The world is how we shape it

2021 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

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

2021 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 17 March 2022 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 2020:

- the Management Report, included in the Registration Document filed on 18 March 2021 under number D.21-0148, is detailed in the cross-reference table (pages 312 to 313) – "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 18 March 2021 under number D.21-0148 (pages 157 to 223 and 224 to 228, 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 18 March 2021 under number D.21-0148 (pages 229 to 257 and 258 to 261, respectively);
- the Statutory Auditors' special report on related-party agreements and commitments, included in the Registration Document filed on 18 March 2021 under number D.21-0148 (pages 262 to 263).

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.

Chairman's message

Sopra Steria had a good year in 2021. We comfortably achieved the performance targets set at the beginning of the year. The 1.1 percentage point upturn in our operating margin on business activity was gratifying and supports the prospect of a continuing improvement in our profitability over the medium term. I want to thank Executive Management and every one of the Group's employees for this performance in 2021.

We operate in a world that's been in the grip of major transformations for several years now. Amid inescapable economic globalisation, an unprecedented pandemic has brought new challenges to light. Environmental risks are becoming increasingly conspicuous, fostering widespread awareness across the whole of society. The phenomenon of digitalisation has now spread well beyond the economic sphere, affecting all human activity.

Against this backdrop and as we emerge from the Covid crisis, which has accelerated some of these trends, our industry sector cannot help but undergo a reconfiguration of greater or lesser scale. It's up to us to anticipate and be ready for whatever changes lie ahead.

It is in this spirit that we will be stepping up work on our five-year plan in 2022. Without calling into question its foundations (independence, developing digital services businesses underpinned by consulting and software), we'll be revisiting the elements that make up this plan and strengthening or adjusting them where appropriate.

Sopra Steria began 2022 with the announcement of a change in its Executive Management. The Board of Directors has decided to appoint Cyril Malargé to head up the Group in place of Vincent Paris, who is keen to step back after spending more than 30 years with the Group, including a successful seven-year stint as Chief Executive. There's no doubt in my mind that the management transition will be seamless.

As Chairman of the Board of Directors, I'll continue to give my full support to the new Executive Management team as it seeks to drive forward ambitious plans involving all our stakeholders – employees, shareholders, customers and partners – and aimed at delivering strong financial performance while making a sustainable, enlightened and human-centred contribution to society.

"I want to thank Executive Management and every one of the Group's employees for this performance in 2021."

Pierre Pasquier
Chairman and Founder, Sopra Steria Group

Key figures for 2021

Sopra Steria, a European Tech leader, recognised 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

€4.7bn

Organic growth of 6.4%[1]

→ **€4.0bn** Digital services
€0.7bn Development of business solutions

Operating profit on business activity

€379.2m

8.1% of revenue

Net profit attributable to the Group

€187.7m

4.0% of revenue

Basic earnings per share

€9.27

Dividend per share

€3.20[2]

Equity

€1.6bn

Net financial debt

€327.1m

equal to 0.73x 2021 pro forma EBITDA before the impact of IFRS 16

Market capitalisation at 31/12/2021

€3.3bn

Number of employees

47,437

Number of offices

184

Number of countries

30

TOP 5
European digital services companie

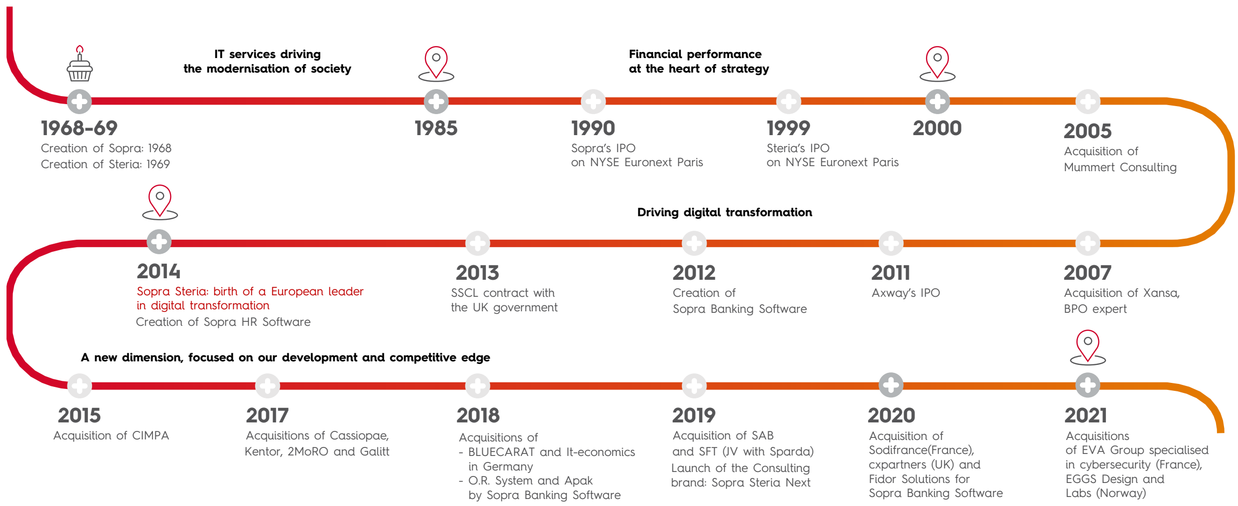
TOP 12
European digital services companie

