

# Modern Slavery Act 2015 Transparency in supply chains

Statement for financial year ending 2021

CGI IT UK Limited



# About us

Founded in 1976, CGI Inc. ('CGI') is among the largest independent IT and business consulting services organisations in the world. With 82,000 consultants and other professionals across the globe, CGI delivers an end-to-end portfolio of capabilities, from strategic IT and business consulting to systems integration, managed IT and business process services and intellectual property solutions. CGI works with clients through a local relationship model complemented by a global delivery network that helps clients digitally transform their organisations and accelerate results.

CGI IT UK Limited ('CGI UK') is part of the CGI group of companies. We are a major employer working in offices across the UK with around 5,500 employees. Most of the suppliers used to procure products and services for CGI UK and its clients are UK-based organisations, which account for 88% of supplier spend. Of the remaining, 8% of spend is associated with suppliers based in the European Union, 3% in North America and less than 1% of suppliers based in other countries. The top five categories of CGI UK procurement spend include IT Products and Services (40.2%), Professional Services (26.9%), Telecommunications (12.4%), Facilities Management (7.4%) and HR Services (4.4%).

# About our sixth Modern Slavery Statement

This statement is published pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes CGI UK's fifth Modern Slavery and Human Trafficking Statement, for the 2021 financial year (1 October 2020-30 September 2021).

This statement reflects our established commitment to providing safe and fair working conditions for all our employees. It also reflects the way in which we work with our suppliers to ensure socially responsible and ethical business practices are embedded throughout our organisation and beyond.

As a services organisation where the majority of our employees are highly skilled and are contracted directly by our company, we consider the risk of modern slavery and forced labour within our own work force to be low. However, we know that modern slavery exists in many different sectors across the world, including here in the UK and we recognise a robust approach is required in our own operations and throughout our supply chain.

We continue to improve our processes to mitigate the risk that we are directly or indirectly involved in any human rights abuse. As we consider our biggest exposure to modern slavery to be in our supply chains, our focus has been on our procurement processes, which we have enhanced through:

- Strengthening supplier risk assessments to enhance our understanding of suppliers exposure to and management of modern slavery risks
- Increasing our due diligence capabilities and the number of suppliers that are subject to sustainability due diligence
- Assessing the effectiveness of our approach to modern slavery
- Introducing new mandatory modern slavery training for the global procurement team

Modern slavery is a serious and heinous crime that we do not tolerate in any part of our business or supply chains. We actively endorse and support objectives to eradicate slavery, servitude, forced or compulsory labour and human trafficking. CGI is committed to being a socially responsible organisation, which respects human rights. This is reflected by CGI becoming a signatory of the United Nations Global Compact in 2019. We uphold the 10 Principles of the Global Compact, including respect for human rights and to support the elimination of all forms of forced and compulsory labour. Our commitment to the broader sustainability agenda is also reflected in our 'Gold' status in the EcoVadis sustainability ratings, for the fourth consecutive year. This is in recognition of our progress in areas such as improvements made to our sustainable supply chain strategy. This places us in the top 5% of companies for our performance on sustainability. We are also a member of leading sustainability indices, such as the Dow Jones Sustainability Indices and FTSE4Good.

# Our policies and procedures

CGI has invested in developing a strong corporate culture that reflects our approach to business. These values include respect, objectivity and integrity, and corporate social responsibility (CSR).

CGI's founding, ongoing development and commitment to be a responsible business is inspired and governed by the CGI dream: "To create an environment in which we enjoy working together and, as owners, contribute to building a company we can be proud of." Intrinsic to this idea is our goal to serve as a caring and responsible corporate citizen. Our long-standing CSR Policy outlines our sustainable procurement policy objectives and commitment to human rights standards.



