 1 to 5 years	Lease payments remaining – Total payable	Residual purchase price
IT equipment	7,191	13,579	6,380	6,078	12,459	266

6.2. Off-balance sheet commitments

6.2.1. OFF-BALANCE SHEET COMMITMENTS GIVEN

(in thousands of euros)	31/12/2020
Commitments given	
Endorsements and bank guarantees	38,072
Counter-guarantee on non-bank guarantees covering contracts(1)	312,721
Bank counter-guarantee	-
Nominal value of future equipment operating lease payments	1,884
Nominal value of future real estate operating lease payments	141,352
Nominal value of future finance lease payments	12,725
Foreign exchange hedge(2)	87,124
Interest rate hedge	325,000
TOTAL COMMITMENTS GIVEN	**918,878**

(1) Under the IT service contracts entered into with its clients, the Company may, if formally requested by its clients, provide parent company guarantees to its subsidiaries in respect of the performance of their obligations under the contracts signed directly with their clients. To date, no use has ever been made of any such guarantee.
(2) Including internal foreign exchange contracts.

Other off-balance sheet commitments given:

Sopra Steria Group also acts as guarantor for the amount of the contribution payable by its UK subsidiaries in respect of defined benefit pension plans in the event that those subsidiaries should default. Similarly, it acts as guarantor for the put option granted to the UK Cabinet Office to acquire the 25% stake not yet held in SSCL, in the event that the Sopra Steria Ltd subsidiary should default.

6.2.2. OFF-BALANCE SHEET COMMITMENTS RECEIVED

(in thousands of euros)	31/12/2020
Commitments received	
Endorsements and other bank guarantees	4,470
Cash facilities (current bank overdrafts):	
▪ Authorised	161,500
▪ Utilised (balance sheet)	
▪ Not utilised (off balance sheet)	161,500
Medium-term loan:	
▪ Authorised	1,088,713
▪ Utilised (balance sheet)	138,713
▪ Not utilised (off balance sheet)	950,000
Nominal value of future equipment sublease payments	92
Nominal value of future real estate sublease payments	43,933
Net carrying amount of assets held under finance leases	11,036
Foreign exchange hedge [(1)]	87,124
Interest rate hedge	325,000
TOTAL COMMITMENTS RECEIVED	**1,578,685**

(1) Including internal foreign exchange contracts.

Other off-balance sheet commitments received:

As part of a cash pooling arrangement set up between certain Group entities and BMG (Bank Mendes Gans), the Company acts as guarantor for the amounts borrowed by its subsidiaries.

Lastly, as part of the acquisition of Sodifrance, the Company received specific guarantees from the sellers in respect of certain specific potential risks concerning the pre-acquisition period, for which compensation would be payable on a euro-for-euro basis.

6.3. Exceptional events and legal disputes

There were employee and contractual risks and disputes at the balance sheet date that are not provisioned in the balance sheet because they constitute contingent liabilities. Uncertainties remain as to their amount and the timing of the outflow of resources.

Furthermore, there are no exceptional events or legal disputes that may have a material effect on the Company's financial position, revenue, assets or net profit.

6.4. Subsequent events

None.

6.5. Summary for the last five financial years

(in thousands)	2020	2019	2018	2017	2016
Financial position at year-end					
■ Share capital	20,548	20,548	20,548	20,548	20,532
■ Number of shares issued	20,548	20,548	20,548	20,548	20,532
■ Number of bonds convertible into shares	-	-	-	-	-
Results of operations for the year					
■ Revenue excluding VAT	1,512,781	1,651,461	1,553,775	1,456,888	1,393,280
■ Profit before tax, depreciation, amortisation and provisions	131,796	150,240	127,749	140,168	169,579
■ Corporate income tax	-20,835	-14,713	-26,012	-16,314	-3,368
■ Profit after tax, depreciation, amortisation and provisions	142,276	147,078	124,706	141,770	142,022
■ Amount of profit distributed as dividends	-	-	38,013	49,314	45,170
Earnings per share					
■ Profit after tax but before depreciation, amortisation and provisions	7.43	8.03	7.48	7.62	8.42
■ Profit after tax, depreciation, amortisation and provisions	6.92	7.16	6.07	6.90	6.92
■ Dividend paid per share	-	-	1.85	2.40	2.20
Employee data					
■ Number of employees	12,997	13,451	13,083	13,238	13,086
■ Total payroll	625,364	635,496	610,196	593,410	575,237
■ Amount paid in respect of employee benefits (social security, employee discounts, etc.)	277,481	288,332	299,928	296,846	264,663

6.6. Maturity schedule of trade payables and receivables

6.6.1. MATURITY SCHEDULES OF TRADE PAYABLES NOT PAST DUE

The *Trade payables and related accounts* item came to €121.233 million. It comprised accrued expenses for €63.363 million, invoices not past due for €58.841 million and past due invoices for €1.029 million.

	Article D. 441-4 I. 1° of the French Commercial Code: Invoices received, not yet paid and past due at the balance sheet date					
	0 days *(for guidance only)*	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total**
(A) PAST DUE INVOICES						
Number of invoices concerned	-					3,845
Total amount of invoices concerned *(€k, incl. VAT)*		611	-179	-283	880	1,029
Percentage of total purchases for the year *(excl. VAT)*		0.1%	0.0%	0.0%	0.1%	0.2%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED PAYABLES AND RECEIVABLES OR NOT RECORDED IN THE ACCOUNTS						
Number of invoices excluded						-
Total amount of invoices excluded *(€k, incl. VAT)*	-	-	-	-	-	-
(C) PAYMENT TERMS USED AS REFERENCE (CONTRACTUAL DEADLINE OR LEGAL DEADLINE SET FORTH IN ARTICLE L. 441-6 OR L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
Payment terms used to calculate late payments	■ Contractual deadline: 30 to 45 days ■ Legal deadline: 45 days					

6.6.2. MATURITY SCHEDULE OF TRADE RECEIVABLES NOT PAST DUE

The Trade receivables and related accounts item came to €332.211 million. It comprised accrued income for €104.563 million, invoices not past due for €197.683 million and past due invoices for €29.965 million.

	Article D. 441 I. 2° of the French Commercial Code: Invoices issued, not yet paid and past due at the balance sheet date					
	0 days *(for guidance only)*	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total**
(A) PAST DUE INVOICES						
Number of invoices concerned	-					2,209
Total amount of invoices concerned *(€k, incl. VAT)*		18,616	6,188	2,225	2,936	29,965
Percentage of revenue for the year *(excl. VAT)*		1.23%	0.41%	0.15%	0.19%	1.98%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED PAYABLES AND RECEIVABLES OR NOT RECORDED IN THE ACCOUNTS						
Number of invoices excluded						26
Total amount of invoices excluded *(€k, incl. VAT)*	-	-	-	-	250	250
(C) PAYMENT TERMS USED AS REFERENCE (CONTRACTUAL DEADLINE OR LEGAL DEADLINE SET FORTH IN ARTICLE L. 441-6 OR L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
Payment terms used to calculate late payments	■ Contractual deadline: 45 days ■ Legal deadline: 45 days					

Statutory Auditors' report on the parent company financial statements

Financial year ended 31 December 2020

To the General Meeting of Sopra Steria Group SA,

Opinion

In compliance with the engagement entrusted to us by your shareholders at your General Meetings, we have audited the accompanying financial statements of Sopra Steria Group SA for the year ended 31 December 2020.

In our opinion, the financial statements give a true and fair view of the the assets and liabilities and of the financial position of the Company as of 31 December 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

AUDIT FRAMEWORK

We performed our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of this report entitled "Responsibilities for the Audit of the financial statements".

INDEPENDENCE

We performed our audit in accordance with the independence rules provided by the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from 1 January 2020 to the date our report was issued, and in particular we have not provided any services prohibited by Article 5, paragraph 1 of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were of most significance in our audit of the parent company financial statements for the financial year, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the parent company financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the parent company financial statements.

REVENUE RECOGNITION ON FIXED-PRICE CONTRACTS

(Note 4.1.1 to the parent company financial statements)

Risk identified

Sopra Steria Group, one of Europe's key players in digital transformation, offers end-to-end, high-value-added services comprising consulting and systems integration, development of industry- and technology-specific solutions, IT infrastructure management, cybersecurity and business process services (BPS).

For the financial year ended 31 December 2020, the Company's revenue totalled €1.5 billion, a significant portion of which related to fixed-price contracts. Fixed-price contracts are characterised by commitments relating to the price, the end result and the deadline.

As stated in Note 4.1.1 to the parent company financial statements, services corresponding to contracts of this kind are recognised using the percentage-of-completion method. This method requires an estimate by management of figures on completion and the level of completion of the contract, it being specified that the amount of revenue recognised at each balance sheet date is based on the difference between the contract value and the amount required to cover the total number of person-days remaining to be performed.

We considered the recognition of revenue on fixed-price contracts as a key audit matter due to its significance in Sopra Steria Group SA's financial statements and the level of judgment and estimation required by management to determine the revenue and income on completion from these contracts.

Our response

We familiarised ourselves with the internal control procedures implemented by the Company and tested the key controls relating to determining income from fixed-price contracts.

For a sample of contracts deemed material due to their financial impact and risk profile:

- we reconciled contractual data, including any contractual changes resulting from additional requests and contractual claims, with management and accounting data;
- we talked to management and project managers in order to assess the reasonable nature of the estimates made by management and corroborate the estimated amount allocated to cover the total number of person-days remaining to be performed, particularly in comparison with prior estimates and by reviewing correspondence with the client and assessing whether this has been translated correctly into the accounts. In performing this work we drew on experience acquired in previous financial years relating to similar contracts;
- for contracts subject to claims, we talked to the Company's legal department and reviewed correspondence with the client in order to assess the estimates made by management.

We also used substantive checks on a sample of trade receivables and accrued income in order to assess management's estimates relating to the prospect of recovering these receivables.

VALUATION AND IMPAIRMENT OF NON-CURRENT FINANCIAL ASSETS

(Note 5.1.3 to the parent company financial statements)

Risk identified

Non-current financial assets are reported in the balance sheet at 31 December 2020 for a net amount of €1,980.8 million, representing 63.4% of total assets.

As set out in Note 5.1.3 to the parent company financial statements, equity interests are recognised at acquisition cost and impaired when their value in use is less than their net carrying amount at the balance sheet date.

In estimating the value in use of these securities, management must exercise judgment in deciding which factors should be taken into consideration for each relevant investment. These factors may correspond to historical items (equity and net debt) or forecast items (discounted future cash flows taking into account the profitability outlook and economic climate in the countries in question).

As indicated in note 2.1 to the financial statements, the Covid-19 crisis has had an impact on the estimates used by Management to value certain assets and liabilities. In particular, this is mainly relevant and structuring for the assumptions and estimates used to assess the recoverable amount of financial assets.

We considered that the valuation of non-current financial assets is a key matter of our audit because of their significant importance in the Company's parent company financial statements and the judgment exercised by management in determining their value in use.

Our response

To assess the reasonableness of the estimate of the value in use of equity interests, based on the information provided to us, our work consisted in particular of:

- verifying, for valuations based on historical elements, that the retained equity is consistent with the accounts of entities that have been the subject of an audit or analytical procedures by their statutory auditors, and assessing the appropriateness of any adjustments made to this equity;
- for valuations based on forecast items:
  - obtaining cash flow forecasts for the entities concerned prepared by the operational departments, and assess their consistency with the forecast data derived from the latest strategic plans, taking into account the context of uncertainty related to the Covid-19 crisis, prepared under the supervision of their general management for each of these activities and approved, where applicable, by the Board of Directors,
  - assessing the consistency of the assumptions used (in particular the growth rate of projected cash flows) with the market analyses and consensus observed, and verifying the various components of the discount rate applied,
  - comparing the forecasts used for previous periods with the corresponding actual levels achieved in order to assess the extent to which past targets were met;

In addition to assessing the values in use of equity interests, our work also involved:

- assessing the recoverability of loans to subsidiaries compared with the analyses carried out on the equity interests;
- verifying the recognition of a provision for risks in cases where the Company has committed to bear the losses of a subsidiary with negative equity.

Lastly, we verified the appropriateness of the information provided in Note 5.1.3 to the parent company financial statements.

PROVISIONS FOR RETIREMENT BONUSES

(Note 5.4.1 to the parent company financial statements)

Risk identified

Sopra Steria Group recognises provisions for its employee benefit obligations with respect to retirement bonuses in accordance with the terms of voluntary and compulsory retirement under the Syntec collective bargaining agreement. The related provision is evaluated recognised on an actuarial basis based on the projected unit credit method described in Note 5.4.1 to the parent company financial statements. The actuarial value of accumulated benefits as at 31 December 2020 was €77.7 million.

Valuing these obligations, as well as the actuarial cost for the financial year, requires a high level of judgment by management to determine appropriate assumptions to be made, such as the discount rate, future pay rises, staff turnover and mortality tables.

The change in some of these assumptions may have a material impact on determining the amount of the provision recognised.

In view of the amounts represented by these obligations, we considered the provisions for retirement bonuses to be a key matter of our audit.

Our response

We familiarised ourselves with the process for valuing the provision for retirement bonuses applied by Sopra Steria Group. A review of actuarial assumptions was performed to take into account any changes over the year or ad hoc impacts by:

- assessing the discount rate in order to evaluate its consistency with market conditions and duration;
- assessing the reasonable nature of assumptions relating to pay rises, staff turnover and mortality;
- reviewing calculations supporting the sensitivity of the liability to changes in the discount rate.

Lastly, we verified the appropriateness of the information provided in Note 5.4.1 to the parent company financial statements.

Specific verifications

We also performed the other specific verifications required by law and regulations in accordance with professional standards applicable in France.

Information given in the Management Report and in the other documents with respect to the financial position and the parent company financial statements addressed to shareholders

We have no matters to report regarding the fair presentation and consistency with the parent company financial statements of the information given in the Management Report of the Board of Directors, and in the other documents addressed to shareholders with respect to the financial position and the parent company financial statements.

We certify that information relating to payment times as mentioned in Article D. 441-4 of the French Commercial Code is fair and consistent with the parent company financial statements.

Information relating to corporate governance

We attest to the existence, in the report of the Board of Directors on corporate governance, of the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the disclosures made in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to compensation and benefits paid or granted to the company officers and any other commitments made to them, we have verified their consistency with the financial statements, or with the underlying information used to prepare those financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it that are included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of those disclosures.

Concerning the disclosures made relating to the elements that your Company considered likely to have an impact in the event of a public tender or exchange offer pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we verified their compliance with the source documents which were provided to us. Based on this work, we have no comments to make on these disclosures.

Other information

Pursuant to the law, we have verified that the Management Report contains the applicable disclosures as to ownership and control, and the identity of the holders of share capital and voting rights.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work."

Appointment of Statutory Auditors

Mazars was appointed Statutory Auditor of Sopra Steria Group SA by the shareholders at the General Meeting of 1 June 2000, and Auditeurs et Conseil Associés – ACA Nexia by the shareholders at the General Meeting of 30 June 1986.

As at 31 December 2020, Mazars was in its 21st consecutive year as Statutory Auditor and Auditeurs et Conseil Associés – ACA Nexia in its 35th consecutive year as Statutory Auditor, respectively 21 years and 31 years since the Company's shares were first listed for trading on a regulated market.

Responsibility of management and persons charged with governance in relation to the parent company financial statements

It is management's responsibility to prepare parent company financial statements that give a true and fair view in accordance with French accounting principles, as well as to implement the internal controls it deems necessary to prepare parent company financial statements that are free of material misstatement, whether due to fraud or error.

On preparing the parent company financial statements, it is up to management to assess the Company's ability to continue as a going concern, and to present in the financial statements, if applicable, any necessary information relating to the continuity of operations and apply the going concern assumption unless it is planned that the company will be liquidated or cease trading.

It is the responsibility of the Audit Committee to monitor the process of preparing financial information and monitor the effectiveness of internal control and risk management systems, as well as internal audit, where applicable, as regards procedures relating to the preparation and processing of accounting and financial information.

The parent company financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the parent company financial statements

AUDIT AIM AND APPROACH

It is our responsibility to prepare a report on the parent company financial statements. Our aim is to obtain reasonable assurance that the parent company financial statements taken as a whole are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, although this does not guarantee that an audit performed in accordance with professional standards systematically allows for all material misstatements to be detected. Misstatements may be due to fraud or error and are considered material when it can reasonably be expected that they may, taken individually or combined, influence the financial decisions of users made on the basis of the financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment of certifying the financial statements does not consist of guaranteeing the viability or quality of your Company's management.

Within the framework of an audit performed in accordance with professional standards applicable in France, the Statutory Auditor uses its professional judgment throughout the audit process. In addition:

- it identifies and assesses the risk of the parent company financial statements containing material misstatements, whether due to fraud or error, defines and implements audit procedures in light of these risks, and collects evidence that it deems sufficient and appropriate to form a basis for its opinion. The risk of failure to detect a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, false statements or circumvention of internal control procedures;
- it familiarises itself with internal controls relevant for the audit in order to define appropriate audit procedures under the circumstances, and not with the aim of expressing an opinion on the effectiveness of internal control procedures;
- it assesses the appropriateness of accounting policies used and the reasonable nature of accounting estimates made by management, as well as associated information provided in the parent company financial statements;
- it assesses the appropriateness of management's application of the going concern principle and, depending on the evidence collected, whether or not any material uncertainty exists relating to events or circumstances that may call into question the Company's ability to continue as a going concern. This assessment relies on evidence collected up to the date of its report, noting that subsequent circumstances or events may call into question the continuity of operations. If it concludes that a material uncertainty exists, it shall draw readers' attention to the information provided in the parent company financial statements relating to this uncertainty or, if this information is not provided or is not relevant, it shall give a qualified certification or refuse to certify the financial statements;
- it assesses the overall presentation of the parent company financial statements and evaluates whether the parent company financial statements reflect underlying transactions and events in a way that gives a true and fair view.