1 Alternative performance measures are defined in the glossary of this document.
2 Dividend proposed for approval at the General Meeting of 1 June 2022.

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

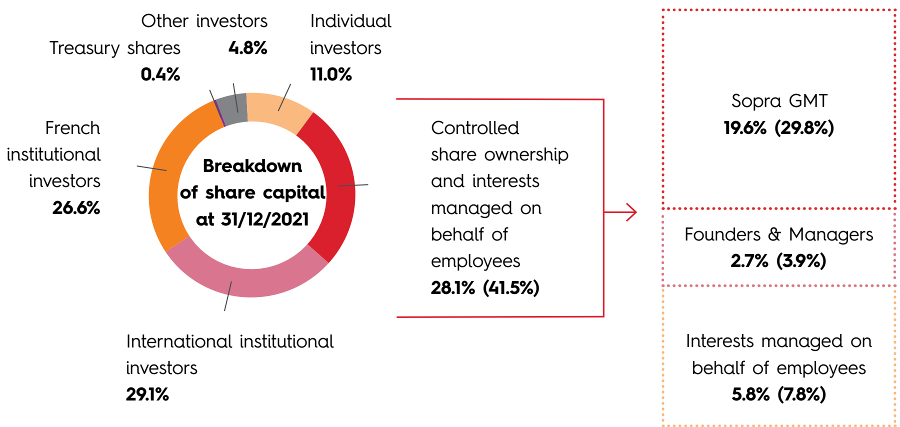
Agility, rapid decision-making, and speed of execution are hard-wired into Sopra Steria's DNA. Our ethos is predicated on an unwavering focus on client service, autonomous decision-making, collective endeavour and respect for others

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 key shareholder backing the corporate plan



20,547,701 listed shares.
26,431,305 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 31/12/2021 - 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.

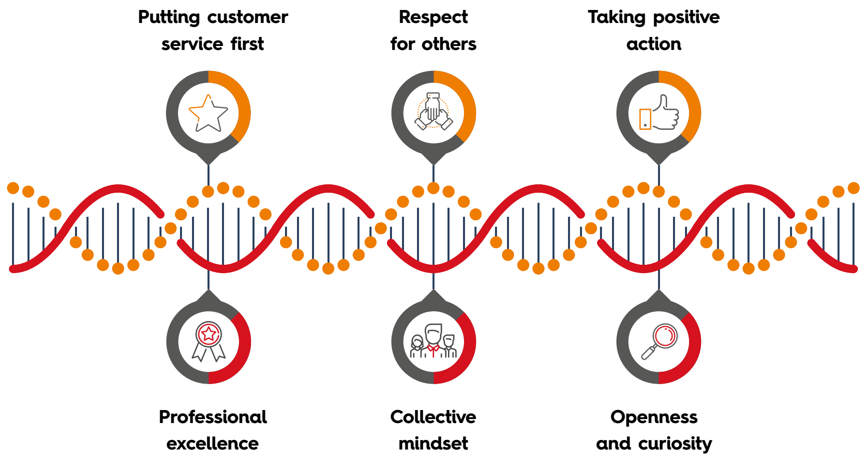
Together, we are building a highly promising future by delivering tangible benefits: sustainable solutions with positive impacts that take full account of interactions between digital technology and society.

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

Chairman
Pierre Pasquier

15
Members

- 12 Directors appointed by shareholders at the General Meeting
- 3 Directors representing the employees and employee shareholders

42%*
Female Directors

58%*
Male Directors

2/3
Committees are chaired by women

67%**
Independent Directors

99%
Attendance rate of Board of Directors

63
Average age of Directors

4
Nationalities

Composition at 23 February 2022
(*) 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:

60%
Knowledge of consulting, digital services, software development, ability to promote innovation.

