



Modern slavery act transparency in supply chains

Statement for financial year ending
30 September 2022



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 90,000 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 6,000 employees.

CGI is committed to being a socially responsible organisation, which respects human rights. This is reflected in CGI and CGI UK being a signatory of the United Nations Global Compact. We uphold the 10 Principles of the Global Compact, including respect for human rights, and support the elimination of all forms of forced and compulsory labour.

This year we are also proud to have achieved a 'Platinum' rating from EcoVadis for sustainability performance ratings after four years of receiving the 'Gold' sustainability rating. The platinum status is awarded to organisations with ongoing implementation and integration of measurable and traceable initiatives in the categories of environment, labour and human rights, ethics and sustainable procurement practices. It places us in the top 1% of companies in the computer services, consultancy and related activities industry category for our performance on sustainability. CGI is also a member of leading sustainability indices, such as the Dow Jones Sustainability Indices and FTSE4Good.

About our seventh Modern Slavery Statement

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. This statement is published pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes CGI UK's seventh Modern Slavery and Human Trafficking Statement, for the 2022 financial year (1 October 2021-30 September 2022).

This statement reflects our established commitment to providing safe and fair working conditions for all our employees whom we call 'members' as a vast majority are also company shareholders. It also reflects how 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 workforce to be low. However, we know that modern slavery exists in many different sectors across the world, including here in the UK and in the products and services we procure. We also recognise that companies can be unaware of modern slavery in their supply chain and a robust approach is required in operations and throughout the supply chain.

Most of the suppliers used to procure products and services for CGI UK and our clients are UK-based organisations, which account for 90.2% of supplier spend. 5.6% of spend is associated with suppliers based in the European Union, 4% 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 Maintenance (45.1%), Professional Services (27.5%), Telecommunications (8.9%), HR Services (5.6%), and Facilities Management and Maintenance (5.6%).

In addition to mapping suppliers, we have continued to take important steps to improve our policies and processes through:

- Strengthening how we assess suppliers' exposure to and management of sustainability risks including human rights and modern slavery
- Investing in new tools to conduct additional due diligence on high-risk suppliers in the IT manufacturing sector through our impending membership of the Responsible Business Alliance (RBA)
- Educating suppliers on risks and signs of modern slavery and how to report concerns
- Developing an incident response plan if modern slavery is identified or suspected in our operations or supply chain



Our Policies and Procedures

CGI has invested in developing a strong corporate culture that reflects its 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 are also participants in the business and contribute to our 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 onboarding. These are based on principles of fair recruitment, such as the freedom to terminate employment and protection from any threat of violence, harassment and intimidation in the workplace.

We ensure prospective employees have the right to work in the UK and conduct appropriate right-to-work checks.

The vast majority of members are highly skilled and are recruited and contracted directly by CGI. We have a preferred list of recruitment agencies that we work with and conduct due diligence to ensure we only work with reputable agencies. We also include specific references to the Modern Slavery Act 2015 in contractual agreements with all recruitment agencies.

CGI has minimal contractors employed on site in the lower-skilled sectors which represent a greater risk of labour exploitation and modern slavery, such as cleaning, catering and security. Subcontractors operating in these sectors are subject to due diligence to mitigate the risk of exploitation. Subcontractor agreements include requirements for compliance with anti-human trafficking and slavery legislation. Furthermore, through our HR practices, our systems and processes are built to prevent debt bondage, which occurs when people are forced to work for an employer to pay off debts and thus no employee is allowed to work in exchange for a debt.

We are committed to paying all our people fairly and recognising their valuable contribution to the success of our business. In 2019, we became an accredited Living Wage employer, in addition to paying Living Wage rates to all our directly employed members, the 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 CGI. It sets out our commitment to work with suppliers to help them eliminate modern slavery and support those impacted. 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 for misconduct or gross misconduct.

Our suppliers

Recognising that 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 acquire 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 our suppliers to meet high standards regarding labour and human rights and expects them to adopt similar approaches in their 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 adhere to 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 while mitigating any adverse impacts. It contains requirements concerning 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 the conduct of any CGI member, that it believes in good faith to be an actual, apparent, or potential violation of this Code. More details can be found in 'Grievance mechanisms and remedy for victims' below.