REPORT TO THE AUDIT COMMITTEE

We send a report to the Audit Committee setting out in particular the scope of our audit work and the programme of works carried out, as well as the conclusions of our work. We also bring to its attention, if applicable, any significant weaknesses in internal control procedures that we have identified as regards procedures relating to the preparation and treatment of accounting and financial information.

The information provided in the report to the Audit Committee includes risks of material misstatement, which we deem to have been the most significant for our audit of the parent company financial statements for the financial year and which therefore constitute key audit matters, which it is our duty to describe in this report.

We also provide the Audit Committee with the declaration required by Article 6 of Regulation (EU) No. 537-2014 attesting to our independence with the meaning of applicable regulations in France as set out in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. If applicable, we shall discuss with the Audit Committee the risks to our independence and safeguarding measures implemented.

Paris and Courbevoie, 04 March 2021

The Statutory Auditors

French original signed by

ACA Nexia	**Mazars**
Olivier Juramie	**Bruno Pouget**

(1) This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory Auditors' special report on related-party agreements

General Meeting to approve the financial statements for the financial year ended 31 December 2020

To the General Meeting of Sopra Steria Group SA,

In our capacity as Statutory Auditors of your Company, we hereby submit to you our report on related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions as well as the grounds for the benefit to the Company of those agreements brought to our attention or that we may have discovered in the course of our audit. We are not required to express an opinion on their usefulness and appropriateness or ascertain whether any other such agreements exist. In accordance with the terms of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the benefit of entering into such agreements when they are submitted for your approval.

Where applicable, it is also our responsibility to provide you with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the financial year under review of agreements already approved by the shareholders at a General Meeting.

We have carried out the procedures we deemed necessary in accordance with the professional guidelines of the *Compagnie Nationale des Commissaires aux Comptes* (CNCC, the French national institute of statutory auditors) relating to this engagement. These procedures consisted in verifying that the information given to us was consistent with the underlying documents.

1. AGREEMENTS SUBMITTED FOR APPROVAL AT THE GENERAL MEETING

We hereby inform you that we were not advised of any agreement authorised and entered into during the financial year under review that needs to be submitted for shareholder approval at the General Meeting pursuant to Article L. 225-38 of the French Commercial Code.

2. AGREEMENTS ALREADY APPROVED AT A GENERAL MEETING

Agreements approved during previous financial years that remained in force during the financial year under review

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements approved by the shareholders at General Meetings in previous financial years remained in force during the financial year under review.

2.1. Tripartite framework agreement for assistance entered into between your Company, Sopra GMT (a shareholder in your Company) and Axway Software (an investee of your Company)

Under this agreement, Sopra GMT carried out services for your Company relating to strategic decision-making, coordination of the general policy between your Company and Axway Software, and the development of synergies between these two companies, and performs various strategy-related, consulting and assistance services particularly with respect to finance and control.

This agreement has an unspecified term and will end, in the event of termination, with prior notice of 12 months.

Services are charged to Sopra Steria Group on the basis of actual costs plus a 7% mark-up (excluding expenses relating to Sopra GMT's administration of its investments, estimated at around 15% of the total).

Sopra Steria Group charges Sopra GMT fees for providing premises, IT resources and assistance from the Group's functional divisions as well as appropriate expertise for the assignments performed by Sopra GMT.

Under this agreement, Sopra GMT charged your Company a net amount of €1,074,801 with respect to financial year 2020.

At its meeting on 28 January 2021, your Company's Board of Directors confirmed that this agreement still met the criteria under which it was authorised, and indicated that it would maintain the previously granted authorisation.

- Persons concerned:

Name	Functions
Pierre Pasquier	Chairman of the Board of Directors of Sopra Steria Group Chairman and CEO of Sopra GMT
Éric Pasquier	Director of Sopra Steria Group Managing Director and Director of Sopra GMT
Kathleen Clark-Bracco	Permanent representative of Sopra GMT for the Board of Directors of Sopra Steria Group

2.2.Agreement entered into with Éric Hayat Conseil

At its meeting of 25 October 2018, your Board of Directors authorised an agreement with Éric Hayat Conseil for a period expiring on 31 December 2024. This agreement relates to the provision to Executive Management of consulting and assistance services for the commercial development of strategic transactions, in return for compensation calculated at a rate of €2,500 (excluding taxes) per day.

For the financial year ended 31 December 2020, your Company recognised an expense of €208,500 under this agreement.

At its meeting on 28 January 2021, your Company's Board of Directors confirmed that this agreement still met the criteria under which it was authorised, and indicated that it would maintain the previously granted authorisation.

Person concerned: Person concerned: Éric Hayat, Chairman of Éric Hayat Conseil and Vice-Chairman of the Board of Directors of Sopra Steria Group.

Paris and Courbevoie, 04 March 2021
French original signed by

ACA Nexia	Mazars
Represented by	Represented by
Olivier Juramie	**Bruno Pouget**

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1. General information

The Group was listed on the Paris Stock Exchange on 27 March 1990.

At 31 December 2020, Sopra Steria Group had a share capital of €20,547,701. It is made up of 20,547,701 shares with a par value of €1 each.

Codes and classification of the Sopra Steria Group share

ISIN/Euronext code: FR0000050809

Ticker symbol: SOP

Market: Euronext Paris

CFI: ESEUFB

(E = Equities, S = Shares, E = Enhanced voting, U = Free, F = Fully paid, B = Bearer)

Type of instrument: Stock

Compartment: A (Large Cap)

Characteristics of the Sopra Steria Group share

Industry: 9000, Technology

Supersector: 9500, Technology

Sector: 9530, Software & Computer Services

Subsector: 9533, Computer Services

Eligible for Share Savings Plan (PEA)

Eligible for Deferred Settlement Service

Main tickers for the Sopra Steria Group share

Euronext: SOP

Bloomberg: SOP: FP

Reuters: SOPR.PA

Main financial indices including the Sopra Steria Group share

SBF 120

CAC ALL-TRADABLE

CAC ALL SHARES

CAC MID & SMALL

CAC MID 60

CAC TECHNOLOGY

EURONEXT FAS IAS

NEXT 150

Main non-financial indices including the Sopra Steria Group share

Euronext Eurozone ESG Large 80

Euronext Eurozone 300

Euronext Vigeo Europe 120

Euronext Vigeo Euro 120

CDP ENVIRONMENT ESG FR EW

EURONEXT CDP ENVIRONMENT FR EOGE

EURONEXT ENVIRONMENT ESG FR EW

Ethibel Sustainability Index (ESI) Excellence Europe

Ethibel Sustainability Index (ESI) Excellence VM

Gaïa Index

2. Share ownership structure

Shareholders	At 31/12/2020				At 31/12/2019				At 31/12/2018			
	Shares	% of capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% of capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% of capital	% of theoretical voting rights	% of exercisable voting rights
Sopra GMT [1]	4,035,669	19.6%	29.7%	29.8%	4,034,409	19.6%	29.5%	29.6%	4,034,409	19.6%	28.7%	28.8%
Pasquier family	111,209	0.5%	0.8%	0.8%	109,939	0.5%	0.8%	0.8%	108,616	0.5%	0.8%	0.8%
Odin family	215,933	1.1%	1.6%	1.6%	214,833	1.0%	1.6%	1.6%	222,729	1.1%	1.7%	1.7%
Management	217,224	1.1%	1.4%	1.5%	246,044	1.2%	1.7%	1.7%	245,719	1.2%	1.7%	1.7%
o/w Sopra Développement [2]	0	0.0%	0.0%	0.0%	1	0.0%	0.0%	0.0%	1	0.0%	0.0%	0.0%
o/w SEI [3]	0	0.0%	0.0%	0.0%	33,828	0.2%	0.3%	0.3%	33,828	0.2%	0.3%	0.3%
o/w managers [4]	217,224	1.1%	1.4%	1.5%	212,215	1.1%	1.4%	1.4%	211,890	1.0%	1.5%	1.5%
Agreement between Sopra GMT, Pasquier and Odin families, and management	**4,580,035**	**22.3%**	**33.6%**	**33.6%**	**4,605,225**	**22.4%**	**33.7%**	**33.7%**	**4,611,473**	**22.4%**	**32.9%**	**33.0%**
Soderi									**1**	**0.0%**	**0.0%**	**0.0%**
Agreement between Sopra GMT and Soderi [5]									**4,034,410**	**19.6%**	**28.7%**	**28.8%**
Total agreements [6]									**4,611,474**	**22.4%**	**32.9%**	**33.0%**
Shares managed on behalf of employees	1,297,939	6.3%	8.4%	8.5%	1,360,083	6.6%	8.4%	8.4%	1,440,195	7.0%	8.3%	8.3%
o/w Corporate mutual funds (FCPE), We Share employee share ownership plan and SIP Trust [7]	1,068,079	5.2%	7.6%	7.6%	1,118,381	5.4%	7.5%	7.5%	1,185,013	5.8%	7.4%	7.4%
o/w Other UK trusts [8]	229,860	1.1%	0.9%	0.9%	241,702	1.2%	0.9%	0.9%	255,182	1.2%	1.0%	1.0%
Free float	14,622,915	71.2%	57.8%	57.9%	14,555,686	70.8%	57.9%	57.9%	14,444,709	70.3%	58.6%	58.7%
Treasury shares	46,812	0.2%	0.2%	0.0%	26,707	0.1%	0.1%	0.0%	51,323	0.2%	0.2%	0.0%
TOTAL	**20,547,701**	**100.0%**	**100.0%**	**100.0%**	**20,547,701**	**100.0%**	**100.0%**	**100.0%**	**20,547,701**	**100.0%**	**100.0%**	**100.0%**

(1) Sopra GMT, a French "société anonyme", is a holding company for Sopra Steria Group and Axway Software.

(2) Sopra Développement is a company formed by a group of senior managers whose corporate purpose was to hold shares in Sopra Steria Group and Axway Software. Sopra Développement's General Meeting declared that the liquidation procedure had been completed on 15 October 2020.

(3) Sopra Executive Investments SEI is a company formed by a group of senior managers whose corporate purpose was to hold shares in Sopra Steria Group. SEI's General Meeting declared that the liquidation procedure had been completed on 12 October 2020

(4) Managers who signed the shareholders' agreement with Sopra GMT, the Pasquier and Odin families, SEI and Sopra Développement.

(5) The agreement with Soderi expired on 12 August 2019.

(6) Total for the agreement between Sopra GMT, Pasquier and Odin families, and management, and the agreement between Sopra GMT and Soderi.

(7) SIP Trust is a UK trust that manages shares purchased by employees under a share incentive plan.

(8) The other UK trusts hold asssets for the benefit of employees in the United Kingdom and India, for example via employee share ownership plans.

SOPRA GMT'S OWNERSHIP STRUCTURE IS AS FOLLOWS:

Sopra GMT ownership structure	31/12/2020		31/12/2019		31/12/2018	
Shareholders	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**
Pasquier family	318,050	68.27%	318,050	68.27%	318,050	68.44%
Odin family	132,050	28.34%	132,050	28.34%	132,050	28.41%
Sopra Steria Group managers (active and retired)	15,774	3.39%	15,774	3.39%	14,624	3.15%
TOTAL	**465,874**	**100.00%**	**465,874**	**100.00%**	**464,724**	**100.00%**

3. Employee share ownership

At 31 December 2020, all the holdings managed on behalf of employees accounted for 6.3% of the share capital (1,297,939 shares) and 8.4% of voting rights.

The holdings managed on behalf of corporate mutual funds (FCPEs) and share incentive plans (SIPs) in the United Kingdom made up 5.2% of the share capital (1,068,079 shares) and 7.6% of voting rights. They arose in particular from:

- the 2016, 2017 and 2018 We share employee share ownership plans and the Sopra Group free share allotment plan of 2012, accounting for 562,231 shares;
- the 2014 merger with Groupe Steria and the tendering by the FCPE Groupe Steriactions and Steriashares corporate mutual funds of all their Groupe Steria shares to the public exchange offer, accounting for 369,581 shares;
- the SIPs in the United Kingdom, accounting for 136,267 shares.

The shares held by UK trusts, namely SSET and XEBT, for the benefit of employees in the UK and India, accounting for 1.1% of the share capital (229,860 shares) and 0.9% of the voting rights. In 2020, the shares held by these trusts were used to make matching contributions to the SIPs.

4. Voting rights

At 31 December 2020, the total number of voting rights that could be exercised was 26,583,239 and the total number of theoretical voting rights was 26,630,051.

In accordance with the decision made at the Combined General Meeting of 27 June 2014, double voting rights were introduced on 7 July 2014 for all fully paid-up shares held in registered form in the same shareholder's name for at least two years.

At 31 December 2020, 6,082,350 shares (representing 29.6% of the share capital) held double voting rights.

5. Threshold crossings

In 2020, no statutory shareholding thresholds were crossed that required a report to be filed with the Autorité des Marchés Financiers.

Date threshold(s) crossed	AMF Declaration	Shareholder(s) having crossed the threshold(s)	Crossing of threshold(s) in capital	Crossing of threshold(s) in voting rights	Type	Number of shares	% of capital held	Number of voting rights	% voting rights held
-	-	-	-	-	-	-	-	-	-

Article 30 of the Company's Articles of Association states that the "Rights to shareholder information – Disclosure obligations"

"All shareholders are entitled to obtain the documents necessary to enable them to make informed decisions regarding the management and operations of the Company.

The documentation required and its availability to shareholders is established by law and in regulations.

Any shareholder who holds more than 3% or more than 4% of the Company's capital shall inform the Company in the same manner and based on the same methods of calculation as required with respect to legal thresholds."

6. Shareholders’ agreements

Agreement between Sopra GMT, Pasquier and Odin families, and management

A shareholders’ agreement constituting an action in concert was concluded, for a two-year term, on 7 December 2009 between the Pasquier and Odin family groups, Sopra GMT, Sopra Développement and a group of senior managers. It is automatically renewable for subsequent terms of two years.

This agreement includes the following main provisions:

- an undertaking by the parties to act in concert so as to implement shared strategies and, in general, to approve any significant decisions;
- an undertaking by the parties to act in concert in connection with the appointment of the members of Sopra Steria Group’s management bodies and the renewal of these appointments, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT;
- an undertaking by the parties to act in concert in order to ensure that they always jointly hold at least 30% of the capital and voting rights of Sopra Steria Group;
- an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal corresponding to more than 0.20% of the capital or voting rights of Sopra Steria Group;
- an undertaking by the parties to act in concert in order to adopt a shared strategy in the event of any takeover bid relating to Sopra Steria Group shares;
- a pre-emptive right to the benefit of the Pasquier and Odin family groups and Sopra GMT in the event of any disposal by (i) a senior manager of Sopra Steria Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group and right of fourth refusal for Sopra Développement) or by (ii) Sopra Développement of Sopra Steria Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group and right of third refusal for the Odin family group). The exercise price for the pre-emptive right shall be equal to (i) the price agreed between the transferor and the transferee in the event of an off-market transfer, (ii) the average share price over the ten trading days preceding the announcement of the disposal in the event of a sale on the market, or (iii) the value determined for the shares in the context of the transaction, in all other cases.

The senior managers shall refrain from carrying out any transaction likely to entail the filing of a mandatory takeover bid.

A rider to this agreement was signed on 14 December 2012, extending the agreement to include Sopra Executive Investments (SEI), a company created by a group of Sopra Group senior managers. The main provisions of the agreement remain unchanged, with SEI granted a pre-emptive right having the same ranking as that of Sopra Développement.

Sopra Executive Investments (SEI) and Sopra Développement were wound up and underwent voluntary liquidation in 2020.

- SEI’s General Meeting declared that the liquidation procedure had been completed on 12 October 2020;
- Sopra Développement’s General Meeting made the corresponding declaration on 15 October 2020.

The shareholders’ agreement remains in force between the Pasquier and Odin family groups, Sopra GMT and a group of senior managers.

7. Control

7.1. Breakdown of voting rights

At 31 December 2020:

- the group of shareholders acting in concert through the agreement stated above, within which Sopra GMT, the Group’s holding company, is the main shareholder, held 33.6% of theoretical voting rights;
- the holdings managed on behalf of employees represented 8.4% of theoretical voting rights.

The percentage of voting rights on shares held by shareholders present or represented at the most recent Sopra Steria Group General Meeting was approximately 75.7%.

7.2. Members of the Board of Directors

Sopra GMT held three of the fourteen seats on the Board of Directors at 31 December 2020, including the Chairman of the Board of Directors.

Two of the six members of the Nomination, Governance, Ethics and Corporate Responsibility Committee represent Sopra GMT, including the Chairwoman of the Committee.

Sopra GMT is represented on each of the Committees of the Board of Directors.

No other shareholders are specifically represented on the Board of Directors.

7.3. Measures to govern the control exercised by Sopra GMT

The main measures to govern the control exercised by Sopra GMT are as follows:

- the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- the adoption of the AFEP-MEDEF code as the Company's corporate governance code;
- the presence on the Board of Directors of eight Independent Directors and two Directors representing the employees.
- the selection process for new Directors, presented in Section 1.2.3 of Chapter 3, "Corporate Governance". It ensures that proposals from a range of sources and their prior evaluation by the Nominations Committee are taken into account, where the controlling shareholder only has one-third of the seats and the position of the majority of Independent Directors prevails in the event of a tied vote;
- the terms of reference of the specialist committees, which are made up of a majority of Independent Directors;
- periodic assessment by the Board of Directors of its ability to meet the shareholders' expectations.