53%
Knowledge of one of the Group's main vertical markets

47%
Entrepreneurial experience

33%
CEO of an international group

60%
Finance, risk management and control

53%
Human resources and labour relations

67%
International teams and organisations

53%
Societal issues

33%
Knowledge of Axway Software

47%
Operational experience within the Sopra Steria Group

See Chapter 3 for more information

Governance

Executive bodies

Chief Executive Officer
Cyril Malargé

The Group is made up of a corporate function and a number of operational divisions.
The Executive Management team is supported by the Executive Committee (ExCom), the Operations Committee and the Management Committee.
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. Three of its members are women.

Members of the Sopra Steria Executive Committee:

- **Cyril Malargé,** Chief Executive Officer
- **Laurent Giovachini,** Deputy Chief Executive Officer, Sopra Steria's commercial strategy and external outreach, Defence and Security Vertical
- **Eric Pasquier,** Software
- **Pierre-Yves Commanay,** Continental Europe
- **John Neilson,** United Kingdom
- **Grégory Wintrebert,** France
- **Nicolas Aidoud,** Financial Services
- **Yvane Bernard-Hulin,** Legal
- **Eric Bierry,** Sopra Banking Software
- **Etienne du Vignaux,** Finance
- **Claire Ducos,** Marketing
- **William Ferré,** Industrial Approach
- **Jean-Claude Lamoureux,** Consulting - Sopra Steria Next
- **Fabienne Mathey-Girbig,** Corporate Responsibility and Sustainable Development
- **Xavier Pecquet,** Key Accounts and Partnerships, Aeroline
- **Mohammed Sijelmassi,** Technology
- **Jean-Charles Tarlier,** Human Resources Development

17.6%
of ExCom members are women

The Operations Committee consists of the Executive Committee members and 22 operational managers and functional managers. Five of its members are women.

The Management Committee consists of the members of the Operations Committee and 14 operational and functional managers. Nine 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.

Three ESG 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];
- Progressive incorporation of emissions related to indirect activities in the carbon neutral programme;
- Offset of emissions not averted through investment in carbon capture projects.

-45.0%[5] Reduction in GHG emissions[1] per employee in 2020 (baseline: 2015)

-50.0%[6] Reduction in GHG emissions[1] per employee in 2021 (baseline: 2015)

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;
- Three women joined the Executive Committee in 2021.

32.4 % Female percentage of 2021 workforce *(2020: 32.5%)*

33.0 % Percentage of female employees hired in 2021 *(2020: 34.0%)*

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.

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

Recognition of ESG[(4)] commitments by the leading rating agencies in 2021

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	75/100 Leader	60/100 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
(5) Excl. Covid impact; -74% incl. Covid impact
(6) Excl. Covid impact; -83.5% incl. Covid impact

See Chapter 4 for more information

Corporate responsibility

Our direct and indirect contribution to the 17 SDG (Sustainable Development Goals) of the United Nations

Seven major commitments aligned with the business model drive the Group's strategy with respect to Corporate Responsibility:

Examples of indicators

1 To be a benchmark employer that attracts the best talent, promotes social dialogue, diversity and equal opportunities

- 10,636 new hires within the Group
- 27 hours of training on average per employee
- 88.9% of our workforce is employed by a Great Place to Work company

2 To achieve net zero emissions by 2028, protecting resources and contributing to the fight against climate change

- 50,0%[1] reduction in GHG emissions[2] per employee in 2021 (baseline: 2015)
- Over 16,000 employees trained in eco-friendly digital behaviours

3 To be a long-term partner for our customers, working closely with them on their challenges by providing them with the best technologies with a responsible approach that creates sustainable value

- 80% of the 100 strategic customers expressed satisfaction in the Customer Voice survey

4 To conduct our business ethically and with integrity in our day-to-day operations and across all our activities

- 41,397 employees have completed a GDPR training e-learning course

5 To engage in constructive, transparent and continuous dialogue with our stakeholders

- Evaluation of suppliers by EcoVadis representing more than 100% of the 2021 target spend

6 To work together with our ecosystem to adapt our initiatives in response to the major changes we face

- The European Climate Pact joined NegaOctet[3] and the European Green Digital Coalition as part of our digital sobriety approach

7 To support local communities by stepping up our community initiatives, particularly in the field of digital inclusion

- 174 outreach projects supported by the Group including 17 digital projects by the Sopra Steria-Institut de France Foundation
- Over 800 volunteers on community outreach programmes