## Our code of ethics

At CGI our employees are known as 'members' to reflect that they are not only employees or workers but participants in the business and contribute to its success. As part of the annual performance review process, all members are required to acknowledge that they have read and understood CGI's Code of Ethics in the form of the "Member Commitment". Through the signing of this commitment, members agree to treat all persons with respect and integrity and to respect human rights in every aspect of our business, along with other aspects relating to business conduct and governance. CGI's members are expected to comply with the Code and all policies and procedures of the company, as well as to actively promote and support CGI's values.



## Recruitment

Our commitment to high standards of human rights is reflected throughout our recruitment practices and on-boarding process. As part of ensuring a slavery-free workforce, CGI employment contracts and policies include the following provisions:

- Freedom of members to terminate their employment with us at any time
- Freedom of movement
- Protection from any threat of violence, harassment and intimidation in the workplace
- Freedom to work for own wages and not in bonded labour
- Obligation to work is not used as a disciplinary measure
- Overtime is not compulsory

We ensure prospective employees are legally able to work in the UK and conduct appropriate right to work checks. In line with government guidance, due to the Covid-19 crisis, as of 30 March 2020, these checks continue to be conducted over video calls. These checks, and additional security vetting and referencing remain as rigorous as ever.

Recognising the risks associated with recruitment agencies, we only use reputable employment agencies to source new employees and always verify the practices of any new agency we use before accepting staff from that agency. Specific reference to the Modern Slavery Act 2015 has been included in our contractual agreements with all recruitment agencies.

We are committed to paying all our people fairly and recognising their valuable contribution to the success of our business. In 2019, we became a Living Wage employer accredited by the Living Wage organisation. In addition to paying Real Living Wage rates or higher to all our directly employed members, the Real Living Wage rate also applies to all contractors regularly working on CGI premises, such as our cleaning staff.

# Modern slavery policy

Our modern slavery policy outlines our commitment to eradicating modern slavery and human trafficking in our business operations and supply chains. It outlines that the prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us. CGI may terminate the relationship with, suppliers, other individuals and organisations working on CGI's behalf if they breach this policy. Any member who breaches this policy may face disciplinary action, which could result in dismissal in the event of misconduct or gross misconduct.





# Our suppliers

Recognising our highest exposure to modern slavery is through our supply chain, CGI has taken a robust and thorough approach to ethical and sustainable procurement.

The CGI Procurement Policy governs the behaviour of all CGI members who require goods or services from suppliers. One of its key purposes is to support compliance with CGI's legal, regulatory, ethical, labour, human rights and obligations as a responsible business.

The Policy defines the responsibilities of members in relation to procurement activities and outlines that members must adhere to all CGI policies and processes that relate to suppliers and must conduct procurement activities in accordance with CGI's standards of business ethics - as outlined in the Code of Ethics and Business Conduct. Any violation of this policy may result in administrative and/or disciplinary action by CGI, including termination.

Responsible supply chain management is a key part of our supplier process. CGI requires its suppliers to meet high standards regarding employment issues and human rights and expects them to adopt similar approaches in their own supply chains. This ensures that the organisations we work with and that support our organisation are aligned with CGI's vision and goals.

We will only procure from suppliers that follow CGI's Third Party Code of Ethics. This outlines the standards we expect from our suppliers to ensure that we can collectively make a positive impact on society whilst mitigating any adverse impacts. It contains requirements with regard to minimum wage, safe working conditions and internationally recognised labour standards and specifies that suppliers must under no circumstances use, or in any other way benefit from forced or involuntary labour. Suppliers are