8. Share buyback programme

8.1. Implementation of the share buyback programme in 2020

This description of the implementation of the share buyback programme is given pursuant to Article L. 225-211 of the French Commercial Code.

Through Resolution 11 of the Combined General Meeting of 9 June 2020, the shareholders renewed the authorisation granted to the Board of Directors to buy back the Company's shares as set out in Article L. 225-209 of the French Commercial Code and the AMF's General Regulation, for an 18-month period expiring 8 December 2021.

During the year ended 31 December 2020, this share buyback programme was used as follows:

8.1.1. IMPLEMENTATION OF LIQUIDITY AGREEMENT

At 31 December 2019, 2,639 shares were allocated to the liquidity agreement.

Between 1 January 2020 and 31 December 2020, Sopra Steria Group bought back 225,379 shares under the liquidity agreement at an average price of €124.15 and sold 222,618 shares at an average price of €123.93.

At 31 December 2020, 5,400 shares were still held by the Company for the purposes of the liquidity agreement. Their unit cost is €130.88.

8.1.2. ALLOCATION TO EMPLOYEES

At 31 December 2019, 24,068 shares were allocated in order to "allot or sell shares in the Company to employees and/or company officers of the Group, in order to cover share option plans and/or free share plans (or similar plans) for the benefit of Group employees and/or company officers as well as any allotments of shares in connection with a company or Group savings plan (or similar plan), in connection with company profit-sharing and/or any other forms of share allotment to the Group's employees and/or company officers".

During financial year 2020, the Company acquired 77,971 shares at an average price of €135.88.

Under the Share Incentive Plan (SIP) employee share ownership plan implemented by Sopra Steria Group in the United Kingdom, 895 shares were transferred free of charge to UK employees participating in the SIP in a ratio of one free share per share acquired.

In addition, 59,732 free shares were remitted in connection with the delivery and full and final allotment of free performance shares under the 2017 LTI plan instituted by Sopra Steria's General Meeting of 22 June 2016 and allocated on 24 Februaty 2017 and 25 October 2017 to recipients meeting all the plan's requirements after application of the performance conditions.

Taking into account these items, the Company held 41,412 shares allocated for this purpose at 31 December 2020. Their cost price is €129.28.

At 31 December 2020, Sopra Steria Group held 46,812 treasury shares, representing 0.2% of the share capital.

8.2. Description of the 2021 share buyback programme

8.2.1. LEGAL FRAMEWORK

This description is provided in accordance with the provisions of articles 241–2 et seq. of the General Regulation of the French securities regulator (*Autorité des Marchés Financiers* – AMF) as well as European Regulation 596/2014 of 16 April 2014 ("MAR" regulation) and in accordance with the terms of article 221–3 of the AMF General Regulation.

This programme will be submitted for approval at the General Meeting of 26 May 2021.

a. Number of shares and share of capital held by the Company

At 28 February 2021, the Company's capital was made up of 20,547,701 shares.

At that date, the Company held 58,186 treasury shares, representing 0.28% of the share capital.

b. Breakdown by purpose of treasury shares held by the Company

At 28 February 2021, the treasury shares held by the Company broke down by purpose as follows:

- implementation of liquidity agreement: 6,879 shares;

award or sale to employees and/or company officers of the Group, coverage of share option plans and/or free share plans (or similar plans) for the benefit of Group employees and/or company officers as well as any allotments of shares in connection with a company or Group savings plan (or similar plan), in connection with company profit-sharing and/or any other forms of share allotment to the Group's employees and/or company officers: 51,307 shares.

c. Objectives of the new share buyback programme

The objectives of the new share buyback programme to be submitted to shareholders at the General Meeting of 26 May 2021 are:

- to obtain market-making services from an investment services provider acting independently under the terms of a liquidity agreement entered into in compliance with the AMF's accepted market practice;
- to award, sell or transfer shares in the Company to employees and/or company officers of the Group, in order to cover share purchase plans and/or free share plans (or equivalent plans) as well as any allotments of shares under a company or Group savings plan (or equivalent plan) in connection with a profit-sharing mechanism, and/or any other forms of share allotment to the Group's employees and/or company officers;
- to retain the shares bought back in order to exchange them or tender them as consideration at a later date for a merger, spin-off or contribution of assets and, more generally, for external growth transactions. Shares bought back for such purposes are not to exceed, in any event, 5% of the number of shares making up the Company's share capital;
- to deliver the shares bought back, upon the exercise of rights attaching to securities giving access to the Company's share capital through redemption, conversion, exchange, tender of warrants or any other means, as well as to execute any transaction covering the Company's obligations relating to those securities;
- to retire the shares thus repurchased, by way of a capital reduction;
- to implement any market practice that would come to be accepted by the AMF, and in general, to perform any operation that complies with regulations in force.

d. Maximum proportion of share capital, maximum number and characteristics of capital stock

The maximum proportion of share capital that may be bought back is equal to 10% of Sopra Steria Group's capital on the buyback day.

At 31 December 2020, the share capital was €20,547,701, made up of 20,547,701 shares, each with a par value of €1. On this basis, Sopra Steria Group would be authorised to acquire 10% of its share capital at most, i.e. 2,054,770 shares, not including shares already held.

This limit will be assessed on the date of the buybacks to take into account any capital increase or reduction operations that might occur during the programme period.

e. Maximum purchase price

The maximum purchase price per share is €250.

f. Buyback procedure details

The purchase, sale or transfer by the Company of its own shares may be conducted at any time (except during the period of an offer for the shares) and by any method, including over the counter, in blocks of shares or through the use of derivative financial instruments, on one or more occasions.

g. Duration of buyback programme

The programme will run for 18 months as from approval of the resolution presented at the General Meeting of 26 May 2021, i.e. until 25 November 2022.

9. Changes in share capital

At 31 December 2020, Sopra Steria Group had a share capital of €20,547,701. It is made up of 20,547,701 shares with a par value of €1 each. Since 2011, the share capital has changed as shown below:

				Number of shares		Contributions	
Year	Description	Amount of capital post-operation	Nominal value	Created	Total	Nominal value	Premiums or reserves
2011	Capital increase through the exercise of options	€47,415,780	€4	9,300	11,863,245	€37,200	€265,050
2011	Capital reduction not motivated by losses	€11,863,245	€1	0	11,863,245	- €35,589,735	€35,589,735
2011	Capital increase through the exercise of options	€11,893,486	€1	30,241	11,893,486	€30,241	€962,041
2012	None	€11,893,486	€1	-	-	-	-
2013	Capital increase through the exercise of options	€11,919,583	€1	26,097	11,919,583	€26,097	€811,966
2014	Capital increase during the first phase of Sopra's public exchange offer for Steria	€18,531,485	€1	6,611,902	18,531,485	€6,611,902	€517,976,403
2014	Capital increase during the second phase of Sopra's public exchange offer for Steria	€19,429,720	€1	898,235	19,429,720	€898,235	€66,128,061
2014	Capital increase through the exercise of options	€19,456,285	€1	26,565	19,456,285	€26,565	€1,450,489
2014	Capital increase through the issuance of free shares for employees	€19,585,300	€1	129,015	19,585,300	€129,015	- €129,015
2014	Capital increase at the time of the merger-absorption of Steria by Sopra	€20,371,789	€1	786,489	20,371,789	€786,489	€58,941,611
2015	Capital increase through the exercise of options	€20,434,841	€1	63,052	20,434,841	€63,052	€2,216,615
2015	Capital increase through the issuance of free shares for employees	€20,446,723	€1	11,882	20,446,723	€11,882	- €11,882
2016	Capital increase through the issuance of free shares for employees	€20,468,033	€1	21,310	20,468,033	€21,310	- €21,310
2016	Capital increase through the exercise of options	€20,531,795	€1	63,762	20,531,795	€63,762	€3,727,171
2017	Capital increase through the issuance of free shares for employees	€20,542,701	€1	10,906	20,542,701	€10,906	- €10,906
2017	Capital increase through the exercise of options	€20,547,701	€1	5,000	20,547,701	€5,000	€211,100
2018	None	€20,547,701	€1	-	-	-	-
2019	None	€20,547,701	€1	-	-	-	-
2020	None	€20,547,701	€1	-	-	-	-

10. Securities giving access to the share capital – Potential dilution

There are no other securities giving access to the share capital other than those mentioned in Note 5.4, "Share-based payments" in Chapter 5, "2020 Consolidated Financial Statements" of this Universal Registration Document (pages 182 to 183).

A Long Term Incentive (LTI) plan was introduced in 2018. The maximum number of shares that may be delivered on 31 December 2020 under this plan stands at 67,680. As part of the planned delivery on 1 April 2021, the Board of Directors have opted to acquire these shares in the market to avoid any dilutive effect for shareholders.

11. Information on transactions in securities by Directors or persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

Pursuant to article 223–26 of the AMF's General Regulation, transactions relating to Sopra Steria Group shares in 2020 and referred to in Article L. 621-18-2 of the French Monetary and Financial Code were as follows:

Category (1)	Name	Function	Description(2)	Transaction date	Number of shares	Unit price	Transaction amount
a	Astrid Anciaux*	Director	A**	01/04/2020	318	€0.00	€0.00
a	Vincent Paris	Chief Executive Officer	A**	01/04/2020	1,905	€0.00	€0.00
a	Éric Pasquier	Director	A**	01/04/2020	1,270	€0.00	€0.00
a	Jean-Bernard Rampini*	Non-Voting Director	A**	01/04/2020	318	€0.00	€0.00
a	Solfrid Skilbrigt*	Director	A**	01/04/2020	318	€0.00	€0.00
	Xavier Pecquet	Chairman of Sopra Executive Investissements (SEI) SAS***	D	31/07/2020	2,000	€126.57	€253,140.00
a	Éric Pasquier	Director	D	01/12/2020	1,400	€130.00	€182,000.00

(1) Category a: Members of the Board of Directors and the Chief Executive Officer.
(2) Description: A: Acquisition; D: Disposal; S: Subscription; E: Exchange; Do: Donation; ESO: Exercise of stock options.
** Term of office ended at the close of the General Meeting of 9 June 2020.*
*** Allocation of free performance shares under the 2017 LTI.*
**** SEI's partners voted to declare the conclusion of the liquidation procedure at its General Meeting of 12 October 2020.*

12. Authorisations to issue securities granted to the Board of Directors at the Combined General Meetings of 12 June 2018 and 9 June 2020

12.1. Issue with pre-emptive subscription rights

Securities transaction concerned	Date of GM and resolution	Duration of delegation (Expiry)	Maximum issue amount	Maximum amount of capital increase	Use during the year
Capital increase (ordinary shares and other securities giving access to the share capital)	9 June 2020 Resolution 13	26 months (August 2022)	Nominal amount of €2 billion, if securities giving access to the share capital are to be issued	50% of the nominal share capital	None
Capital increase (ordinary shares and other securities giving access to the share capital) in the event of oversubscription in accordance with Resolution 13	9 June 2020 Resolution 17	26 months (August 2022)	15% of the amount of the capital increase under Resolution 13, up to a maximum of €2 billion	15% of the amount of the capital increase under Resolution 13, up to a maximum of 50% of the total nominal share capital	None
Capital increase through the capitalisation of reserves or the issue of new shares	9 June 2020 Resolution 20	26 months (August 2022)	Amount of discretionary reserves	Amount of discretionary reserves	None

12.2. Issue without pre-emptive subscription rights

Securities transaction concerned	Resolution	Duration of delegation (Expiry)	Maximum issue amount	Maximum amount of capital increase	Use during the year
Capital increase (ordinary shares and other securities giving access to the share capital)	9 June 2020 Resolution 14	26 months (August 2022)	Nominal amount of €2 billion, if securities giving access to the share capital are to be issued	20% of the share capital, reduced to 10% of the share capital for non-equity securities	None
Capital increase by way of a public offering provided for under no. 1 of Article L. 411-2 of the French Monetary and Financial Code	9 June 2020 Resolution 15	26 months (August 2022)	Nominal amount of €2 billion, if securities giving access to the share capital are to be issued	10% of the share capital per year	None
Capital increase (ordinary shares and other securities giving access to the share capital) in the event of oversubscription in accordance with Resolution 14 or 15	9 June 2020 Resolution 17	26 months (August 2022)	15% of the amount of the capital increase under Resolution 14 or 15, up to a maximum of €2 billion	15% of the amount of the capital increase under Resolution 14 or 15, up to a maximum of 10%/20% of the share capital	None
Capital increase as consideration for securities tendered in the event of contributions in kind	9 June 2020 Resolution 18	26 months (August 2022)	10% of the share capital, up to a maximum of €2 billion	10% of the share capital	None
Capital increase as consideration for securities tendered in the event of a public exchange offer	9 June 2020 Resolution 19	26 months (August 2022)	10% of the share capital, up to a maximum of €2 billion	10% of the share capital	None

12.3. Authorisations for issues reserved for employees and company officers without pre-emptive subscription rights

	Date of GM and resolution	Expiry date	Authorised percentage	Authorised percentage for executive company officers	Use during the year
Free share plans	12 June 2018 Resolution 23	38 months (August 2021)	3% (1)	0.15%	None
Capital increase for employees enrolled in a company savings plan	9 June 2020 Resolution 21	26 months (August 2022)	3% (1)		None

(1) This upper limit, calculated on the basis of the share capital at the date of the authorisation, is cumulative for all issues reserved for employees and company officers.

13. Information required by Article L. 22-10-11 of the French Commercial Code relating to public tender or exchange offers

Pursuant to Article L. 22-10-11 of the French Commercial Code, the elements mentioned in this article are detailed below:

1. the Company's ownership structure is presented in Section 2, "Share ownership structure" of this chapter (page 267);
2. there are no restrictions in the Articles of Association:
   - on the exercise of voting rights: Fully paid-up shares held in registered form for at least two years have double voting rights (Article 29 of the Articles of Association),
   - on transfers of shares: Shares are freely tradable, other than as specified by applicable laws or regulations (Article 11 of the Articles of Association).

   The Company has not been informed of any clauses of agreements pursuant to Article L. 233-11 of the French Commercial Code other than those set out in Section 6 of this chapter (page 269);
3. any direct or indirect interests in the capital of the Company of which the latter has been informed pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial

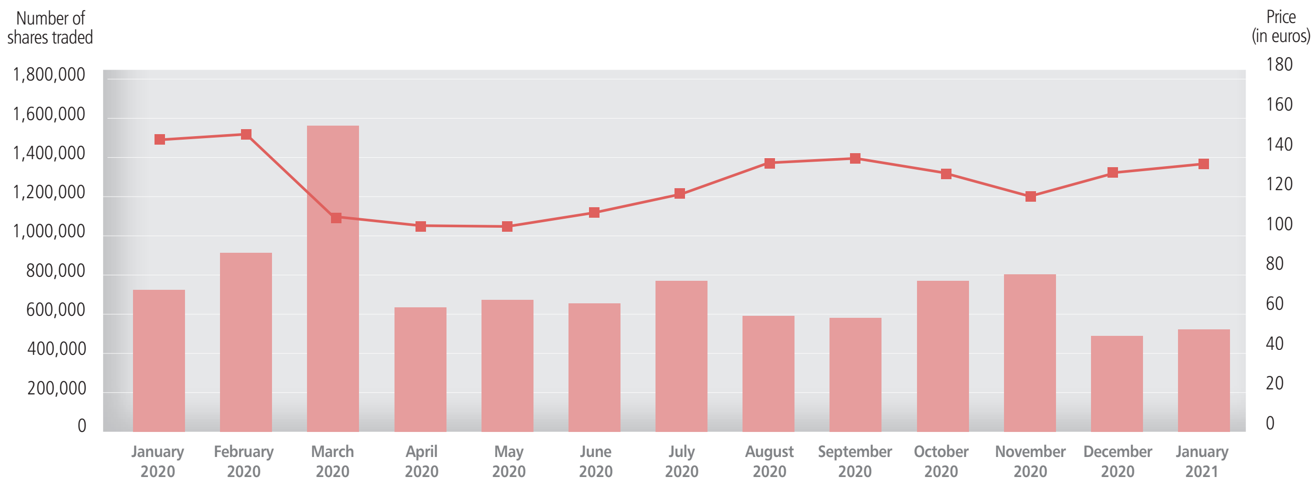
Code are presented in Chapter, 7 Section 2 of this Universal Registration Document (page 267);

4. there are no holders of securities conferring special controlling rights;
5. there is no control mechanism provided under an employee share ownership scheme;
6. agreements between shareholders of which the Company is aware and which may give rise to restrictions on share transfers and voting rights are presented in Chapter 7, Sections 2 and 6 of this Universal Registration Document, pages 267 and 269, respectively;
7. the regulations applicable to the appointment and replacement of the members of the Board of Directors are set forth in Article 14 of the Articles of Association. The regulations relating to the amendment of the Company's Articles of Association are contained within Article 33 of the Articles of Association, which states that "only shareholders voting at an Extraordinary General Meeting shall be authorised to amend any and all provisions of the Articles of Association";
8. the powers of the Board of Directors concerning the issuance and repurchase of shares are stated in Article 17 of the Articles of Association. "The Board of Directors determines the overall business strategy of the Company and supervises its implementation. Subject to the powers expressly conferred by law to shareholders' meetings and within the limits of the corporate objects, the Board of Directors may consider any matter relating to the proper operation of the Company and shall resolve matters that concern the Company by its decisions.";

In addition, the Board of Directors was granted authority by the Combined General Meeting of 9 June 2020 under Resolutions 12 to 21;

9. agreements concluded by the Company that might be amended or cease to apply in the event of a change of control the Company mainly concern the syndicated loan agreement signed in July 2014, amended in July 2016 and in December 2019, and the Euro PP bond issued by Sopra Steria Group in July 2019;
10. there are no agreements providing for indemnities payable to members of the Board of Directors or employees if they resign or are dismissed without just cause or if their position is terminated due to a takeover bid or exchange.