(1) Excl. Covid impact, -83.5% incl. Covid impact
(2) GHG: greenhouse gas
(3) NegaOctet, the baseline for the environmental impact of digital technology

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

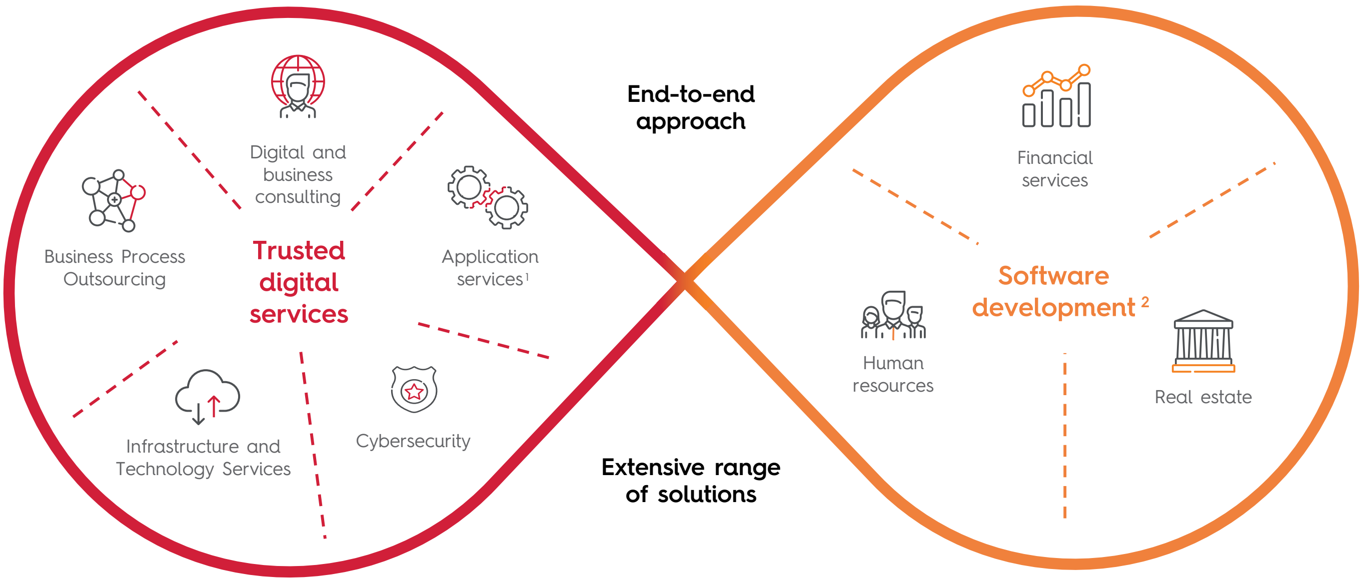
Sopra Steria provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow, supporting them throughout their digital transformation in Europe and around the world.

Our market

- Spending on digital services in Western Europe: $318.0bn in 2021*
- Market forecast to grow more than 5% per year on average from 2022 - 2025*
- Sopra Steria ranks among the top 12 digital services companies operating in Europe (excluding captive service providers and purely local players)