Compliance with CGI's Third-Party Code of Ethics is embedded within CGI's standard terms of business and suppliers are required to adhere to these when supplying goods and services.

Standard terms and conditions of purchase and subcontractor agreements also make specific reference to human trafficking and anti-slavery laws. Through these requirements, suppliers and subcontractors are notified that failure to abide by the terms of the agreement or failure to report a breach, or potential breach of anti-slavery or human trafficking laws, or an actual or suspected slavery or human trafficking in a supply chain in connection to purchase may result in termination of their contract with CGI. CGI ensures we have a right to audit suppliers and subcontractors to verify compliance.

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 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 sustainability 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 small and medium-sized enterprises (SMEs), on time and are signatories 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 onboarding 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.

We have recently strengthened how we assess suppliers' exposure to and management of sustainability risks as part of the onboarding process. All suppliers need to complete a questionnaire which determines whether further due diligence is required. Questions on labour and human rights include whether suppliers operate or manufacture products 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 commitments on labour and human rights. This was developed with input from human rights experts using data from resources such as the Global Slavery Index.

Our modern slavery risk mapping tool is also used to identify suppliers providing goods and services that are at high risk for modern slavery. This year, we have expanded the scope of high-risk categories based on guidance from the Gangmasters and Labour Abuse Authority as well as the US Department of Labour's List of Goods Produced by Child Labour or Forced Labour. 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.

Suppliers' performance on sustainability is taken into account when we evaluate and select new suppliers as part of the tender process. Suppliers' commitment to continuous improvement is one of nine criteria used by the global procurement team to assess suppliers. Our modern slavery risk tool is used to identify tenders that require additional due diligence on labour and human rights. For example, recent tenders for cleaning services assessed the steps prospective suppliers were taking to ensure employers were not at risk of modern slavery, including the pre-employment screening process, provision of training of modern slavery and processes for employees to report concerns. The requirement to pay a living wage was also included in the tender.



Due diligence

We work with EcoVadis, a specialist sustainability ratings agency, to conduct due diligence on our high-risk and significant 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 include employee health and safety, working conditions and social dialogue. The criteria within the human rights section include 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 the 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, as a last resort, CGI will explore options for termination and alternative suppliers.

We also subscribe to 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 gets notified and works with the Social Sustainability team and supplier manager to determine any mitigating actions. As a result of this process, we have added a UK-based supplier to our watchlist 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.

We are working to strengthen our due diligence of suppliers in high-risk and high-spend sectors. To gain better visibility of our IT manufacturing supply chains, including beyond our direct (tier 1) suppliers, we are joining the Responsible Business Alliance (RBA), the largest industry coalition dedicated to responsible business conduct in global supply chains. Becoming a member will provide CGI with greater visibility into the practices of suppliers in a key and high-risk supply chain, including through audits and worker voice programmes.



Progress since our last report

During this financial year, a total of 295 suppliers were requested to complete an EcoVadis assessment. This is an increase of 20% compared to the previous year and is a result of our enhanced modern slavery risk assessment process, as outlined above, and our new target to assess more of our suppliers on their overall sustainability performance. This includes 180 suppliers that were identified as at higher risk for modern slavery. 56% of these suppliers completed an assessment, representing 96% high-risk spend. 81% of high-risk suppliers that completed an assessment were rated as good (scoring 45 and above) representing 93% of high-risk spend assessed. Only 19 suppliers were rated as partial (scoring below 44) and there was no spend associated with 12 of these suppliers in the reporting period. No suppliers were rated as insufficient (scoring below 25).

Suppliers that have declined to complete the assessment include suppliers with whom we have low spend and limited leverage to influence such as landlords, and suppliers mandated by our clients. We recognise that resource is also a constraint, in particular for SMEs. Given our commitment, and client requirements, to work with SMEs and to facilitate diversity and inclusion in our supply chain we are pleased that our new onboarding processes outlined in 'Assessing and managing risk' has also enabled us to better assess smaller suppliers at no additional cost and minimal effort to the SMEs. We are exploring alternative ways of conducting due diligence on SMEs identified as having a higher risk of modern slavery.