14. Monthly share prices and trading volumes on Euronext Paris



(Source: Euronext Paris)

15. Share price performance

		Price (in €)			Trading volumes	
Month 2020-01	Number of trading days	High	Low	Average closing price	Number of shares traded	Capital *(in millions of euros)*
	22	151.60	140.80	146.31	724,943	105.90
2020-02	20	162.00	141.20	149.19	914,393	137.16
2020-03	22	148.40	78.15	107.22	1,562,545	171.34
2020-04	20	119.00	92.30	102.53	633,557	65.23
2020-05	20	110.30	91.10	102.11	674,086	68.87
2020-06	22	117.10	101.50	109.16	654,086	71.50
2020-07	23	134.50	109.00	118.68	770,371	92.17
2020-08	21	139.80	124.50	134.57	591,108	79.49
2020-09	22	143.00	128.50	136.87	581,229	79.64
2020-10	22	142.80	97.25	129.62	771,219	94.82
2020-11	21	129.40	101.40	117.49	802,567	94.27
2020-12	22	137.70	123.1	129.72	487,929	62.94
2021-01	20	138.90	128.90	134.06	522,825	70.17

(Source: Euronext Paris)

16. Dividend per share

Financial year	Number of shares bearing a dividend	Dividend per share
2014	20,062,614	€1.90
2015	20,324,093	€1.70
2016	20,517,903	€2.20
2017	20,516,807	€2.40
2018	20,514,876	€1.85
2019(1)	0	€0

(1) Given the current context of the Covid-19 pandemic and in a spirit of responsibility, at its meeting on 9 April 2020, Sopra SteriaGroup's Board of Directors decided to propose to shareholders at the General Meeting of 9 June 2020 not to distribute a dividend for financial year 2019.

To date, the Board of Directors has not predefined a dividend distribution policy.

At its meeting of 25 February 2021, the Board of Directors of Sopra Steria Group decided to propose at the General Meeting of the Shareholders to be held on 26 May 2021 that a dividend of €2.00 per share be distributed. The ex-dividend date will be 1 June 2021. The dividend will be paid as of 3 June 2021.

Dividends not collected before the five-year prescription period expires are paid to the French state.

8. Additional information

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1. Articles of Association

The Articles of Association and internal rules and regulations of Sopra Steria Group are available in full on the website, https://www.soprasteria.com, in the "Investors" section under "Governance".

1.1. Board of Directors

ARTICLE 14 (ARTICLES OF ASSOCIATION) – BOARD OF DIRECTORS

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen, subject to the exception provided for by law in the event of a merger.

The Directors representing the employees and employee shareholders are not taken into account when determining the minimum and maximum number of Directors.

1. Directors appointed by the General Meeting

1.a.General provisions

Directors are appointed, reappointed or dismissed by the shareholders at Ordinary General Meetings.

No one may be appointed a Director if, having exceeded the age of seventy-five years, his/her appointment results in more than one third of Board members exceeding this age. Once this limit is exceeded, the oldest Director is deemed to have resigned from office.

Directors may be natural or legal persons, with the exception of the Director representing employee shareholders, who must be a natural person. When a legal person is appointed as Director, the latter names a permanent representative who is personally subject to the same conditions, obligations and liabilities as all other Board members, without prejudice to the joint and several liability of the legal person thus represented.

Each Director must own at least one share in the Company.

1.b.Specific provisions concerning the Director representing employee shareholders

When the legal requirements are met, a Director representing employee shareholders is elected by the Ordinary General Meeting from two candidates proposed by the employee shareholders referred to in Article L. 225-102 of the French Commercial Code.

Both candidates for election as the Director representing employee shareholders are designated according to the following process:

a) the rules for the designation of candidates are laid down by the Chairman of the Board of Directors. These rules include provisions relating to the timetable for the various stages in the designation process, the procedure for identifying and reviewing all preselected candidates, the methods used to designate the representatives of employee shareholders exercising voting rights attached to shares that they own, in addition to all provisions that may be useful for the smooth execution of the abovementioned process. The rule is brought to the attention of members of the supervisory boards of employee investment funds and, where applicable, employee shareholders exercising directly their voting right, by any means, and notably, without these means of communication being considered exhaustive, by affixing posters and/or using electronic communication, with a view a to designating their candidates;

b) a call for candidates means that a list of proposed candidates can be drawn up among those persons meeting the criteria laid down in Articles L. 225-23 and L. 225-102 of the French Commercial Code are eligible to be considered as candidates;

c) where voting rights attached to shares held by employees are exercised by members of the supervisory boards of employee shareholding investment funds, those supervisory boards may together select a candidate. Each supervisory board shall meet to choose its preferred candidate from a list of preselected candidates. Representatives of the Company sitting on the supervisory board are not entitled to vote on this decision. Under the selection process, each preselected candidate shall be allocated a score equal to the number of shares held by employee shareholding investment funds that voted for him/her. The preselected candidate with the highest score shall be selected as the candidate;

d) where voting rights attached to shares held by employees are exercised directly by those employees, the elected or appointed representatives of those employee shareholders may select a candidate in accordance with procedures laid down in the rules for candidate nomination. Where a candidate is selected by appointed representatives, the rules for candidate nomination may stipulate that a voting threshold must be met. In such cases, the required threshold may not exceed 0.05% of the company's share capital. Each elected or appointed representative of the employee shareholders shall choose its preferred candidate from a list of preselected candidates. Under the selection process, each preselected candidate shall be allocated a score equal to the number of shares held by those employees who elected or appointed the representatives that voted for him/her. The preselected candidate with the highest score shall be selected as the candidate;

e) members of supervisory boards of employee shareholding investment funds and elected or appointed representatives of employee shareholders may select the same candidate. In such cases, that single candidate shall be presented at the General Meeting of Shareholders. The same shall apply if either selection process should fail to select a candidate.

The Director representing employee shareholders shall be elected from among the selected candidates by the shareholders voting at a General Meeting under the quorum and majority requirements applicable to Ordinary General Meetings. The Board of Directors shall present each candidate to the shareholders by way of a separate resolution and shall, as the case may be, approve the resolution concerning its own preferred candidate.

The candidate receiving the most votes shall be elected Director representing employee shareholders provided that he/she has secured at least 50% of the votes of those shareholders in attendance or represented at the General Meeting. In the event of a tied vote, the candidate who has served longest as an employee of the Company or one of its subsidiaries shall be appointed.

If no candidate secures at least 50% of the votes of those shareholders in attendance or represented at the General Meeting, two new candidates shall be put forward at the next Ordinary General Meeting.

Should the Director representing employee shareholders cease to be an employee, he/she will automatically be deemed to have stepped down and his/her appointment will terminate immediately. The same applies in the event of the loss of status of shareholder within the meaning of Article L. 225-102 of the French Commercial Code.

The Board of Directors may validly meet and vote in the absence of the Director representing employee shareholders until such time as the latter is appointed at a General Meeting of Shareholders.

The provisions laid down in this article cease to apply if, at the close of a given financial year, the percentage of the share capital held by employees of the Company and any related companies accounts for less than 3% of the total share capital. The term of office in progress will continue for its full duration.

2. Director representing the employees

When the requirements laid down in paragraph I of Article L. 225-27-1 of the French Commercial Code are met, one or two Directors representing the employees sit on the Board of Directors in accordance with the provisions of paragraph II of Article L. 225-27-1 of the French Commercial Code.

The Directors representing the employees are appointed by the Company's Social and Economic Committee after a call for nominations from within the Company and its French subsidiaries.

When a single seat is vacant, the successful candidate is chosen through by a majority vote in a two-round ballot. When two seats are vacant, a list-based system of proportional representation with the greatest remainders and no voting-splitting is used.

The Director or Directors representing the employees are not required to hold shares in the Company.

Further to the provisions set out in paragraph 2 of Article L. 225-29 of the French Commercial Code, should the Company body mentioned in these Articles of Association fail to nominate a Director representing the employees, the decisions of the Board of Directors shall still be deemed to be valid.

3. Term of office of Directors

Directors are appointed for a term of office of four years.

In the year of expiry, Directors' terms of office shall expire at the close of the Ordinary General Meeting convened to approve the financial statements for the previous financial year. They may be reappointed immediately.

By exception, upon their first appointment following the modification of the Articles of Association taking effect on 9 June 2020, Directors' terms of office appointed by the General Meeting may be set at 1, 2 or 3 years such that the renewal of directorships is staggered evenly from year to year.

Should one or more seats held by Board members appointed at the General Meeting become vacant between two General Meetings, with the exception of that held by the Director representing employee shareholders, the Board may make temporary appointments, in accordance with the requirements of Article L. 225-24 of the French Commercial Code. A Director appointed to replace another Director performs his/her duties for the remainder of the term of office of the individual previously serving in this position.

When a vacancy for a Director representing the employees arises during their term of office, the Director chosen as an alternate by the Company's Social and Economic Committee performs the duties for the remainder of the term of office of the individual previously serving in this position.

ARTICLE 15 (ARTICLES OF ASSOCIATION) – ORGANISATION OF THE BOARD OF DIRECTORS

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board determines the Chairman's compensation.

The Chairman shall be appointed for a term that may not exceed his/her term of office as Director. The Chairman may be reappointed. The Board may remove the Chairman from office at any time.

No one over the age of 85 may be appointed Chairman. If the Chairman in office exceeds this age, he/she shall automatically be deemed to have resigned.

The Board may appoint one or two Vice-Chairmen from among the Directors.

It can also appoint a secretary who need not be a Director or shareholder.

In the event of the Chairman's absence, Board meetings shall be chaired by any person specifically delegated for this purpose by the Chairman. In the absence of this individual, the Board meeting shall be chaired by one of the Vice-Chairmen.

ARTICLE 16 (ARTICLES OF ASSOCIATION) – DECISIONS OF THE BOARD OF DIRECTORS

The Board of Directors shall meet as often as required by the Company's interests, pursuant to a notice of meeting given by its Chairman. The Chief Executive Officer or, if the Board has not met for at least two months, at least one third of the Directors, may request the Chairman to convene a Board of Directors' meeting to deliberate on a specific agenda. The Chairman shall be required to comply with such request.

Notices of meetings may be issued by any means, including orally, normally at least twenty-four hours in advance.

Meetings shall be held at the registered office or at any other place specified in the notice of meeting.

In exceptional cases, the Board of Directors may adopt, by means of a written consultation, certain decisions provided for by the regulations in force.

The Board can only validly conduct business in the presence of at least half the Directors. Decisions shall be adopted by a majority vote of the members present or represented.

In the event of a tie, the Chairman of the Board of Directors shall have the casting vote. If the Chairman of the Board of Directors is not present, the meeting Chairman shall have no casting vote in the event of a tie.

An attendance sheet is signed by the Directors taking part in the Board meeting, either in person or by proxy.

Internal rules and regulations shall be defined for the Board of Directors.

These internal rules and regulations may include a provision whereby Directors who participate in the meeting by videoconference or any other means of telecommunication that enables them to be identified as required by law, shall be considered to be present for the purpose of calculating the quorum and majority.

This provision shall not apply for the adoption of any of the following decisions:

- approving the annual financial statements and the consolidated financial statements, and preparing the Management Report and the Group Management Report.

The decisions of the Board of Directors shall be recorded in minutes prepared in accordance with legal provisions in force and signed by the Chairman of the meeting and at least one Director. If the Chairman of the meeting is unable to act, the minutes shall be signed by at least two Directors.

Copies or extracts of these minutes shall be certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Director temporarily appointed to act as Chairman or an agent authorised for such purpose.

ARTICLE 17 (ARTICLES OF ASSOCIATION) – POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall establish the Company's business policies and ensure they are carried out in accordance with its corporate interest, while giving consideration to the social and environmental implications of its business activities. Subject to the powers expressly conferred by law to shareholders' meetings and within the limits of the corporate objects, the Board of Directors may consider any matter relating to the proper operation of the Company and shall resolve matters that concern the Company by its decisions.

In its relations with third parties, the Company shall be bound by the acts of the Board of Directors that exceed the scope of the corporate objects, unless the Company proves that the third party was aware, or that in light of the circumstances could not have been unaware, that the act was not within said corporate objects. However, the mere publication of the Articles of Association shall not constitute such proof.

The Board of Directors shall carry out all controls and verifications it deems necessary. Each Director is entitled to be provided with all documents and information necessary for the performance of his duties.

The Board may grant all agents of its choice all delegations of powers, within the limits of the powers it holds pursuant to law and these Articles of Association.

The Board may create committees charged with studying matters that the Board or the Chairman submits for their opinion and review. It determines the composition and the terms of reference of the committees, which operate under its responsibility.

Under a delegation of powers granted at an Extraordinary General Meeting, the Board of Directors may amend the Company's Articles of Association to ensure compliance with legal and regulatory requirements, subject to ratification at the following Extraordinary General Meeting.

ARTICLE 18 (ARTICLES OF ASSOCIATION) – POWERS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, on which he/she reports to the General Meeting. He/she ensures the smooth running of the Company's management bodies and, in particular, that the Directors are able to carry out their duties.

ARTICLE 2 (INTERNAL RULES AND REGULATIONS OF THE BOARD OF DIRECTORS) – ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

A. Organisation and steering of the work of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors.

The Chairman of the Board of Directors sets the schedule and agenda for meetings of the Board of Directors.

In the absence of the Chairman of the Board of Directors:

- Board meetings are chaired by the individual delegated for this purpose by the Chairman of the Board of Directors. In the absence of this individual, the Board meeting is chaired by one of the two Vice-Chairmen;
- the meeting Chairman does not have a casting vote in the event of a tie.

B. Operating procedures of the Company, governance and control of Executive Management

The Chairman of the Board of Directors ensures the smooth running of the Board of Directors and the Board's standing committees, the relations of these bodies with Executive Management and the implementation of best practices in corporate governance.

The Chairman of the Board of Directors ensures that the Group's values are upheld.

The Chairman of the Board of Directors makes sure that Directors are able to carry out their duties, and that they have adequate information.

The Chairman of the Board of Directors ensures open lines of communication at all times between the Board of Directors and Executive Management. As such, the Chairman also keeps abreast of, and must be informed of, the Group's circumstances and any decisions being considered whenever they are likely to have a significant impact on the conduct of business activities. To this end, the Chairman is kept informed of developments throughout the preparation of planned operations subject to prior approval by the Board of Directors and may offer comments on such plans.

He/she may draw on the expertise of the Board committees and their chairmen and enjoys unrestricted access to Executive Management and functional and operational departments.

C. Relations with shareholders

The Chairman reports to the shareholders on the composition and the manner in which the work of the Board of Directors is prepared and organised, as well as on the internal control and risk management procedures put in place by the Group.

The Chairman presides over General Meetings.

In collaboration with the Chief Executive Officer, the Chairman ensures the appropriate management of the Company's relations with its major shareholders.

D. Support for Executive Management

In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may take part in actions to address any issues of interest to the Company or the Group, notably those relating to business activities, strategic decisions or projects (in particular involving investments or divestments), partnership agreements and relations with employee representative bodies, risks and financial disclosures.

In agreement with the Chief Executive Officer, he/she may also take part in any meetings.

E. Representation of the Company and the Group

The Chairman of the Board of Directors represents the Board in its relations with third parties, apart from exceptional circumstances or in the case of specific assignments conferred upon individual Directors. In coordination with the Chief Executive Officer, the Chairman of the Board of Directors makes every effort to promote the values and image of the Group in all circumstances. In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may represent the Group in its high-level relations, particularly with major partners or clients and government authorities, on the domestic and international fronts, and in terms of both internal and external communications.

Conditions for the exercise of the Chairman of the Board of Directors' prerogative powers

The duties assumed by the Chairman of the Board of Directors require the Chairman to devote his/her time to the Company. The initiatives undertaken and the actions carried out by the Chairman in the performance of his/her duties are taken into consideration by the Board of Directors in determining the Chairman's compensation.

The Chairman of the Board of Directors fulfils his/her responsibilities in recognition of those assumed by the Chief Executive Officer and the Board of Directors.

ARTICLE 20 (ARTICLES OF ASSOCIATION) – COMPENSATION OF CORPORATE OFFICERS AND DIRECTORS

1. The shareholders at a General Meeting may grant the Directors an annual fixed compensation, the amount of which shall be booked as operating expenses. Such amount shall be maintained until a new decision is adopted. The Board of Directors shall determine the allocation thereof among the Directors, in accordance with applicable laws.
2. The Board of Directors determines the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and any Deputy Chief Executive Officers, in accordance with applicable laws.
3. The Board of Directors may also grant extraordinary remuneration for missions or assignments entrusted to Directors, in accordance with applicable laws. Directors shall not receive any remuneration from the Company, whether permanent or otherwise, other than the remuneration specified in the preceding paragraphs, unless they have entered into an employment contract with the Company, in accordance with applicable laws.

ARTICLE 21 (ARTICLES OF ASSOCIATION) – MULTIPLE OFFICES

An individual shall not simultaneously hold more than five offices as a Director or a member of the Supervisory Board of sociétés anonymes that have their registered offices in France.

By exception to the foregoing provisions and for the purposes of applying this article, offices held by a person as a Director or member of the Supervisory Board of a company that is controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company in which that person is a Director shall not be taken into account for these purposes.

Pursuant to the above provisions, the positions of Directors of companies whose shares are not traded on a regulated market or are controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the same company only count as one position, provided the number of such positions held does not exceed five.