(*) Source: Gartner, Q4 2021, in constant US dollars

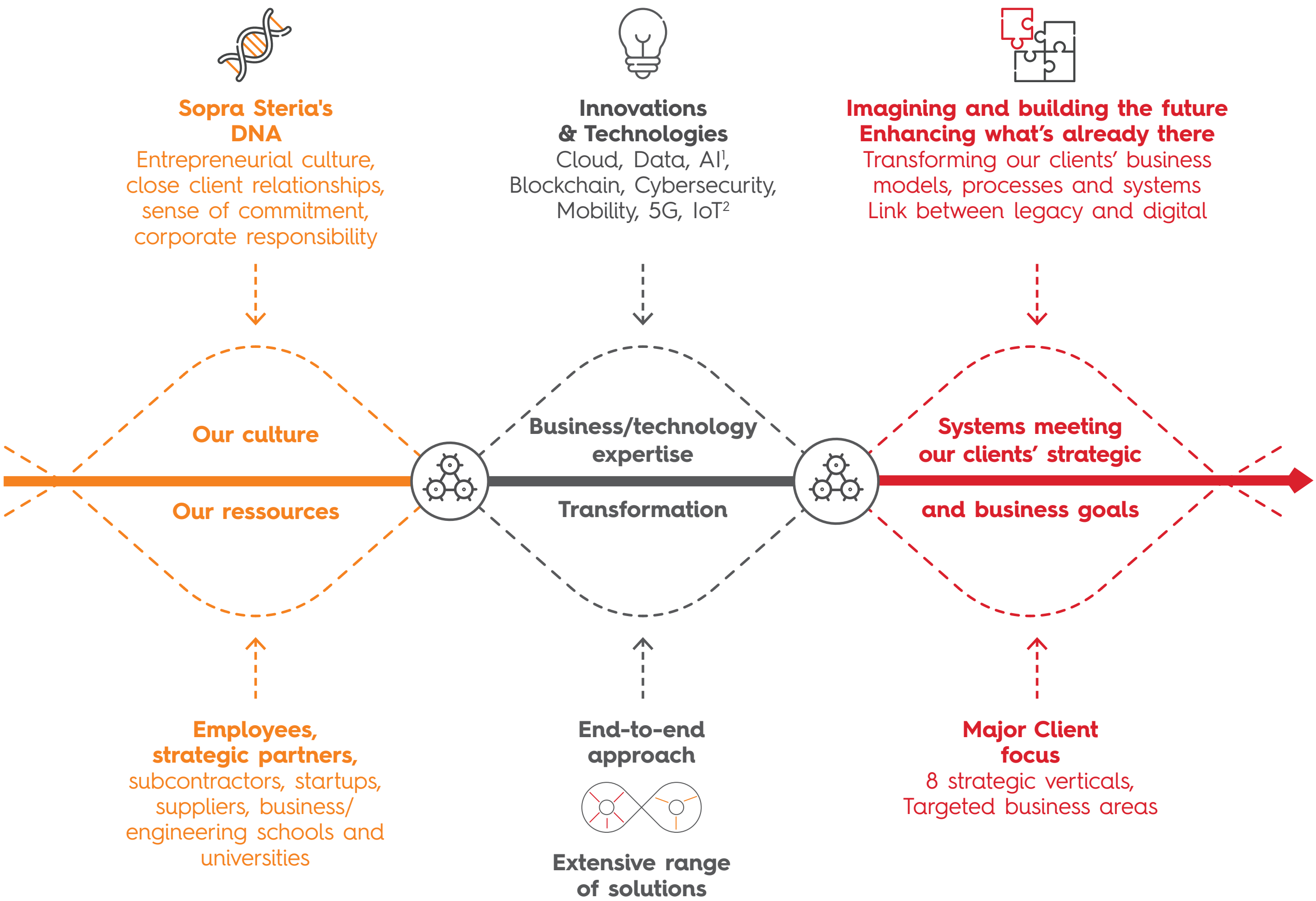
Our offering



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

Pour en savoir plus, voir chapitre 1

...the value creation chain



Sample value creation performance measures in 2021 for our main stakeholders

Employees

- 72% of employees say Sopra Steria is a great place to work - GPTW survey[3]
- 27 hours of training on average per employee
- 100% of employees take part in a training session at least once a year
- 16% attrition rate

Clients

- 80% of 100 strategic clients satisfied according to the Customer Voice survey
- 6.4% organic revenue growth

Shareholders

- Share price up 19% in 2021
- €3.20 dividend proposed for financial year 2021
- Non-financial rating agencies' rating (cf. page 8)

Company

- -50%[4] GHG emissions per employee in 2021 (baseline: 2015)
- A List: CDP ranking
- Top 1% Platinum: EcoVadis

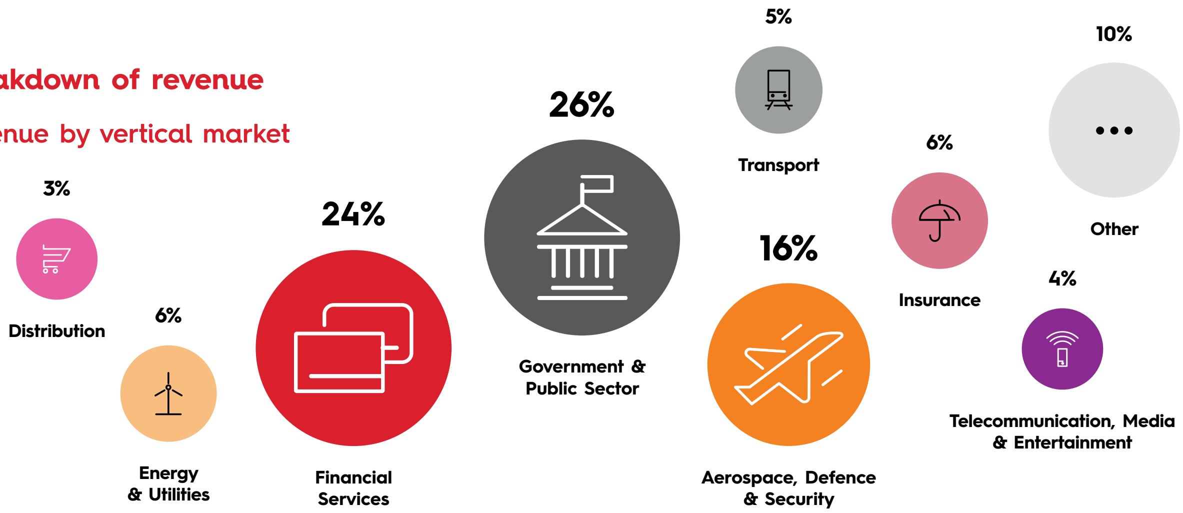
(1) AI: Artificial intelligence
(2) IoT: Internet of things
(3) GPTW: Great Place To Work
(4) Excl. Covid impact; -83.5% incl. Covid impact
(5) GHG: Greenhouse gas