Training and awareness raising

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 educate members on spotting the signs of modern slavery. This year we again 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 is part of a communication programme with our members which aims to improve awareness of how to spot signs of labour exploitation and modern slavery both within our organisation and the wider community.

Our Ethical Business Forum is a new initiative to share ideas and practices to assess how companies can develop and implement robust human rights and responsible sourcing practices. We work with our members, and external organisations such as the United Nations Global Compact and the OECD to raise awareness about modern slavery and what to do should a case of slavery be suspected.

We also engage members via our UK newsletter, intranet and by sharing and discussing the issue in member meetings.

Targeted training

All members of CGI's global procurement team are required to complete annual training on modern slavery so that they understand the risks of modern slavery occurring in the supply chain and how to address it. The training covers 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. This reporting year we extended the training materials to the procurement council which includes members from outside the procurement team who are involved in managing supplier relationships. We have also developed eLearning modules to support this community to better understand the processes that we have in place to ensure that suppliers meet high standards regarding employment issues and human rights.

Training for suppliers

This reporting year we delivered a webinar for our suppliers on the risks and indicators of modern slavery, and why it is an important risk for businesses to address. Training resources were subsequently sent to all our suppliers following the session as well as a poster for suppliers to display to raise awareness among workers in our supply chain on how to spot signs of slavery and report concerns.

We are also considering additional capacity-building opportunities for suppliers to ensure they better understand and address the risks of modern slavery occurring in their business and supply chain.

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 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 maybe, occurring or about to occur, has taken place, or may take place in the future.

This year CGI developed an incident response plan which outlines the steps we would take if an instance of modern slavery is detected or suspected within our business or supply chains. This sets out our commitment to working with suppliers to help them eliminate slavery and support affected workers to access remedies. CGI will not automatically stop working with suppliers if a case of modern slavery is found but will cease activities where progress is not made within a reasonable timeframe. We also commit to undertake regular reviews of our processes to increase the effectiveness of our approach to tackling modern slavery.



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. This year we changed how we measure and report our performance on due diligence. We now track the proportion of suppliers identified as high risk for modern slavery that has completed EcoVadis, as well as the proportion of significant suppliers that make up a large proportion of our spend, who have completed EcoVadis.

Category	KPI	2021-2022 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%
Supplier risk assessment and due diligence	New suppliers assessed for modern slavery risks in Third Party Supplier Portal. Our target was for 100% of new suppliers to be assessed from February 2022. ¹	100% of new suppliers assessed from January 2022
	Existing suppliers to be assessed for modern slavery in third Party Supplier Portal. Our target is for this process to commence in autumn 2023.	
	Percentage of suppliers identified as high risk for modern slavery that have completed an EcoVadis assessment and the associated proportion of spend.	56% high risk suppliers completed EcoVadis representing 96% of identified high-risk spend
	Our global CSR target is for 70% of 250 significant suppliers worldwide to be assessed every two years by EcoVadis by 2025.	74% of UK significant suppliers have completed EcoVadis assessments

Looking ahead

CGI is committed to continuous improvement to better identify and manage modern slavery risks. Priorities for the years ahead include to:

- Strengthen how we assess our existing suppliers' exposure to and management of modern slavery risks to inform where further due diligence and improvements are required
- Develop alternative solutions to conduct additional due diligence of SMEs identified as a higher risk of modern slavery
- Increase our visibility of suppliers in high-risk supply chains, in particular in the IT manufacturing sector, as well as the risks workers face and how effectively suppliers are managing them
- Improve processes to manage and monitor supplier performance on sustainability and modern slavery– to support continuous improvement

¹ Excludes Associations/Donations/Subscriptions (used for enrolment and membership fees for professional bodies/associations; donations, sponsorship).

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 our supply chain.

The CGI IT UK Ltd board of directors has overall responsibility for ensuring that our 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 UK board has appointed a new Chief Sustainability Officer UK, Mattie Yeta and 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 of the Global Procurement and Corporate Social Responsibility 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 is responsible for ensuring those reporting to them understand and comply with the company's modern slavery policy. Members are given regular training on modern slavery and the company's policy.

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



Tara McGeehan

UK President and Director of CGI IT UK Limited
17 March 2023

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 90,000 professionals provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

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