An individual may not simultaneously hold more than one position as Chief Executive Officer, member of a management board or sole Chief Executive Officer of *sociétés anonymes* that have their registered offices in France. In derogation of the foregoing, a second position as Chief Executive Officer, member of a management board or sole Chief Executive Officer may be held in a company that is controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company of which he/she is Chief Executive Officer. Another position as Chief Executive Officer, member of a management board or sole executive officer may be held in a company if the shares of neither of these two companies are admitted to trading on a regulated market.

Without prejudice to the conditions above or to other legal requirements, an individual shall not simultaneously hold more than five offices as a Chief Executive Officer, member of a management board, sole executive officer, Director or member of the Supervisory Board of sociétés anonymes having their registered offices in France. For the purposes of this Article, where a Director acts as Chief Executive Officer, this shall count as a single office.

This number shall be reduced to three for offices held within companies, even where registered outside France, whose shares are traded on a regulated market for persons acting as Chief Executive Officer, member of a management board, Director or sole executive officer in a company whose shares are traded on a regulated market and which employs at least 5,000 permanent employees in the company and its direct or indirect subsidiaries, and whose registered offices are located in France, or at least 10,000 employees in the company and its direct or indirect subsidiaries, and whose registered offices are located in France and elsewhere.

For the purposes of applying this latter limit, positions as Director or member of the Supervisory Board held by the Chief Executive Officer, member of a management board, Director or sole executive officer of companies whose main business is the acquisition and management of investment holdings, within the meaning of Article L. 233-2 of the French Commercial Code, shall be disregarded for these purposes.

Any individual in breach of the provisions concerning multiple offices shall resign one of the positions within three months of his/her appointment or, in the event of a derogation, from the position at issue within three months of the event that causes the person to cease complying with the conditions set by law. On expiry of the three-month period, the person is automatically dismissed and must return the compensation received, although the validity of the deliberations in which he/she took part is not called into question.

1.2. Executive Management

ARTICLE 19 (ARTICLES OF ASSOCIATION) – EXECUTIVE MANAGEMENT

1. Operating procedures

Responsibility for the Executive Management of the Company is assumed by either the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer.

The Board of Directors chooses one or other of the aforementioned methods of executive management.

The decision of the Board of Directors relating to the choice of management method is taken on the basis of a majority of Directors present or represented. Shareholders and third parties are informed of this choice in the conditions provided for by the regulations in force.

The choice made by the Board of Directors applies for an unlimited period.

2. Executive Management

The Chief Executive Officer is a natural person who may or may not be a Director.

The term of office of the Chief Executive Officer is determined by the Board of Directors at the time of his/her appointment. However, if the Chief Executive Officer is also a Director, his/her term of office as Chief Executive Officer may not exceed that as Director.

No one over the age of 77 may be appointed as Chief Executive Officer. Once the Chief Executive Officer has reached this age limit, he/she is deemed to have resigned from office.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. In the event of unfair dismissal, he/she may be entitled to damages, except when he/she also serves as Chairman of the Board of Directors.

The Chief Executive Officer shall have the broadest possible powers to act in all circumstances in the name of the Company. He/she exercises his/her powers within the limits of the corporate purpose and subject to those expressly granted to General Meetings and the Board of Directors by the law.

He/she represents the Company in its dealings with third parties. The Company is bound even by the actions of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can prove that the third party knew that such action exceeded the corporate purpose or that it could not ignore it in the circumstances, it being excluded that publication of the Articles of Association alone constitutes such proof.

3. Deputy Chief Executive Officers

On a proposal from the Chief Executive Officer, whether this position is held by the same person serving as Chairman of the Board of Directors or by another person, the Board may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The Board of Directors may appoint as many as five Deputy Chief Executive Officers, who may or may not be selected from among its members.

The age limit is set at 65 years. Once a Deputy Chief Executive Officer has reached this age limit, he/she is deemed to have resigned from office.

Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors on a proposal from the Chief Executive Officer. In the event of unfair dismissal, Deputy Chief Executive Officers may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his/her duties, the Deputy Chief Executive Officers retain their duties and remits until the appointment of a new Chief Executive Officer, unless decided otherwise by the Board of Directors.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the Deputy Chief Executive Officers. In their dealings with third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

ARTICLE 3 (INTERNAL RULES AND REGULATIONS OF THE BOARD OF DIRECTORS) – ROLE OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, assisted by one or more Deputy Chief Executive Officers, has authority over the entire Group, directing all its activities. He/she is involved in formulating strategy within the framework mapped out by the Chairman. He/she then has responsibility for implementing it once it has been approved by the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He/she represents the Company in its dealings with third parties. He/she chairs the Group's Executive Committee.

The Chief Executive Officer exercises his/her powers within the limits of the corporate purpose, all applicable laws, the Articles of Association, the decision of the Board of Directors relating to his/her appointment and these internal rules and regulations.

The Chief Executive Officer is also responsible for providing the Board of Directors and all its committees with any information they may require and for implementing all decisions taken by the Board.

Conditions for the exercise of the Chief Executive Officer's prerogative powers

The Chief Executive Officer works closely with the Chairman of the Board of Directors to ensure open lines of communication at all times between the Board of Directors and Executive Management. He/she also keeps the Chairman informed of the Group's circumstances and any decisions being considered whenever they are likely to have a significant impact on the conduct of business activities.

The types of decisions identified in this section require the prior authorisation of the Board of Directors, or of the Chairman whenever the Board delegates its powers to him/her in this respect, under the conditions defined by the Board. The Chairman must report to the Board of Directors on any authorisations given by him/her in connection with these delegations. These decisions are prepared and discussed in advance by the Chief Executive Officer and the Chairman of the Board of Directors.

Under the aforementioned conditions, the decisions requiring prior approval by the Board of Directors are those that are highly strategic in nature or that are likely to have a significant impact on the financial position or commitments of the Company or any of its subsidiaries, and in particular decisions falling into two main categories, as listed below:

- decisions relating to strategy implementation:
  - adaptation of the Group's business model,
  - the acquisition or disposal of companies or businesses, for transactions in amounts greater than €10 million,
  - any investment or divestment decision in an amount greater than €10 million,
  - entering into strategic alliances;
- decisions relating to organisational matters:
  - the appointment or dismissal of any member of the management team (Executive Committee members) with the authority granted to the Chairman by the Board of Directors,
  - any significant change in the organisation or internal operating procedures, with authority delegated to the Chairman by the Board of Directors.

1.3. General Meetings

ARTICLE 25 (ARTICLES OF ASSOCIATION) – GENERAL MEETINGS

General Meetings are convened and held under the conditions laid down by the law.

The decisions collectively made by the shareholders shall be taken in General Meetings characterised either as Ordinary General Meetings, Extraordinary General Meetings or Special General Meetings depending on the nature of the decision to be taken.

Special General Meetings are called for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category.

The decisions taken by General Meetings are binding for all the shareholders, including absentee and dissenting shareholders and those lacking legal capacity.

ARTICLE 26 (ARTICLES OF ASSOCIATION) – VENUE AND PROCEDURE FOR CONVENING GENERAL MEETINGS

General Meetings shall be convened by the Board of Directors. Failing this, they may also be convened by the Statutory Auditors or by a court-appointed agent, in accordance with the law.

Meetings shall be held at the registered office or at any other location specified in the notice of meeting.

General Meetings shall be convened by means of a notice published either in a journal authorised to publish legal announcements in the area where the registered office is located, or in the *Bulletin des Annonces Légales Obligatoires* (BALO, the French journal of official legal announcements), at least two weeks before the General Meeting.

However, if all the shares are held in registered form, these announcements are not mandatory, and the General Meeting may be convened by giving notice to each shareholder by registered letter, at the Company's expense.

At least 35 days before each shareholders' meeting, the Company shall publish in the BALO the notice required by Article R. 225-73 of the French Commercial Code.

Shareholders who have held registered shares for at least one month prior to the date on which the notice of meeting is published shall be given notice of all shareholders' meetings by ordinary mail.

However, as provided by regulations, they may give the company a written authorisation to send these notifications by electronic mail instead of by letter. Shareholders shall provide the Company with their email address for this purpose. Shareholders may also at any time request, in a letter sent by recorded delivery (signed for), that postal delivery be used instead of electronic transmission.

Shareholders may also ask to be notified of any General Meeting by registered letter if they have forwarded to the Company the amount necessary to cover the cost of sending such a letter.

In the event that the General Meeting is unable to deliberate because the required quorum is not present, a second meeting, and if applicable, a deferred second meeting, shall be convened at least ten days in advance in the same manner as the first meeting.

The notice and the letters inviting the shareholders to this second General Meeting shall feature the date and agenda of the first General Meeting. If the date of a General Meeting is postponed by court order, the court may set a different time period.

The notice and letters convening the Meeting must contain all the information required by law.

ARTICLE 27 (ARTICLES OF ASSOCIATION) – AGENDA

The agenda for the General Meeting is decided by the person(s) convening the Meeting.

One or more shareholders representing at least the portion of share capital required by law and acting in accordance with legal requirements and time periods, may request that specific items of business or draft resolutions be added to the General Meeting's agenda.

The Economic and Social Council may also request the inclusion of proposed resolutions in the agenda.

Items of business not appearing on the agenda may not be considered at the General Meeting. However, the General Meeting can in all circumstances dismiss and replace one or more Directors.

ARTICLE 28 (ARTICLES OF ASSOCIATION) – ACCESS TO GENERAL MEETINGS – POWERS – COMPOSITION

The General Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the Meeting either in person or by proxy.

All shareholders have the right to participate in General Meetings provided they furnish proof, in accordance with legal and regulatory requirements, that their shares are registered on accounts in their names or on their behalf in the name of their registered intermediary, or on the registered share accounts kept by the Company, or on the bearer share accounts kept by an authorised intermediary.

Any shareholder may be represented by his or her spouse, the partner with whom he or she has entered into a pacte civil de solidarité (PACS, the French civil union contract), another shareholder or any other private individual or legal entity of his or her choice; If a shareholder does not name a proxy holder in a proxy form submitted, the Chairman of the General Meeting shall vote in favour of proposed resolutions submitted for approval by the Board of Directors, and against any other proposed resolutions. For any other vote, the shareholder shall choose a proxy holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the Company may attend General Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by videoconference or any other means of telecommunication, including the Internet, which permits them to be identified as provided by the law.

Shareholders who participate in a General Meeting by videoconference or other means of telecommunication that enables them to be identified in a manner and in accordance with procedures in compliance with regulatory provisions shall be deemed present for the purposes of calculating the quorum and majority.

All shareholders may be represented by another person at General Meetings or vote remotely by filling in a form addressed to the Company, as provided for in law and the regulations, either on paper or electronically, depending on the procedure adopted by the Board of Directors and stipulated in the notice of meeting.

Two Economic and Social Council members, appointed by the Council as laid down by law, may attend General Meetings. At their request, they shall be heard during deliberations on all matters requiring a unanimous vote of the shareholders.

ARTICLE 29 (ARTICLES OF ASSOCIATION) – VOTING RIGHTS

The voting right attached to capital shares or dividend shares shall be proportional to the portion of the capital they represent. With the same par value, each share shall entitle the holder to the same number of votes, with a minimum of one vote.

However, double voting rights are allocated to all fully paid-up shares that are proved to have been registered in the name of the same holder for at least two years up to that time. In the event of a capital increase by capitalisation of reserves, earnings or issue premiums, double voting rights shall be allocated upon issuance to registered shares freely granted to a shareholder in proportion to existing shares for which this shareholder was entitled to benefit from this right.

ARTICLE 30 (ARTICLES OF ASSOCIATION) – RIGHTS TO SHAREHOLDER INFORMATION – DISCLOSURE OBLIGATIONS

All shareholders are entitled to obtain the documents necessary to enable them to make informed decisions regarding the management and operations of the Company.

The documentation required and its availability to shareholders is established by law and in regulations.

Any shareholder who holds more than 3% or more than 4% of the Company's capital shall inform the Company in the same manner and based on the same methods of calculation as required with respect to legal thresholds.

ARTICLE 31 (ARTICLES OF ASSOCIATION) – ATTENDANCE SHEET – OFFICERS – MINUTES

An attendance sheet showing the details and signatures required by law is drawn up for each General Meeting.

The General Meeting shall be chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by a Vice-Chairman or by a Director specifically delegated for this purpose by the Board. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy holders.

The officers of the Meeting thus appointed shall designate a secretary, who is not required to be a shareholder.

The minutes are drawn up and copies or extracts of these minutes are delivered and certified in accordance with the law.

ARTICLE 32 (ARTICLES OF ASSOCIATION) – ORDINARY GENERAL MEETING

An Ordinary General Meeting is a meeting called to take decisions which do not amend the Articles of Association.

This type of General Meeting shall be held at least once a year, within the time period required by law and regulations, to approve the financial statements for the previous year.

It is only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting, represented by proxy or having voted remotely represent at least one fifth of the total voting rights. No quorum is required when Ordinary General Meetings are convened for the second time.

Decisions shall be taken by a majority of the votes submitted by shareholders present, represented or voting remotely.

ARTICLE 33 (ARTICLES OF ASSOCIATION) – EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting alone shall be authorised to amend the Articles of Association. However, it may not increase shareholders' commitments, except in the case of transactions resulting from a duly completed reverse stock split.

It is only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting or represented by proxy or having voted remotely represent at least one quarter of the total voting rights, and one fifth of the total voting rights when convened for the second time. If this latter quorum is not attained, the second meeting may be postponed to a date no later than two months after the date for which the second meeting was originally convened. For this postponed meeting, a quorum of one fifth of the shares with voting rights shall also be required.

Decisions shall be taken by a two-thirds majority of the votes submitted by shareholders present, represented or voting remotely, unless a statutory exception applies.

ARTICLE 34 (ARTICLES OF ASSOCIATION) – SPECIAL GENERAL MEETINGS

When there are several categories of shares, no changes may be made to the rights of a given category of shares unless approved by an Extraordinary General Meeting open to all shareholders and also by a Special General Meeting of the holders of the category of shares in question.

Special General Meetings are only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting or represented by proxy or having voted remotely represent at least one third of the total voting rights, and one fifth of the total voting rights when convened for the second time.

In all other respects, Special General Meetings are convened and conduct business in the same way as Extraordinary General Meetings.

ARTICLE 35 (ARTICLES OF ASSOCIATION) – ISSUE OF BONDS

In the event of the issuance of bonds, the holders of these bonds are considered as a group represented by one or more representatives, in accordance with legal requirements, for the defence of their shared interests.

2. Person responsible for the Universal Registration Document and information on the auditing of the Company's financial statements

2.1. Person responsible for the Universal Registration Document

Name and position of the person responsible for the Universal Registration Document

Vincent Paris, Chief Executive Officer

2.2. Information relating to the Statutory Auditors

2.2.1. PRINCIPAL STATUTORY AUDITORS AND SUBSTITUTE AUDITORS

a. Principal Statutory Auditors

- Auditeurs et Conseils Associés – 31 rue Henri-Rochefort, 75017 Paris (France).
  Represented by Olivier Juramie.
  Term of office expires at the General Meeting convened to approve the 2021 financial statements.
  First appointed: June 1986.
- Mazars – 61 rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie (France).
  Represented by Bruno Pouget.
  Term of office expires at the General Meeting convened to approve the 2023 financial statements.
  First appointed: June 2000.

b. Substitute Auditors

- Pimpaneau & Associés – 31 rue Henri-Rochefort – 75017 Paris (France).
  Term of office expires at the General Meeting convened to approve the 2021 financial statements.

3. Provisional reporting timetable

Publication date	Event	Meeting date
Friday, 26 February 2021 before market open	2020 annual revenue and earnings	26 February 2021
Wednesday, 28 April 2021 before market open	Q1 2021 revenue	-
Wednesday, 26 May 2021	Annual General Meeting of Shareholders	26 May 2021
Thursday, 29 July 2021 before market open	2021 half-year revenue and earnings	29 July 2021
Friday, 29 October 2021 before market open	Q3 2021 revenue	-

The full-year and half-year results are published in press releases and are presented at meetings, which are also made available as bilingual webcasts in French and English.

4. Regulatory disclosures in 2020

4.1. Press releases for ongoing disclosure obligation

- 27/11/2020 Sopra Steria Group: 2021 financial calendar
- 25/11/2020 Cyberattack: updated information
- 17/11/2020 Proposed acquisition of Fidor Solutions, the software subsidiary and digital banking specialist of next-generation bank Fidor Bank
- 28/10/2020 Q3 2020 revenue
- 26/10/2020 Cyberattack information update
- 21/10/2020 Information about a cyberattack
- 16/09/2020 Sopra Steria finalised the acquisition of a controlling interest representing 94.03% of Sodifrance's share capital
- 03/08/2020 Sopra Steria Group: Publication of the 2020 Half-Year Financial Report
- 29/07/2020 2020 Half-year results
- 09/07/2020 Sopra Steria signs acquisition agreement with Sodifrance to create a French leader in digital services for insurers and social security providers
- 09/06/2020 Appointment of John Neilson as Chief Executive Officer of Sopra Steria UK and Asia
- 20/05/2020 Sopra Financing Platform contributes to Fuel Hyundai Capital's expansion in the US market
- 14/05/2020 Combined General Meeting of 9 June 2020 — Arrangements for making preparatory documents available
- 11/05/2020 The General Meeting of 9 June 2020 will be held in closed session on an exceptional basis
- 24/04/2020 Q1 2020 revenue
- 15/04/2020 Sopra Banking Software releases Cassiopae V4.7 as scheduled
- 14/04/2020 14/04/2020 Press release containing regulated information - Press release announcing publication of the 2019 Universal registration document/Annual Financial Report
- 09/04/2020 09/04/2020 Sopra Steria suspends its 2020 guidance and will submit a resolution at the next General Meeting to forgo distribution of a dividend in respect of financial year 2019
- 02/03/2020 opra Steria acquires experience design consultancy cxpartners in the United Kingdom
- 21/02/2020 2019 Full-year results
- 21/02/2020 Sopra Steria announces plans to acquire Sodifrance — Creation of a French leader in digital services dedicated to the insurance and social security sector

4.2. Universal Registration Document (formerly Registration Document) including the Annual Financial Report and updates

- 14/04/2020 2019 Universal Registration Document

4.3. Interim financial report

- 03/08/2020 2020 Half-year financial report

4.4. Quarterly financial reporting

- 28/10/2020 Q3 2020 revenue
- 24/04/2020 Q1 2020 revenue

4.5. Monthly disclosures of total voting rights and shares

- 12 monthly disclosure forms.
- 27/04/2020 Filing of the total number of voting rights and shares making up the share capital at 22 April 2020, the date of publication of the meeting notice in the BALO of the General Meeting of 9 June 2020

4.6. Descriptions of share buyback programmes and reports on the liquidity agreement

Liquidity agreement

- 01/07/2020 Half-yearly report on the liquidity agreement with ODDO BHF SCA.
- 09/01/2020 Half-yearly report on the liquidity agreement with ODDO BHF SCA.