See Chapter 1 and 4 for more information

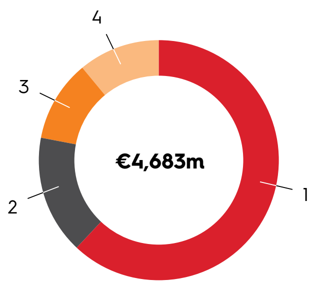
Breakdown of revenue and the workforce

Breakdown of revenue

Revenue by vertical market

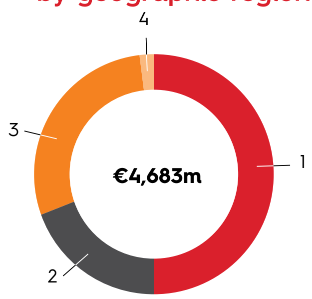


Group revenue by business line



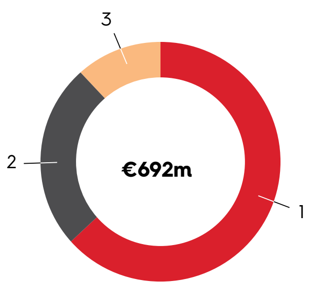
1	Consulting, systems integration	61%
2	Development of business solutions	15%
3	Infrastructure management, Technology services	9%
4	Business Process Services	15%

Group revenue by geographic region



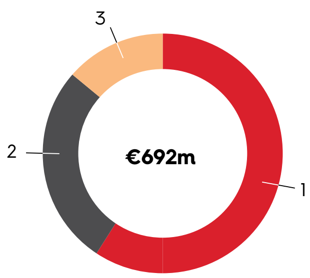
1	France	48%
2	United Kingdom	19%
3	Other Europe	31%
4	Rest of the World	2%