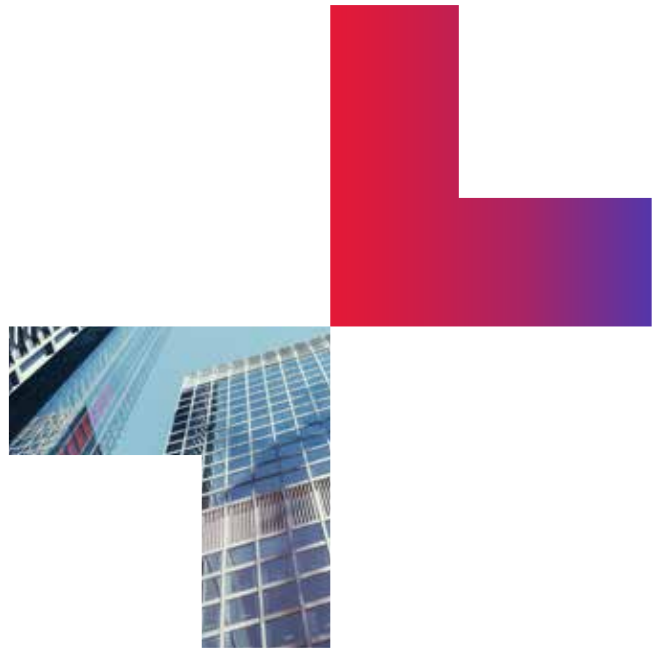
obliged to report any conduct, including conduct of any CGI member, that it believes in good faith to be an actual, apparent, or potential violation of this Code.



Suppliers' acknowledgement of these standards is documented through their completed Supplier Business Profile. Purchase Orders are not processed unless suppliers have completed and signed CGI's Third Party Code of Ethics. As part of our contract renewal process, existing suppliers are also contacted at regular intervals to obtain or renew their acknowledgement of CGI's Third Party Code of Ethics.



We recognise the important role of responsible purchasing practices in mitigating modern slavery risks in our supply chain. We are committed to developing long-term relationships with suppliers and in recent years have focused on consolidating our spend on IT hardware and software. Diverting spend to preferred suppliers and reducing our transactional short-term relationships enables us to establish more longer-term relationships with suppliers in this high-risk category of spend. This allows CGI to deepen our understanding of how the preferred suppliers manage human rights risk in their business and supply chain and gives us more leverage to influence the supplier to invest in activity, which mitigates risk. We are also committed to paying our suppliers, in particular SMEs, on time and are signatory to the Prompt Payment Code. Under the new code, we commit to paying 95% of invoices from small businesses within 30 days.



# Assessing and managing risks in our supply chain

We are working to mitigate modern slavery risks at all stages of the procurement process.

Our on-boarding process for suppliers is designed to ensure that suppliers can deliver high quality service to our clients and also meet high standards regarding human rights.

A key area of focus for CGI has been to strengthen how we assess suppliers for modern slavery risks by developing a new supplier risk screening and on boarding process. As a result, all suppliers will be asked a set of questions to understand their exposure to modern slavery and identify whether additional due diligence is required. This was developed with input from human rights experts using data from resources such as the Global Slavery Index. Questions include whether suppliers operate in high-risk geographies or use labour that is subject to greater risk of modern slavery, due to the nature of the workforce (such as reliance upon low-skilled labour or agency workers) as well as suppliers' policies and process on labour practices and human rights. This new process is being implemented from December 2021 for all new suppliers, and will be rolled out to all existing suppliers during 2022.

We have also created a modern slavery risk mapping tool, which takes into account high risk spend categories and geographies, to identify when to include modern slavery specific questions in tenders for new products or services. Suppliers' performance on sustainability including modern slavery, is taken into account when we evaluate and select new suppliers as part of the tender process. Suppliers' commitment to continuous improvement with regards to sustainability is one of nine criteria used by the global procurement team to assess performance. Tenders for products or services considered higher risk include questions to understand how prospective suppliers are mitigating the risks of modern slavery. For example, this year CGI



UK sought a new supplier for marketing promotional items, and sustainability capabilities were a central sourcing objective, accounting for 25% of the overall assessment criteria. As products such as clothing, consumables and electronics were identified as an area of potential modern slavery risk, bidding organisations were asked questions such as whether they have a CSR/Social Value policy that prohibits modern slavery and how they assess supplier compliance with CSR risks. They were also required to complete an EcoVadis sustainability assessment, as detailed below.