Treasury share transactions

- 21/12/2020 Weekly disclosure of transactions in own shares for the period from 14 to 18 December 2020.
- 14/12/2020 Weekly disclosure of transactions in own shares for the period from 7 to 11 December 2020.
- 07/12/2020 Weekly disclosure of transactions in own shares for the period from 30 November to 4 December 2020
- 01/12/2020 Weekly disclosure of transactions in own shares for the period from 23 to 27 November 2020.
- 23/11/2020 Weekly disclosure of transactions in own shares for the period from 16 to 19 November 2020.
- 19/10/2020 Weekly disclosure of transactions in own shares for the period from 12 to 16 October 2020.
- 21/09/2020 Weekly disclosure of transactions in own shares for the period from 14 to 18 September 2020.
- 31/08/2020 Weekly disclosure of transactions in own shares for the period from 17 to 21 August 2020.
- 20/07/2020 Weekly disclosure of transactions in own shares for the period from 13 to 17 July 2020.
- 22/06/2020 Weekly disclosure of transactions in own shares for the period from 15 to 19 June 2020.
- 18/05/2020 Weekly disclosure of transactions in own shares for the period from 11 to 15 May 2020.
- 20/04/2020 Weekly disclosure of transactions in own shares for the period from 13 to 17 April 2020.
- 06/04/2020 Weekly disclosure of transactions in own shares for the period from 30 March to 3 April 2020.
- 23/03/2020 Weekly disclosure of transactions in own shares for the period from 16 to 20 March 2020.
- 09/03/2020 Weekly disclosure of transactions in own shares for the period from 2 to 6 March 2020.
- 24/02/2020 Weekly disclosure of transactions in own shares for the period from 17 to 21 February 2020.
- 20/02/2020 Weekly disclosure of transactions in own shares for the period from 13 to 17 January 2020.
- 13/01/2020 Weekly disclosure of transactions in own shares for the period from 6 to 10 January 2020.

4.7. Reports on the manner in which the work of the Board of Directors is prepared and organised, and on internal control procedures

- 14/04/2020 Included in the 2019 Universal Registration Document

4.8. Fees paid to the Statutory Auditors

- 14/04/2020 Included in the 2019 Universal Registration Document

4.9. Press releases on the availability of information related to shareholders' meetings

- 14/05/2020 Press release announcing the availability of preparatory documents for the Combined General Meeting of 9 June 2020.

4.10.Press releases on the availability of prospectuses

- 03/08/2020 Press release announcing the publication of the 2020 Half-Year Financial Report.
- 14/04/2020 Press release announcing the publication of the 2019 Universal Registration Document.

5. Documents available to the public

The legal documents relating to the Company – in particular its Articles of Association, financial statements and reports presented to shareholders at its General Meetings by the Board of Directors and the Statutory Auditors – may be requested from the Communications Department at 6 Avenue Kleber, 75116 Paris, France. All published financial information is available on the Group's website: https://www.soprasteria.com.

9. General Meeting

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1. Agenda

The shareholders of Sopra Steria Group are invited to attend the Combined General Meeting to be held on 26 May 2021, at 2:30pm, at Pavillon Dauphine, Place du Maréchal-de-Lattre-de-Tassigny, 75116 Paris, to consider the following agenda.

Important notice:
Given the current context relating to the Covid-19 pandemic, the ways of participating in the General Meeting may change based on public-health and/or legal imperatives. Shareholders should regularly consult the dedicated section on the Company's website relating to the General Meeting:
https://www.soprasteria.com/investors/investors-relations-shareholders/shareholders-meetings

Requiring the approval of the Ordinary General Meeting

1. Approval of the parent company financial statements for the financial year ended 31 December 2020; approval of non-deductible expenses.
2. Approval of the consolidated financial statements for the financial year ended 31 December 2020.
3. Appropriation of earnings for the year ended 31 December 2020.
4. Approval of disclosures as presented in the Report on corporate governance pursuant to Article L. 22-10-34 I of the French Commercial Code.
5. Approval of the fixed, variable and exceptional items of compensation making up the total compensation and benefits of any kind paid during the year ended 31 December 2020 or allotted in respect of that period to Pierre Pasquier, Chairman of the Board of Directors, in accordance with Article L. 22-10-34 II of the French Commercial Code.
6. Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial year ended 31 December 2020 or allotted in respect of that period to Vincent Paris, Chief Executive Officer, in accordance with Article L. 22-10-34 II of the French Commercial Code.
7. Approval of the compensation policy for the Chairman of the Board of Directors, as presented in the Report on corporate governance pursuant to Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code.
8. Approval of the compensation policy for the Chief Executive Officer, as presented in the Report on corporate governance pursuant to Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code.
9. Approval of the compensation policy for the Directors, as presented in the Report on corporate governance pursuant to Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code.
10. Decision setting the total amount of compensation awarded to Board members for their service, as referred to in Article L. 225-45 of the French Commercial Code, at €500,000.
11. Appointment of Astrid Anciaux as Director representing employee shareholders for a term of office of four years;
12. Authorisation granted to the Board of Directors, for a period of 18 months, to allow the Company to buy back its own shares pursuant to Article L. 22-10-62 of the French Commercial Code.

Requiring the approval of the Extraordinary General Meeting

13. Authorisation granted to the Board of Directors, for a period of 38 months, to allot free shares to employees and company officers of the Company and its Group, subject to a cap of 1% of the share capital, entailing the waiver by the shareholders of their pre-emptive subscription right;
14. Delegation of authority to the Board of Directors, for a period of 26 months, to decide to increase the Company's share capital, without pre-emptive subscription rights for existing shareholders, via issues to persons employed by the Company or by a company of the Group, subject to enrolment in a company savings plan, up to a maximum of 2% of the share capital.

Requiring the approval of the Ordinary General Meeting

15. Powers granted to carry out all legal formalities.

We hereby inform you that the resolutions submitted for the approval of the Extraordinary General Meeting require a quorum representing at least one quarter of the total voting shares and a majority of two thirds of the votes submitted by the shareholders present or represented by proxy holders. Those submitted for the approval of the Ordinary General Meeting require a quorum of at least one fifth of the total voting shares and a majority of the votes submitted by the shareholders present or represented by proxy holders. Pursuant to Article L. 225-96 of the French Commercial Code, the votes cast shall not include those attached to shares held by shareholders who did not take part in the vote, abstained, cast a blank vote or spoilt their vote.

2. Summary of resolutions

French Order no. 2020-1142 of 16 September 2020 created the new chapter X in Book II, Title II of the French Commercial Code, relating to companies whose shares are admitted to trading on a regulated market or on a multilateral trading facility. For the most part, the Order recodifies established law, meaning that existing provisions relating to listed companies are either fully repealed and repeated identically within the new articles of chapter X (Articles L. 22-10-2 to L. 22-10-73 for *sociétés anonymes*), or partially repealed and supplemented by clarifications added within new articles of chapter X.

2.1. Ordinary General Meeting

2.1.1. APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS OF SOPRA STERIA GROUP (RESOLUTIONS 1 AND 2)

The Board of Directors submits for your approval:

- the individual financial statements (Resolution 1) and the consolidated financial statements of Sopra Steria Group (Resolution 2) for the year ended 31 December 2020, as presented in Chapters 5 and 6 of the Company's Universal Registration Document for the year ended 31 December 2020;
- the list of non-tax-deductible expenses totalling €661,408.55 and the corresponding tax charge (resolution 1). These expenses consist of rental or lease payments and depreciation in respect of the Company's vehicle fleet.

The Statutory Auditors' reports on the individual financial statements of Sopra Steria Group are presented in chapter 6 of the Universal Registration Document of the Company for the financial year ended 31 December 2020. The Statutory Auditors' reports on the consolidated financial statements of Sopra Steria Group are presented in Chapter 5 of the Universal Registration Document of the Company for the financial year ended 31 December 2020.

2.1.2. PROPOSED APPROPRIATION OF EARNINGS (RESOLUTION 3)

In light of the Covid-19 pandemic and in a spirit of responsibility, it should be noted that the shareholders voted at the General Meeting of 9 June 2020 to forgo a dividend payment and to appropriate all of the profit available for distribution to "Retained earnings".

Sopra Steria Group SA generated net profit of €142,275,698.67 for the year ended 31 December 2020, giving consolidated net profit attributable to owners of the parent of €106,776,814.

The Board of Directors proposes that a dividend per share of €2 be distributed, i.e. a total amount of €41,095,402.00 be adjusted in the event of a change in the number of shares with dividend rights. The balance would be appropriated to discretionary reserves. In accordance with tax regulations in force, when paid to individual shareholders with tax residence in France, this dividend distribution is subject to mandatory lump-sum withholding at the rate of 30% (while remaining subject to income tax reporting requirements – "*non libératoire*"), in respect of income tax (12.8%) and social security contributions (17.2%).

When filing their income tax return, shareholders may opt either to maintain the withholding amount as indicated on the return or to have this dividend taxed instead at the progressive income tax rate (as an overall taxpayer option for all income subject to lump-sum withholding), after deducting the withholding amount already paid and after applying relief equal to 40% of the gross amount received (Article 158-3-2° of the French Tax Code), and the deduction of a portion of the CSG (6.8%). The ex-dividend date would therefore be 1 June 2021, before the market opens. The dividend will be payable as from 3 June 2021.

2.1.3. COMPENSATION OF COMPANY OFFICERS (RESOLUTIONS 4 TO 9)

a. **under Resolution 4** and in accordance with the provisions of Article L. 22-10-34 I (formerly referred to as Article L. 225-100 II) of the French Commercial Code, you are kindly asked to approve the disclosures presented in the Report on corporate governance prepared by the Board of Directors pursuant to Article L. 22-10-9 (previously, Article L. 225-37-3 I) of the French Commercial Code. These disclosures are presented in Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2020.

b. **under Resolutions 5 and 6** and in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code, you are kindly asked to approve the fixed, variable and exceptional items of compensation making up the total compensation and benefits of any kind paid during the year ended 31 December 2020 or allotted in respect of that year to the company officers, namely Pierre Pasquier, in his capacity of Chairman of the Board of Directors, and Vincent Paris, in his capacity as Chief Executive Officer.

   These details are disclosed in the Report on corporate governance prepared by the Board of Directors in accordance with Article L. 22-10-34 of the French Commercial Code. They are in line with the compensation policy approved by the Combined General Meeting of the shareholders on 9 June 2020.

   Pursuant to Article L. 22-10-34 II of the French Commercial Code, the payment to Vincent Paris of the variable components of his compensation is contingent upon shareholder approval at the General Meeting of the items of compensation attributable to him in respect of the 2020 financial year.

   See also Section 3 "Standardised presentation of compensation paid to company officers" in Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2020.

c. **under Resolutions 7, 8 and 9** and in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, you are kindly asked to approve the compensation policies applicable respectively to the Chairman of the Board of Directors (Resolution 7), the Chief Executive Officer (Resolution 8) and the members of the Board of Directors (Resolution 9). These disclosures are presented in Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2020. These policies would continue to be applied in the event of the nomination of new company officers. The policy defined for the Chief Executive Officer would be applicable in the event of the nomination of a Deputy CEO.

These compensation details, which were decided on by the Board of Directors on the recommendation of the Compensation Committee, are set out in Section 2 of Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2020.

2.1.4. SETTING THE COMPENSATION AWARDED TO BOARD MEMBERS FOR THEIR SERVICE, AS REFERRED TO IN ARTICLE L. 225-45 OF THE FRENCH COMMERCIAL CODE (PREVIOUSLY KNOWN AS DIRECTORS' FEES) (RESOLUTION 10)

You are asked to set the amount of total compensation to be awarded to Board members for their service, as referred to in Article L. 225-45 of the French Commercial Code (previously known as directors' fees) at €500,000 for the current financial year. This amount shall be divided up in full in accordance with the compensation policy (pursuant to Article L. 22-10-14 of the French Commercial Code) set out in Section 2 of Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2020.

2.1.5. APPOINTMENT OF A NEW DIRECTOR REPRESENTING EMPLOYEE SHAREHOLDERS (RESOLUTION 11)

In accordance with French Law No. 2019-486 of 22 May 2019 on business growth and transformation (the "Loi Pacte") and in accordance with the conditions set out in Article 14 of the Articles of Association approved by the General Meeting of 9 June 2020, you are asked to elect a Director representing employee shareholders.

In accordance with the Company's Articles of Association, which provide for a candidate to be designated by both the supervisory boards of the FCPE company mutual funds and by the elected or appointed representatives of employees holding Sopra Steria Group shares in registered form under a PEE company savings plan or as a result of a free share award authorised by a resolution passed at an Extraordinary General Meeting after 6 August 2015, a candidate selection process was held between 7 December 2020 and 8 February 2021. At the end of this process, the same candidate was designated by both advisory bodies. As such, a resolution will be submitted at the General Meeting to elect Astrid Anciaux as the Director representing the employee shareholders for a four-year term of office that will end at the close of the General Meeting convened in 2025 to approve the financial statements for the financial year ending 31 December 2024.

ASTRID ANCIAUX

Candidate for the position of Director representing employee shareholders

Number of shares in the Company owned personally: **1,494**

Business address:
Sopra Steria Benelux – Le Triomphe –
Avenue Arnaud Fraiteur 15/23 –
1050 Brussels – Belgium

Date of first appointment: 27 June 2014
Date term of office ends: General Meeting to approve the financial statements for the financial year ended 31/12/2024

Nationality: Belgian **Age:** 56

	Appointments		
Main positions and appointments currently held	**Outside**	**Outside France**	**Listed company**
■ Chief Finance Officer of Sopra Steria Benelux			
■ Company officer of direct and indirect subsidiaries of Sopra Steria Group		✔	
■ Chairwoman of the Supervisory Board of the Groupe Steriactions company mutual fund (FCPE) ■ Member of the Supervisory Board of the Sopra Steria Actions company mutual fund (FCPE)			
Other directorships and offices held during the last five years			
■ Director of Sopra Steria Group			✔
■ Director of Soderi			

Biography

As Chief Financial Officer of Sopra Steria Benelux, Astrid Anciaux works across Belgium, the Netherlands and Luxembourg. She has been with the Group for over 30 years. She became a member of the Board of Directors when Sopra and Groupe Steria completed their tie-up in 2014 (term of office ended at the close of the 2020 General Meeting).

Astrid Anciaux is a graduate of the EPHEC business school in Brussels. In 2017, she also gained the Director qualification issued by Sciences-Po and the IFA.

After gaining experience with an accounting firm, she joined the finance department at Steriabel, Steria's first Belgian subsidiary, in 1987. Over the years, she has played a part in the financial aspects of the business's growth as well as its functional and cultural integration into the Group.

Since 2014, as well as serving as Chief Financial Officer, Astrid Anciaux has also been responsible for central support functions serving Belgium, Luxembourg and the Netherlands. She serves as a company officer for a number of subsidiaries of Sopra Steria Group.

Astrid Anciaux has extensive experience in employee share ownership.

A former director of Soderi, Chairwoman of the Supervisory Board of the Groupe Steriactions company mutual fund (FCPE) and member of the Supervisory Board of the Sopra Steria Actions FCPE, she also deals on a day-to-day basis with the question of how to motivate and attract talent – a key priority for the Group.

She will also bring to the Group's Board of Directors her vast experience in the field, gained both as a senior executive and as a management representative within employee representative bodies (in Belgium and Luxembourg).

2.1.6. BUYBACK BY SOPRA STERIA GROUP OF ITS OWN SHARES (RESOLUTION 12)

You are asked to renew the authorisation granted to the Board of Directors at the General Meeting of 9 June 2020 permitting the Company to buy back its own shares, in accordance with applicable laws and regulations (Articles L. 22-10-62 *et seq.* of the French Commercial Code).

Under this authorisation, the number of shares bought back shall not exceed 10% of the share capital; as an indication, this would equate to 2,054,770 shares on the basis of the current share capital. The maximum price per share that can be paid for the shares bought back is set at €250; this price may be adjusted as a result of an increase or decrease in the number of shares representing the share capital, in particular due to capitalisation of reserves, free share awards or reverse stock splits.