Solutions revenue by product



1	Sopra Banking Software	63%
2	Sopra HR Software	25%
3	Property Management Solutions	12%

Solutions revenue by geographic region



1	France	60%
2	Other Europe	27%
3	Rest of the World	13%

Workforce

Group
47,437
employees

France
19,842

United Kingdom
6,926

Other Europe
11,494

Rest of the World
498

International Service Centers
8,677
India, Poland, Spain and North Africa

See Chapter 5 for more information

Strategy & 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

Strengthening of consulting

Overhaul of legacy application transformation offerings

At-scale production model

Strategic levers - Software

Sopra Banking Software

Sopra Banking Platform
Sopra Financing Platform

Digital
End-to-end approach

sopra hr software

SOLUTIONS IMMOBILIER by sopra steria

Medium-term ambitions

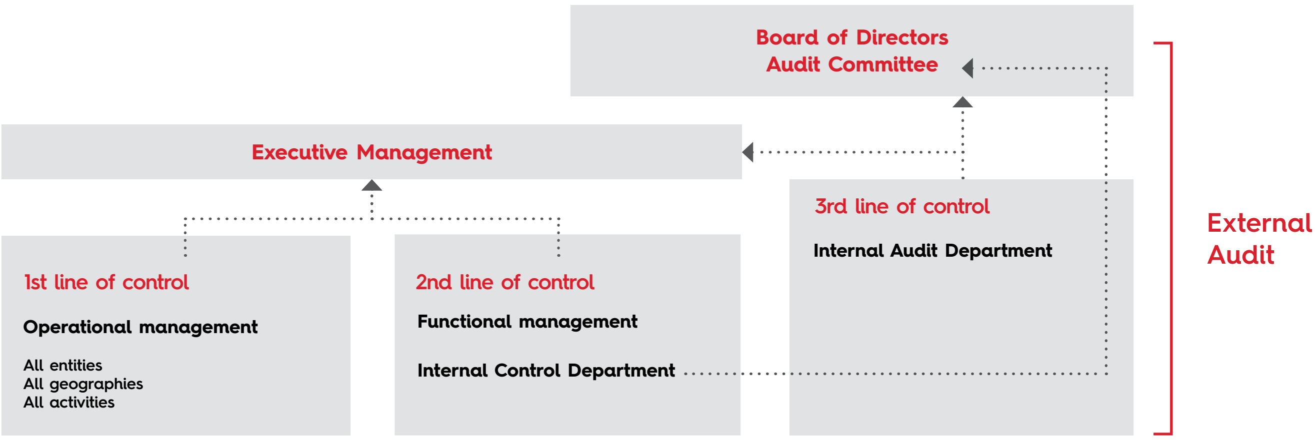
This **plan** is set within an upbeat market for digital services, boosted by demand for digital transformation on the part of businesses and institutions looking to optimise their processes and increase their resilience.

Given this context, **Sopra Steria is targeting** annual organic revenue growth of between 4% and 6% **over the next three years**. The Group has also set targets to achieve an operating margin on business activity of around 10% by 2024 and generate free cash flow of between 5% and 7% of revenue over the next three years.

See Chapter 1
for more information

Risk Management

Participants in internal control and risk management



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 residual risks is not intended to show all Sopra Steria's risks.

The table below shows the results of this assessment in terms of residual materiality on a scale of three levels, from least material (•) to most material (•••).

Category/Risk	*Residual materiality*
Risks related to strategy and external factors	
• 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	
• Attracting and retaining employees – ***SNFP****	•••
• Development of skills and managerial practices – ***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.

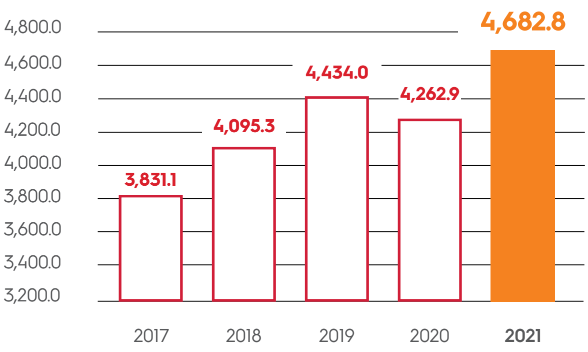
It should be noted that the Group is not directly exposed to Ukraine, Belarus or Russia, with the exception of a small non-trading entity in the latter country, which is currently being closed.