We use our modern slavery risk mapping tool on an annual basis, to identify existing suppliers that operate in geographies and spend categories considered higher risk for modern slavery. Suppliers in high-risk spend categories, such as facilities management and maintenance and IT products, or high-risk locations, such as China, Egypt and India, are requested to complete further due diligence, as outlined below. For our 2021 financial year, 99% of supplier spend was in geographies considered low risk according to the Global Slavery Index and 58% of supplier spend were in sectors which are considered low risk (e.g. professional services, software).

## Due diligence

We have been working with EcoVadis, a specialist sustainability ratings agency, since 2017 to conduct due diligence on our high risk suppliers.

Used by over 60,000 businesses worldwide, EcoVadis' ratings and detailed scorecards enable CGI and our suppliers to understand their sustainability performance and to work together if improvements are needed. Their rating is generated through an evidence-based assessment, which takes into account relevant industry labels and certifications and is aligned with global standards including the UN Global Compact and the International Labour Organisation (ILO) conventions. The assessments focus on 21 criteria across four sustainability themes: the environment, labour and human rights, ethics and sustainable procurement. Criteria within labour includes employee health and safety, working conditions and social dialogue. The criteria within the human rights section includes child and forced labour, and human trafficking. The assessment comprises questions on policies such as modern slavery, recruitment, and migrant workers, and actions such as supply chain mapping, supplier risk verification, training and grievance mechanisms. By assessing our suppliers' performance on sustainable procurement, we also get insight into the management of our tier 2 suppliers.



Suppliers must provide detailed evidence of their approach, including disclosure outcomes, to evidence the effectiveness of their approach. For instance, the number of confirmed cases of modern slavery, key performance indicators such as number of suppliers evaluated/audited and training results.

This information is verified against external evidence, such as labour assessment reports, news articles, judicial sources, trade union data and additional information from other published sources. These assessments enable the business to make an informed decision about whether or not to work with the supplier and to add them to our approved supplier list.

Suppliers also have access to their sustainability scorecard which outlines their strengths and weaknesses as well as tools to improve their performance. Supplier managers can also use these reports, to work with suppliers to encourage continuous improvement as part of the annual supplier business review process. High risk suppliers are required to complete these assessments annually so we can continue to monitor and check their compliance with our human rights standards.

If suppliers refuse to complete the assessments or fail to sufficiently improve their practices and meet our requirements, we reserve the right to terminate our contracts with them and to explore alternative suppliers.

CGI UK has also invested in EcoVadis 360 Watch, a sustainability intelligence and monitoring system which proactively identifies risks associated with our suppliers based on sources from media, governments, trade

unions, NGOs, and other business networks. In the event of a negative alert relating to a supplier supplying goods in the UK, our procurement team receives a notification and works with the Responsible Business team and supplier manager to determine any mitigating actions. As a result of this process, we have added a UK based supplier onto our watch list and engaged the relevant supplier manager on the issues raised. Any new orders raised with this supplier will notify the procurement team of the risks before they commit to the supplier and will enable them to make an informed decision about whether or not to work with that supplier.

A key area of focus for the business is to better integrate and act on EcoVadis due diligence findings and work with suppliers to improve their practices. We are investing in our internal processes and resources to support this.

## Progress since our last report

During this financial year a total of 246 suppliers were requested to complete an EcoVadis assessment. This is an increase of 47% compared to the previous year and is a result of our enhanced risk assessment process, as outlined above.

59% of these suppliers completed the EcoVadis assessment, representing 93% of our high risk spend. Over 83% of these suppliers are considered low risk according to EcoVadis, and none are classified as high risk, (i.e. scoring less than 25%). Suppliers that have declined to complete these assessments or where requests are outstanding account for 4.3% of our total spend, this represents a 1% increase compared to last year, and again reflects the fact that more suppliers have been identified as high risk.