Shares may be bought back for the following purposes:

- to obtain market-making services from an investment services provider acting independently under the terms of a liquidity agreement entered into in compliance with the AMF's accepted market practice;
- to award, sell or transfer shares in the Company to employees and/or company officers of the Group, in order to cover share purchase plans and/or free share plans (or equivalent plans) as well as any allotments of shares under a company or Group savings plan (or equivalent plan) in connection with a profit-sharing mechanism, and/or all other forms of share allotment to the Group's employees and/or company officers;
- to retain the shares bought back in order to exchange them or tender them as consideration at a later date for a merger, spin-off or contribution of assets and, more generally, for external growth transactions. Shares bought back for such purposes are not to exceed, in any event, 5% of the number of shares making up the Company's share capital;

- to deliver the shares bought back, upon the exercise of rights attaching to securities giving access to the Company's share capital through redemption, conversion, exchange, tender of warrants or any other means as well as to execute any transaction covering the Company's obligations relating to those securities;
- to retire shares bought back by reducing the share capital, pursuant to Resolution 11 approved at the General Meeting of 9 June 2020;
- to implement any market practice that would come to be accepted by the AMF, and in general, to perform any operation that complies with regulations in force.

The Board of Directors would have full powers to implement this delegation of authority and decide on the arrangements.

This authorisation would supersede the previous authorisation given at the General Meeting of 9 June 2020 and would be granted for a period of 18 months with effect from this General Meeting. It would not be usable during a public tender offer for the Company's shares.

For information, the use made of the previous authorisation is discussed in Section 12, Chapter 7 of the Company's Universal Registration Document for the year ended 31 December 2020.

2.2. Extraordinary General Meeting

2.2.1. ALLOTMENT OF FREE SHARES TO EMPLOYEES (RESOLUTION 13)

The purpose of Resolution 13 is to enable the Board of Directors, where appropriate, to share the benefits of Sopra Steria's growth with employees and company officers of the Company and the Group by awarding free shares. The Company set up three successive three-year performance share plans for the Group's management and its Chief Executive Officer, for the periods 2016-2018, 2017-2019 and 2018-2020.

Since 12 June 2018, the Board of Directors has been authorised to issue up to 3% of the share capital (0.15% maximum for awards to the Chief Executive Officer). No use has been made of this authorisation to date. It will end in August 2021. As indicated in the previous Universal Registration Document, after a pause in 2019, in 2020 the Compensation Committee evaluated whether it would be possible and appropriate to set up a new long-term incentive plan based on awarding rights to performance shares according to the model of the first three aforementioned plans. Due to the uncertainties generated by the public health crisis starting in February, followed by the cyberattack that targeted the Group in October 2020, it was not possible to set up a new plan. However, the need identified by the Compensation Committee and the wish to align the interests of management with those of shareholders are still relevant issues. Discussions are ongoing, with the aim of the Board of Directors coming to a decision if possible in financial year 2021 or at the beginning of financial year 2022. The implementation of such a plan, like the resumption of employee share ownership programmes, remains conditional on financial performance requirements.

The Board of Directors therefore requests that the authorisation granted at the General Meeting of 12 June 2018 be renewed under the same terms, but for a volume of shares changed to 1% of the share capital. Unless otherwise required by the situation at the time of the decision to award shares, the new plan would have the same features as the previous plans, with the potential addition of a new performance criterion related to the Company's social and environmental responsibility. The weighting of such a criterion, should it be decided to add one, would not exceed 10% of the total.

For reference, the performance share plans put in place by the Group in 2016, 2017 and 2018 had the following features in common:

- for all recipients, the granting of shares was subject to continued employment at the end of a three-year vesting period. However, depending on the circumstances, this condition could be waived in whole or in part, in derogation of the foregoing and on an entirely exceptional basis (in practice fewer than 2% of departures);
- achievement of the performance condition was measured by calculating the average annual target achievement rates, with each of the criteria given an equal weighting; the three criteria related to organic consolidated revenue growth, operating profit on business activity (expressed as a percentage of revenue) and free cash flow;
- strict targets were set over the entire plan period (the year of allotment and the two following years). These targets were at least equal to any guidance targets disclosed to the financial market or, for targets expressed as a range, at least the minimum level of the guidance range disclosed; the target achievement rate for each of the three plans was 66.1%, 63.5% and 63.5%, respectively.
- The Chief Executive Officer, Vincent Paris, was subject to the same rules as all the other recipients under these plans. However, the Board of Directors decided that he must retain at least 50% of the shares allocated to him under these plans throughout his entire term of office;
- Vincent Paris agreed not to hedge any performance shares until the applicable holding period had expired.

Should the Board of Directors choose to diverge from its prior practice, as set out above, at the time of any decision to implement such a plan, it shall justify the reasons for doing so in the Universal Registration Document. In a context still characterised by major uncertainties, the achievement of the ambitious medium-targets targets set by the Group requires a very precise determination of targets and the relative weighting of each of the criteria. It should be noted that, in accordance with the law, decisions regarding this matter are taken entirely independently by the Board of Directors, acting on a recommendation by the Compensation Committee after consulting with the Chief Executive Officer. The Chief Executive Officer does not take part in the Board of Directors' discussions regarding this matter.

You are asked to authorise the Board of Directors to allot free shares to employees of Sopra Steria and the Group, it being specified that the shares allotted will be either existing shares (treasury shares) or shares to be issued (new shares).

This authorisation would be subject to an overall limit of 1% of the share capital; as a guide, this would equate to 205,477 shares on the basis of the current share capital.

In accordance with the recommendations of the AFEP-MEDEF Code, free shares awarded to the Company's Chief Executive Officer are limited to 5% of the total maximum number of free shares that may be awarded, i.e. 0.05% of the share capital.

Shares may be awarded to employees without performance conditions within the limit of 10% of the total maximum number of free shares that may be awarded, i.e. around 0.1% of the share capital. In accordance with the compensation policy, the Chairman of the Board of Directors is not eligible for free share awards.

This authorisation would be granted for a period of thirty-eight (38) months.

2.2.2. CAPITAL INCREASE RESERVED FOR EMPLOYEES ENROLLED IN A COMPANY SAVINGS PLAN (RESOLUTION 14)

The purpose of Resolution 14 is to enable the Board of Directors, where appropriate, to share the benefits of Sopra Steria's growth with employees of the Company and the Group by means of a capital increase reserved for employees belonging to one of the Group's company savings plans (pursuant to Article L. 225-180 of the French Commercial Code). You are asked to grant the Board of Directors a delegation of authority allowing it to carry out one or more capital increases with the disapplication of shareholders' pre-emptive rights so that it can issue shares or negotiable securities giving access to the Company's shares, leading to disapplication of shareholders' pre-emptive rights. This authorisation would be subject to an overall limit of 2% of the share capital; as a guide, this would equate to 410,954 shares on the basis of the current share capital.

This delegation of authority would be granted for a period of twenty-six (26) months.

2.3. Ordinary General Meeting

POWERS (RESOLUTION 15)

This customary resolution grants general powers to complete the formalities.

3. Proposed resolutions

older approval at the Combined General Meeting of 26 May 2021.

Requiring the approval of the Ordinary General Meeting

Resolution 1

(Approval of the individual financial statements for the financial year ended 31 December 2020; approval of non-deductible expenses)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the reports of the Board of Directors, including the report on Group management and the Statutory Auditors' reports, approve the parent company financial statements for the year ended 31 December 2020 as they were presented, which show a profit of €142,275,698.67.

The shareholders at the General Meeting also approve the transactions reflected in these financial statements and/or summarised in the aforementioned reports. The shareholders at the General Meeting also approve the amount of expenses not deductible for income tax purposes, as defined in article 39-4 of the French General Tax Code, which amounted to €661,408.55, and the corresponding tax expense of €220,469.

Resolution 2

(Approval of the consolidated financial statements for the financial year ended 31 December 2020)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the reports of the Board of Directors, including the report on Group management and the Statutory Auditors' reports, approve the consolidated financial statements for the year ended 31 December 2020, which show a consolidated net profit (attributable to the Group) of €106,776,814, as well as the transactions reflected in these consolidated financial statements and/or summarised in the reports.

Resolution 3

(Appropriation of earnings for the year ended 31 December 2020 and setting of the dividend)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the reports of the Board of Directors, including the report on Group management and the Statutory Auditors' reports, note that the income available for distribution, determined as follows, stands at:

Profit for the year	**€142,275,698.67**
Transfer to the legal reserve	€0
Prior unappropriated retained earnings	€147,138,833.53
DISTRIBUTABLE PROFIT	**€289,414,532.20**

and resolve, after acknowledging the consolidated net profit attributable to owners of the parent amounting to €106,776,814, to appropriate this profit as follows:

Dividend	**€41,095,402.00**
Discretionary reserves	€248,319,130.20
Retained earnings	€0
TOTAL	**€289,414,532.20**

Since the legal reserve already stands at 10% of the share capital, no allocation to it is proposed. The following amounts were distributed as dividends in respect of the previous three financial years:

	2017	2018	2019
Dividend per share	€2.40	€1.85	€0
Number of shares	20,516,807	20,514,876	0
Dividend*	€49,240,336.80	€37,952,520.60	€0

* *The dividend payment entitles individual shareholders resident in France for tax purposes to a 40% deduction on the gross amount of the dividend for the calculation of income tax (article 158–3-2° of the French General Tax Code).*

Resolution 4

(Approval of disclosures as presented in the Report on corporate governance pursuant to Article L. 22-10-34 I of the French Commercial Code)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having been consulted in accordance with Article L. 22-10-34 I of the French Commercial Code, and after having reviewed the Report on corporate governance prepared by the Board of Directors, approve the disclosures stated in Article L. 22-10-9 of the French Commercial Code and as presented in the report.

Resolution 5

(Approval of the fixed, variable and exceptional items of compensation making up the total compensation and benefits of any kind paid during the year ended 31 December 2020 or allotted in respect of that period to Pierre Pasquier, Chairman of the Board of Directors, in accordance with Article L. 22-10-34 II of the French Commercial Code)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having been consulted in accordance with Article L. 22-10-34 II of the French Commercial Code, and after having reviewed the Report on corporate governance prepared by the Board of Directors, approve the fixed, variable and exceptional items of compensation making up the total compensation and benefits of any kind paid during the year ended 31 December 2020 or allotted in respect of that period to Pierre Pasquier, Chairman of the Board of Directors, and as presented in the report.

Resolution 6

(Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial year ended 31 December 2020 or allotted in respect of that period to Vincent Paris, Chief Executive Officer, in accordance with Article L. 22-10-34 II of the French Commercial Code)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having been consulted in accordance with Article L. 22-10-34 II of the French Commercial Code, and after having reviewed the Report on corporate governance prepared by the Board of Directors, approve the fixed, variable and exceptional items of compensation making up the total compensation and benefits of any kind paid during the year ended 31 December 2020 or allotted in respect of that period to Vincent Paris in his capacity as Chief Executive Officer and as presented in the report.

Resolution 7

(Approval of the compensation policy for the Chairman of the Board of Directors, as presented in the Report on corporate governance pursuant to Article L. 22-10-8 and Article R. 225-29-1 of the French Commercial Code)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having been consulted in accordance with Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code, and after having reviewed the Report on corporate governance prepared by the Board of Directors, approve the compensation policy for the Chairman of the Board of Directors, for his term of office and as presented in the Report on corporate governance.

Resolution 8

(Approval of the compensation policy for the Chief Executive Officer, as presented in the Report on corporate governance pursuant to Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having been consulted in accordance with Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code, and after having reviewed the Report on corporate governance prepared by the Board of Directors, approve the compensation policy for the Chief Executive Officer, for his term of office and as presented in the Report on corporate governance.

Resolution 9

(Approval of the compensation policy for the Directors, as presented in the Report on corporate governance pursuant to Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having been consulted in accordance with Articles L. 22-10-8 and R. 225-29-1 of the French Commercial Code, and after having reviewed the Report on corporate governance prepared by the Board of Directors, approve the compensation policy for Directors for their term of office as presented in the Report on corporate governance.

Resolution 10

(Decision setting the total amount of compensation awarded to Board members for their service, as referred to in Article L. 225-45 of the French Commercial Code, at €500,000)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, resolve, pursuant to Article L. 225-45 of the French Commercial Code, to set the aggregate compensation paid to the members of the Board of Directors for their service, to be allocated by the Board, at €500,000 in respect of the current year.

Resolution 11

(Appointment of Astrid Anciaux as Director representing employee shareholders for a term of office of four years)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, resolve, on the recommendation of the Board of Directors and as provided for in Article 14 of the Company's Articles of Association, to appoint Astrid Anciaux as a new Director for a term of office of four years ending at the close of the General Meeting to be called to approve the financial statements for the year ending 31 December 2024.

Resolution 12

(Authorisation granted to the Board of Directors, for a period of 18 months, to allow the Company to buy back its own shares pursuant to Article L. 22-10-62 of the French Commercial Code)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Report of the Board of Directors, in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code, EU regulations on market abuse, and Title IV, Book II of the General Regulation of the Autorité des Marchés Financiers (AMF) as well as its implementing instructions:

- authorise the Board of Directors, with the ability to sub-delegate this power as provided by law and by the Company's Articles of Association, to buy back shares in the Company or arrange to have shares in the Company bought back, on one or more occasions and as and when it sees fit, up to a maximum of 10% of the total number of shares representing the Company's share capital at the time of the buyback;
- resolve that shares may be bought back for the following purposes:
  - to obtain market-making services from an investment services provider acting independently under the terms of a liquidity agreement entered into in compliance with the AMF's accepted market practice,
  - to award, sell or transfer shares in the Company to employees and/or company officers of the Group, in order to cover share purchase plans and/or free share plans (or equivalent plans) as well as any allotments of shares under a company or Group savings plan (or equivalent plan) in connection with a profit-sharing mechanism, and/or all other forms of share allotment to the Group's employees and/or company officers,
  - to retain the shares bought back in order to exchange them or tender them as consideration at a later date for a merger, spin-off or contribution of assets and, more generally, for external growth transactions. Shares bought back for such purposes are not to exceed, in any event, 5% of the number of shares making up the Company's share capital,
  - to deliver the shares bought back, upon the exercise of rights attaching to securities giving access to the Company's share capital through redemption, conversion, exchange, tender of warrants or any other means, as well as to execute any transaction covering the Company's obligations relating to those securities,
  - to retire shares bought back by reducing the share capital, pursuant to Resolution 11 approved at the General Meeting of 9 June 2020,
  - to implement any market practice that would come to be accepted by the AMF, and in general, to perform any operation that complies with regulations in force;
- resolve that the maximum price per share paid for shares bought back be set at €250, it being specified that in the event of any transactions in the share capital, including in particular capitalisation of reserves, free share awards and/or stock splits or reverse stock splits, this price will be adjusted proportionately;
- resolve that the funds set aside for share buy-backs may not exceed, for guidance purpose and based on the share capital at 31 December 2020, €513,692,500, corresponding to 2,054,770 ordinary shares, with this maximum amount potentially being adjusted to take into account the amount of the share capital on the day of the General Meeting or subsequent transactions;

- decide that shares may be bought back by any means, through on- or off-market transactions, including block purchases or through the use of derivatives, at any time, subject to compliance with the regulations in force; it being stipulated that unless authorised in advance by the shareholders at the General Meeting, the Board of Directors may not make use of this delegation once a third party has filed a draft tender offer for the Company's shares, and until the end of the offer period;
- grant all powers to the Board of Directors, including the ability to subdelegate these powers, in order to implement this authorisation, to determine the terms and conditions of share buybacks, to make the necessary adjustments, to place any stock market orders, to enter into any and all agreements, to carry out all formalities and file all declarations with the AMF, and generally to take any and all other actions required;
- resolve that this delegation of powers to the Board of Directors is to be valid for a period of 18 months with effect from the date of this General Meeting;
- to the unused portion, any previous authorisation having the same purpose.