Suppliers that have declined to complete the assessment include suppliers with whom we have low spend and limited leverage to influence. These include suppliers such as landlords, and suppliers mandated by our clients. We recognise that some of

the suppliers that are not completing the assessment are SMEs, and this is in part due to the associated resource implications. Given our commitment, and client requirements, to work with SMEs and to facilitate diversity and inclusion in our supply chain, we are working to address the challenges faced by SMEs. For example, our more rigorous supplier risk screening and onboarding process means that all suppliers are asked a core set of questions by the business to understand their exposure to and management of sustainability, including modern slavery risks. We are also considering how to support suppliers to improve their understanding and management of modern slavery risks.

# Training and awareness raising

Engaging our members on human rights issues - recognising that modern slavery is often 'hidden in plain sight.'

As outlined in our Modern Slavery Policy the prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. All CGI UK members are instructed to read, understand and follow our Modern Slavery Policy, which also includes how to spot the signs of slavery.

We continue to work with our members to raise awareness about modern slavery and what to do should a case of slavery be suspected.

To educate members on spotting the signs of modern slavery, this year we held a training session with the Gangmasters and Labour Abuse Authority (GLAA), a public body with the task of protecting vulnerable and exploited workers. The training significantly improved awareness of how to spot signs of labour exploitation and modern slavery. 45% of participants reported that they were either extremely or very aware as a result of the training compared to 5% before the training.

We also engage members via our UK newsletter, intranet and by sharing and discussing the issue in member meetings. This is supported by posters in our offices to both alert our members and to raise awareness among those involved in the maintenance of our buildings of the risks surrounding slavery that are specific to their role.



## Targeted training

As we consider our biggest exposure to modern slavery to be in our supply chains, we provide targeted annual mandatory training for members of CGI's global procurement team.

In December 2020 the entire global procurement team participated in online modern slavery training. The session included a presentation from external subject matter experts and covered the ILO indicators of forced labour, the requirements of the UK Modern Slavery Act, how to consider modern slavery risks in procurement and relevant CGI policies and practices, including how to respond to suspected cases of modern slavery. As a result of the training 96% of respondents agreed, or strongly agreed, that they understand the issue of modern slavery, its relevance for their role and what is expected of them, compared to 75% of respondents before the training was delivered. The modern slavery training is also included in the training curriculum, which is mandatory for all new starters in the procurement team.

This year we also launched a third party management framework with eLearning modules to support all CGI members involved in managing supplier relationships, not just those in the procurement team. This will help our members better understand the processes that we have in place to ensure responsible supply chain management and that suppliers to meet high standards regarding employment issues and human rights.

# Grievance mechanisms and remedy for victims

Members and suppliers are required to raise concerns about any issue or suspicion of modern slavery in CGI's business or operations or in any of CGI's supply chains (at any level or tier) as soon as possible. This can be reported anonymously via our ethics (whistle-blower) hotline which is available to all employees, suppliers, clients and members of the public on our website.

CGI encourages openness and will support anyone who raises genuine concerns, even if they turn out to be mistaken. CGI is committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that an actual or potential act of modern slavery is, or may be, occurring or about to occur, has taken place, or may take place in the future.

CGI is committed to ensuring that victims of modern slavery and human trafficking receive the appropriate Government-funded support and/or CGI support provided on a case-by-case basis.