Requiring the approval of the Extraordinary General Meeting

Resolution 13

(Authorisation granted to the Board of Directors, for a period of 38 months, to allot free shares to employees and company officers of the Company and its Group, subject to a cap of 1% of the share capital)

The General Meeting, having reviewed the Management report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 of the French Commercial Code:

- authorises the Board of Directors to carry out one or more bonus issues, at its discretion, either of existing shares in the Company or of shares to be issued in the future, in favour of eligible employees (as defined in Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code) of the Company and any affiliated companies under the conditions laid down in Article L. 225-197-2 of the French Commercial Code, or in favour of certain categories of those employees or officers;
- resolves that this authorisation may not give access to a total number of shares representing more than 1% of the Company's share capital (as assessed on the date on which the Board of Directors decides to make the award), it being specified that this will be in addition to any additional number of shares to be issued to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law or any applicable contractual agreement;
- decides that the number of shares that may be granted to the Company's Chief Executive Officer may not represent more than 5% of the limit of 1% set in the previous paragraph;
- decides (a) that shares will be definitively allotted to their recipients upon expiry of a vesting period whose duration shall be set by the Board of Directors; this duration may not, however, be less than three years with effect from the date of the Board's decision to allot the shares in question and (b) that recipients must, if the Board of Directors deems it useful or necessary, retain the shares in question for the periods freely set by the Board;
- decides that, where the beneficiary is disabled and falls into the second or third categories set out in Article L. 341-4 of the French Social Security Code, the shares in question shall be definitively allotted to that beneficiary before the remaining term of the vesting period has expired, and shall be immediately transferable;
- formally notes that, with regard to shares to be issued in the future, (i) this authorisation shall result, upon expiry of the vesting period, in a capital increase by way of capitalisation of reserves, earnings, issue premiums or other amounts that may be capitalised in favour of the recipients of those shares, as well as the automatic waiver by shareholders, in favour of the recipients of the shares thus allotted, of their rights to that portion of reserves, earnings, premiums or other amounts thus capitalised, and (ii) this authorisation shall automatically entail the waiver by shareholders, in favour of the recipients of the aforementioned shares, of their pre-emptive rights. The corresponding capital increase shall be deemed to have been completed upon final allotment of the shares in question to the recipients;
- accordingly, confers all powers upon the Board of Directors, within the limits set out above, to put this resolution into effect and, in particular to:
  - determine the identity of the recipients of shares to be allotted and the number of shares to be allotted to each,
  - decide on the holding requirements that may apply by law in regard to eligible company officers, in accordance with the last paragraph of Article L. 225-197-1 II and with Article L. 22-10-59 of the French Commercial Code,
  - set the dates and terms governing the allotment of the shares in question, including in particular the period at the end of which the shares will be finally allotted as well as, where applicable, the required lock-in period,
  - and, in particular, determine the conditions related to the performance of the Company, the Group or any of its entities that would apply to the allocation of shares to the Company's executive company officers and, where applicable, those that would apply to the allocation of shares to employees as well as the criteria according to which such shares would be granted, with the stipulation that any shares granted without performance conditions may not be granted to the Company's Chief Executive Officer and may not exceed 10% of the amount of awards authorised by the General Meeting,
  - determine whether the shares allotted free of charge are shares to be issued or existing shares, and (i) where new shares are issued, check that there are sufficient reserves and, upon each allotment, transfer to a reserve not available for distribution the amounts needed to pay up the new shares to be issued, increase the share capital by capitalising reserves, earnings, premiums or other amounts that may be capitalised, determine the type and amount of any reserves, earnings or premiums to be capitalised in consideration of the aforementioned shares, certify the completion of increases in the share capital, determine the vesting date of newly issued shares (which may be retrospective), amend the Articles of Association accordingly, and (ii) where existing shares are allotted, acquire the necessary shares under the conditions laid down in law, and take any and all action required to successfully complete the transactions,
  - allow the option, where applicable, during the vesting period, to adjust the number of bonus shares allotted in accordance with any transactions affecting the Company's equity, so as to protect the rights of recipients; any shares allotted pursuant to such adjustments shall, however, be deemed to have been allotted on the same date as the initially allotted shares, and
  - more generally, with the option to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, to take any steps and complete any formalities required for the issuance, listing and management

of securities issued under the terms of this authorisation and for the exercise of any associated rights and to make all appropriate arrangements and enter into any agreement required to complete the envisaged share allotments;

- resolve that this delegation of authority to the Board of Directors is to be valid for a period of [38 months] with effect from the date of this General Meeting, with the understanding that, unless authorised in advance by the shareholders at the General Meeting, the Board of Directors may not make use of this delegation once a third party has filed a draft tender offer for the Company's shares, and until the end of the offer period;
- acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Resolution 14

(Delegation of authority to the Board of Directors, for a period of 26 months, to decide to increase the Company's share capital, without pre-emptive subscription rights for existing shareholders, via issues to persons employed by the Company or by a company of the Group, subject to enrolment in a company savings plan, up to a maximum of 2% of the share capital)

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Management report of the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 3332-18 et seq. of the French Labour Code as well as the provisions of the French Commercial Code, in particular its Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1:

- delegate powers to the Board of Directors, including the ability to subdelegate this power under the conditions laid down in law and in the Company's Articles of Association, to decide on the issuance, on one or more occasions, in the amounts and at the times it sees fit, of (i) ordinary shares or (ii) equity securities giving immediate or future access by any means to other equity securities of the Company, reserved for employees enrolled in a savings plan offered by the Company or by any related French or foreign company or group as defined in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code (the "Recipients");
- resolve to exclude, in favour of the Recipients, the pre-emptive right of existing shareholders to subscribe for the ordinary shares or other securities that may be issued under this delegation of powers;
- resolve that this delegation of powers may not give access to a total number of shares representing more than 2% of the Company's share capital (as assessed at the date when the Board of Directors makes use of this delegation of powers), it being specified that this will be in addition to any additional number of shares to be issued to protect the rights of holders of securities giving access to the Company's share capital, in accordance with the law or any applicable contractual agreement;
- resolve that if the subscriptions obtained do not absorb the entirety of an issue of securities, the capital increase will be limited to the amount of subscriptions received;
- resolve that the subscription price of securities issued under this resolution may not be (i) higher than the average of the listed share price over the 20 trading days preceding the date of the decision setting the opening date of the subscription period decided by the Board of Directors, or (ii) lower than this average less the maximum discount required by the laws and regulations in force at the date of the Board of Directors' decision, with the stipulation that the Board of Directors may adjust or remove this discount if it deems necessary in order to take into account, in particular, locally applicable legal, accounting, tax and workforce-related systems;
- resolve that the Board of Directors may provide for the allotment of shares or of other securities giving access to the Company's share capital, whether to be issued or already issued, to the Recipients free of charge, in lieu of all or a portion of the employer contribution and/or the discount mentioned above, within the limits set forth in Articles L. 3332-11 and L. 3332-21 of the French Labour Code, it being specified that the maximum aggregate nominal amount of capital increases that may be carried out in line with these allotments will count towards the limit of 2% of the Company's share capital referred to above;
- formally note that, with regard to shares to be issued in lieu of some or all of the employer contribution and/or the discount, the Board of Directors may decide to increase the share capital accordingly by capitalising reserves, earnings, issue premiums or other amounts that may be capitalised in favour of the Recipients, thus entailing (i) the corresponding waiver by the shareholders of that portion of reserves, earnings, premiums or other amounts thus capitalised and (ii) the automatic waiver by the shareholders of their pre-emptive subscription right. The corresponding capital increase shall be deemed to have been completed upon final allotment of the shares in question to the Recipients;
- consequently grant all powers to the Board of Directors, with the option to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, to put this authorisation into effect, subject to the limits and conditions set out above, in particular so as to:
  - determine the characteristics of securities to be issued and the proposed amount of any subscriptions and, in particular, determine their issue prices, dates and periods, and the terms and conditions of subscription, payment, delivery and vesting of securities, set the discount, in accordance with applicable legal and regulatory limits,
  - determine, if necessary, the nature of the securities to be allotted free of charge, as well as the terms and conditions of their allotment,
  - determine whether shares are allotted free of charge in the case of shares to be issued or existing shares, and (i) where new shares are issued, check that there are sufficient reserves and, upon each allotment, transfer to a reserve not available for distribution the amounts needed to pay up the new shares to be issued, increase the share capital by capitalising reserves, earnings, premiums or other amounts that may be capitalised, determine the type and amount of any reserves, earnings or premiums to be capitalised in consideration of the aforementioned shares, certify the completion of increases in the share capital, determine the vesting date of newly issued shares (which may be retrospective), amend the Articles of Association accordingly, and (ii) where existing shares are allotted, acquire the necessary shares under the conditions laid down in law, and take any and all action required to successfully complete the transactions,
  - draw up the list of companies whose employees will be recipients of the issues carried out under this delegation of powers,
  - determine whether subscriptions may be made directly by the recipients or only through an FCPE company mutual fund,
  - charge any costs incurred in connection with capital increases against the premiums pertaining to those capital increases and deduct from the total to be charged the amount required to

bring the legal reserve up to one tenth of the new share capital after each capital increase,

- record the completion of capital increases up to the value of shares actually subscribed or of other securities issued under the terms of this authorisation,
- enter into any agreements and, either directly or via an agent, complete all procedures and formalities, including formalities subsequent to capital increases and consequential amendments to the Articles of Association and, more generally, take all necessary steps,
- in general terms, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take any steps and complete any formalities required for the issuance, listing and management of securities issued under the terms of this authorisation and for the exercise of any associated rights;

- resolve that this delegation of powers to the Board of Directors is to be valid for a period of 26 months with effect from the date of this General Meeting;
- acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 15

(Powers granted to carry out all legal formalities)

The shareholders at the General Meeting give all powers to the bearer of an original or copy of the minutes of this Meeting to carry out all legally required formalities.

We hereby inform you that the resolutions submitted for the approval of the Extraordinary General Meeting require a quorum representing at least one quarter of the total voting shares and a majority of two thirds of the votes submitted by the shareholders present or represented by proxy holders. Those submitted for the approval of the Ordinary General Meeting require a quorum of at least one fifth of the total voting shares and a majority of the votes submitted by the shareholders present or represented by proxy holders. Pursuant to Article L. 225-96 of the French Commercial Code, the votes cast shall not include those attached to shares held by shareholders who did not take part in the vote, abstained, cast a blank vote or spoilt their vote.

4. Special report of the Board of Directors

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON ALLOTMENTS OF FREE SHARES – FINANCIAL YEAR ENDED 31 DECEMBER 2020

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, we are pleased to present our report on transactions carried out pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-3 of the aforementioned Code relating to allotments of free shares.

1) Allotment of free shares in 2020

You are reminded that Resolution 23 of the Combined General Meeting of 12 June 2018 authorised the Board of Directors to proceed with allotments of free shares to employees and officers of the Company or the Group to which it belongs, under the following terms and conditions:

- recipients: Employees and/or eligible company officers (as defined in paragraph 1 of Article L. 225-197-1 II of the French Commercial Code) of the Company or of any related companies as defined in Article L. 225-197-2 of the French Commercial Code, or certain categories of such individuals;
- maximum number of shares: The maximum number of shares shall not exceed 3% of the share capital at the date of the allotment decision, with a sub-limit of 5% of that 3% limit for allotments to executive company officers of the Company, it being understood that this 3% limit is an overall limit covering all issues to employees and company officers for which authorisation is given to the Board;
- validity of the authorisation: 38 months, i.e. until 12 August 2021.

No free shares were granted in 2020 by the Company, by any related companies as laid down in Article L. 225-180 of the French Commercial Code or by any controlled companies as defined in Article L. 233-16 of the aforementioned Code.

2) Vesting of free shares in 2020

The following decision was made by the Chief Executive Officer, acting on the authority of the Board of Directors:

- decision by the Chief Executive Officer of 1 April 2020 making use of the authorisation given by the Board of Directors on 20 February 2020 to allot free shares under the free performance share plan put in place by Sopra Steria Group SA on 24 February 2017 and 25 October 2017: full and final allotment of 59,732 shares with a par value of €1 each to 123 grantees, through the remittance of shares held in treasury.

It should be noted that 1,905 performance shares vested with the Chief Executive Officer in connection with his corporate office.

The number of free performance shares vested by the Company in 2020 to the Company's top ten non-company-officer employee free share grantees was:

	Number of shares	Unit value (share price on the date of allotment)
Sopra Steria plan of 24 February 2017 and of 25 October 2017	12,065	€96.40

The Board of Directors

Statement by the person responsible of the Universal Registration Document

Statement by the person responsible of the Universal Registration Document

I declare, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of operations of the parent company and of all entities included in the scope of consolidation and that the relevant information in the Management Report, detailed in the cross-reference table on pages 312 to 313 entitled "Information regarding the Management Report", provides a true and fair presentation of the development of the businesses, results of operations and financial positions of the parent company and of all entities included in the scope of consolidation, and that it provides a description of the main risks and uncertainties to which these companies are exposed.

Paris, 17 March 2021

Vincent Paris

Chief Executive Officer

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Glossary

Acronyms

- AMF: Autorité des Marchés Financiers (French Financial Markets Authority)
- ANSSI: Agence National de la Sécurité des Systèmes d'Information (French IT Security Agency)
- API: Application programming interface
- BPS: Business process services
- CNIL: Commission Nationale de l'Informatique et des Libertés (French data protection authority)
- COP21: 2015 Paris climate change conference
- DevSecOps: Development - Security - Operations
- DLP: Data loss prevention
- DRM: Digital rights management
- DSI: Direction des Services Informatiques (Information Services Department)
- GAFA: Google, Apple, Facebook, Amazon ("Big Four" tech companies)
- GDPR: General Data Protection Regulation
- HR: Human Resources
- ILO: International Labor Organization
- LPM: Military Planning Act ("Loi de programmation militaire", Law no. 2013-1168 of 18 December 2013)
- NIS: Network information system
- PaaS: Platform as a Service
- PLM: Product lifecycle management
- SaaS: Software as a Service
- SNFP: Statement of Non-Financial Performance
- SOC: Security operations centre
- UN: United Nations
- UX: User experience
- WEPs: Women Empowerment Principles

Alternative performance indicators

- **Restated revenue:** revenue for the prior year, expressed on the basis of the scope and exchange rates for the current year.
- **Organic revenue growth:** increase in revenue between the period under review and restated revenue for the same period in the prior financial year.
- **EBITDA:** this measure, as defined in the Universal Registration Document, is equal to consolidated operating profit on business activity after adding back depreciation, amortisation and provisions included in operating profit on business activity.
- **Operating profit on business activity:** this measure, as defined in the Universal Registration Document, is equal to profit from recurring operations adjusted to exclude the share-based payment expense for stock options and free shares and charges to amortisation of allocated intangible assets.
- **Profit from recurring operations:** this measure is equal to operating profit before other operating income and expenses, which includes any particularly significant items of operating income and expense that are unusual, abnormal, infrequent or not predictive, presented separately in order to give a clearer picture of performance based on ordinary activities.
- **Basic recurring earnings per share:** this measure is equal to basic earnings per share before other operating income and expenses net of tax.
- **Free cash flow:** free cash flow is defined as the net cash from operating activities, less investments (net of disposals) in property, plant & equipment, and intangible assets, less net interest paid and less additional contributions to address any deficits in defined-benefit pension plans.
- **Downtime:** Number of days between two contracts (excluding training, sick leave, other leave and pre-sale) divided by the total number of business days

Corporate responsibility

- **Sustainable Development Goals (SDGs)** defined by the United Nations: The Sustainable Development Goals (SDGs) defined by the United Nations are 17 global goals adopted by all of the organisation's member states in 2015 to be achieved by 2030. They cover many different areas, from protecting the planet to building a more peaceful world and ensuring that everyone can live in safety, security and dignity. These goals are part of a development programme that aims to prioritise support for the most vulnerable, especially children and women.

  https://sustainabledevelopment.un.org/sdgs
- **Materiality matrix:** a materiality analysis helps identify and prioritise the most relevant issues for a company and its stakeholders, and is presented in the form of a matrix, which plots these issues according to their importance to the company (x-axis) and to its external stakeholders (y-axis).
- **Materiality:** the degree of materiality determined reflects the extent to which an issue is capable of influencing the company's strategy, reputation or financial health.
- **Greenhouse gases (GHG):** Greenhouse gases are gaseous components that absorb infrared radiation emitted from the earth's surface and contribute to the greenhouse effect. The increase in their concentration in the earth's atmosphere is one of the factors causing global warming.
- **Science Based Targets initiative (SBTi):** Science Based Targets is an internationally recognised initiative offering mathematical models for identifying the environmental footprint of activities so as to be able to set ambitious greenhouse gas emissions reduction targets.
- **CDP:** non-profit organisation that runs the global disclosure system for investors, companies, cities, countries and regions to manage their environmental impact.
- **Task Force on Climate-related Financial Disclosures (TCFD):** a task force focused on climate-related financial disclosures, created as part of the G20 Financial Stability Board. The TCFD is one of the most important developments in the area of climate reporting by businesses.
- **Scope 1 (of the GHG Protocol):** covers direct greenhouse gas emissions arising from the combustion of fossil fuels (petroleum, fuel oil, biodiesel and gas) and the escape of coolants from air conditioning systems in offices and on-site data centres.
- **Scope 2 (of the GHG Protocol):** covers indirect greenhouse gas emissions associated with consumption of grid electricity and district heating in offices and on-site data centres.
- **Scope 3 (of the GHG Protocol):** covers indirect greenhouse gas emissions associated with consumption of grid electricity in off-site data centres and business travel.
- **Market-based:** method for calculating greenhouse gas emissions based on emissions factors specific to the energy source used.
- **Climate Disclosure Standards Board (CDSB):** the Climate Disclosure Standards Board is an international consortium of businesses and environmental NGOs that works in particular with the TCFD on these issues. The CDSB has built a reporting framework covering the following 12 recommendations:
  - **CDSB/REQ-01 Governance:** Disclosures shall describe the governance of environmental policies, strategy and information.
  - **CDSB/REQ-02 Management's environmental policies, strategy and targets:** Disclosures shall report management's environmental policies, strategy and targets, including the metrics, plans and timeliness used to assess performance.
  - **CDSB/REQ-03 Risks and opportunities:** Disclosures shall explain the material current and anticipated environmental risks and opportunities affecting the organisation.
  - **CDSB/REQ-04 Sources of environmental impact:** Quantitative and qualitative results, together with the methodologies used to prepare them, shall be reported to reflect material sources of environmental impact.
  - **CDSB/REQ-05 Performance and comparative analysis:** Disclosures shall include an analysis of the information disclosed in REQ-04 compared with any performance targets set and with results reported in a previous period.
  - **CDSB/REQ-06 Outlook:** Management shall summarise their conclusions about the effect of environmental impacts, risks, opportunities and policy outcomes on the organisation's future performance and position.
  - **CDSB/REQ-07 Organisational boundary:** Environmental information shall be prepared for the entities within the boundary of the organisation or group for which the mainstream report is prepared and, where appropriate, shall distinguish information reported for entities and activities outside that boundary.
  - **CDSB/REQ-08 Reporting policies:** Disclosures shall cite the reporting provisions used for preparing environmental information and shall (except in the first year of reporting) confirm that they have been used consistently from one reporting period to the next.
  - **CDSB/REQ-09 Reporting period:** Disclosures shall be provided on an annual basis.
  - **CDSB/REQ-10 Restatements:** Disclosures shall report and explain any prior year restatements.
  - **CDSB/REQ-11 Conformance:** Disclosures shall include a statement of conformance with the CDSB Framework.
  - **CDSB/REQ-12 Insurance:** If assurance has been provided over whether reported environmental information is in conformance with the CDSB Framework, this shall be included in or cross-referenced to the statement of conformance of REQ-11.

Cross-reference table

2020 Universal Registration Document (URD)

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Report on corporate governance

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