# Assessing the effectiveness of our approach to modern slavery

We use a number of Key Performance Indicators (KPIs) to assess the effectiveness of our actions to tackle modern slavery. Progress against these KPIs is outlined below

Category	KPI	2020-21 Progress
Training	Percentage of global procurement colleagues who have completed bespoke modern slavery training, within three months of joining. Our target is for this to be 100%.	100% complete
Supplier risk assessment and due diligence	New suppliers assessed for modern slavery risks in Third Party Supplier Portal. Our target is for 100% of new suppliers to be assessed from February 2022. <sup>2</sup>	The new questions have been agreed at the global level and introduced for new suppliers in December 2021
	Percentage of identified high risk suppliers that have completed EcoVadis assessment and the associated proportion of high risk spend.	59% high risk suppliers completed EcoVadis assessment representing 93% of identified high risk spend (2019: 56% representing 94% spend)

During this financial year CGI's global internal audit team performed an audit to ensure that there are adequate and effective processes and tools to identify and manage modern slavery risks in CGI operations and supply chains and ensure that processes are in place to drive continuous improvements. The conclusions of the audit were that the systems of control were effective and a number of opportunities to improve existing procedures and processes were also identified. Some of these recommendations are already in process, such as strengthening supplier risk assessment processes, and others will be addressed in the coming years, as outlined below.

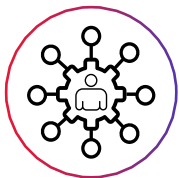
To assess the effectiveness of our approach to identifying modern slavery risks the procurement team conduct an annual mapping of UK procurement spend incurred during the previous financial year, based on categories of spend and geographies considered high risk for modern slavery. The mapping conducted in 2021 of CGI UK's Financial Year 2020 spend recorded an additional 47% of suppliers (79) that needed to complete additional due diligence. Additionally, the CGI procurement team conduct an annual assessment to review processes and seek improvements to ensure that the business is effectively mitigating risks including fraud, corruption and modern slavery.

<sup>2</sup> Excludes Associations/Donations/Subscriptions (used for enrolment and membership fees for professional bodies/associations; donations, sponsorship).

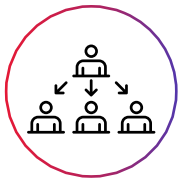


# Looking ahead

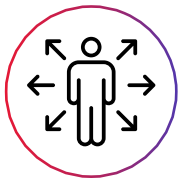
CGI is committed to continuous improvement to better identify and manage modern slavery risks. This reporting year, Global Procurement appointed a Director to work closely with the Responsible Business teams in CGI to help drive further improvements in our supply chain activities. Key areas of focus in the coming years include:



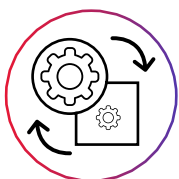
Strengthening how we assess our suppliers for modern slavery risks - our new supplier onboarding process which screens for modern slavery risks was introduced for new suppliers from December 2021 and will be rolled out for existing suppliers from late 2022.



Enhancing internal processes to increase the proportion of suppliers that are completing EcoVadis due diligence and ensure the business is only working with suppliers with effective measures in place.



Supporting suppliers to improve their practices on modern slavery through the use of corrective action plans and by introducing supplier training on modern slavery risks.



Developing our incident response plan in the event that a case of modern slavery is identified or suspected in our supply chain.

# Governance



CGI UK's executive management team is fully supportive of taking steps to mitigate the risk of modern slavery in CGI's operations and its supply chain.

The CGI IT UK Ltd board of directors ("the board") has overall responsibility for ensuring that its modern slavery policy and statement comply with the company's legal and ethical obligations, and that all those that work for the company comply with it. The board has appointed David Hodges, Vice President and member of CGI UK's executive management team to lead CGI UK's response to modern slavery.

Day to day management of the company's approach to modern slavery is delegated to a working group that includes members in the Global Procurement and Responsible Business team, with support from the Corporate Legal Services - UK team. The company also receives advice and support from external human rights specialists. Management at all levels are responsible for ensuring those reporting to them understand and comply with the company's modern slavery policy.

This statement is signed and approved on behalf of the CGI IT UK Ltd Board of Directors.

Handwritten signature of Tara McGeehan in blue ink.

Tara McGeehan  
UK President and Director of CGI IT UK Limited

18 February 2022





## About CGI

### Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across 21 industry sectors in 400 locations worldwide, our 82,000 professionals provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

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