**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

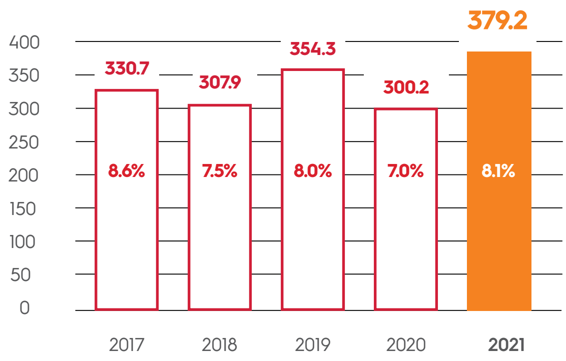
See Chapter 2
for more information

Financial performance

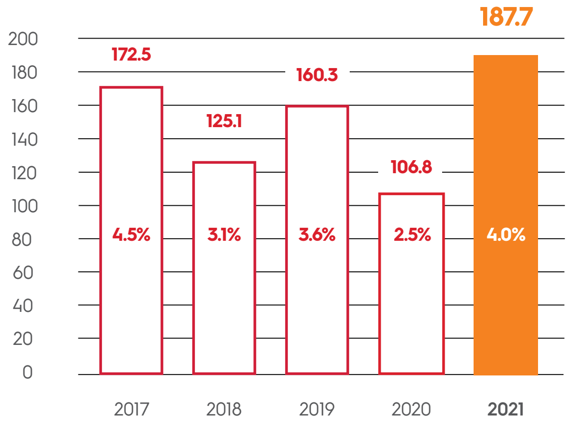
Revenue
in millions of euros



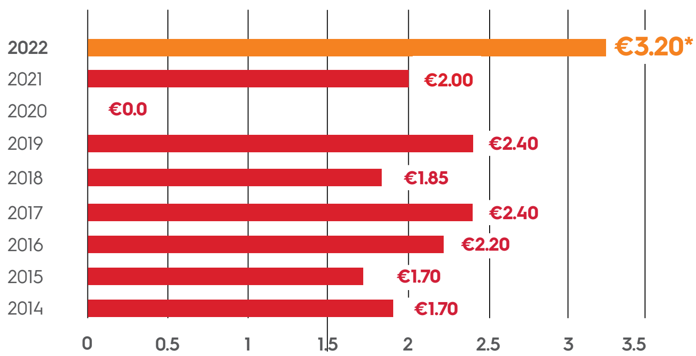
Operating profit on business activity
in millions of euros and as % of revenue



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

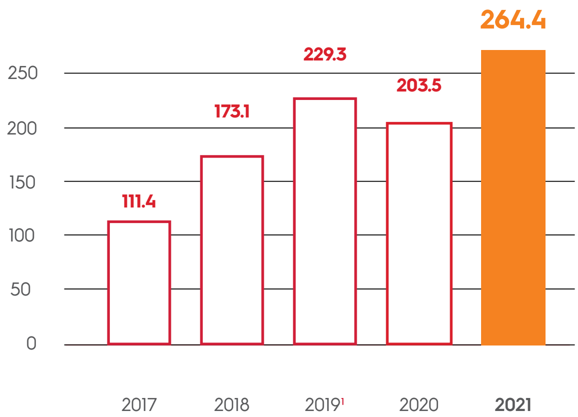


Dividend in euros
per share



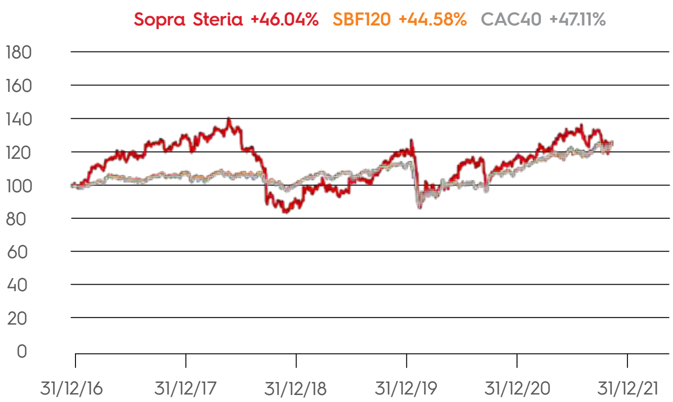
* Amount proposed at the General Meeting of 1 June 2022

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 2016

(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 SHARES, CAC MID & SMALL, CAC MID 60, CAC TECHNOLOGY, EURONEXT DEVELOPED MARKET, NEXT 150, EURONEXT EUROZONE ESG LARGE 80 EURONEXT EUROZONE 300, EURONEXT VIGEO EUROPE 120, EN CDP ENVIRONNEMENT ESG FRANCE EW

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

2022 financial calendar

24 February 2022 before market open	2021 annual revenue and earnings*
29 April 2022 before market open	Q1 2022 revenue**
1st June 2022	Annual General Meeting
07 June 2022	Ex-dividend date
09 June 2022	Dividend payment
28 July 2022 before market open	2022 half-year revenue and earnings*
28 October 2022 before market open	Q3 2022 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.
**Revenue for the 1st and 3rd quarters is published in a press release and presented via a bilingual (French and English) conference call.

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 marketplaces 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	Meetings	Countries covered	Cities covered
188	185	12	18

Roadshows	Conferences
26	10

Percentage of Group's share capital held by institutional investors

29.1%
International institutional investors

26.6%
French institutional investors

Percentage of Group's share capital held by individual shareholders

11.0%
percentage of share capital held by individual shareholders

TPI survey of identifiable shareholders at 31/12/2021
Ownership threshold of over 1,000 shares

Sopra Steria received an award from the Technical Committee of the Grand Prix de la Transparence* in 2021

2nd place
Top 2 position in the Grand Prix de la Transparence for regulated information

Prizewinner for the Invitation Brochure to AGM including Say on Pay
Sopra Steria ranks among the top 3 companies nominated for the Grand Prix for all categories, the 2020 Universal Registration Document and website

*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
https://www.soprasteria.com/about-us/corporate-responsibility

https://twitter.com/soprasteria

https://www.facebook.com/soprasteria

https://www.linkedin.com/company/soprasteria

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

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1. Business overview and strategies

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. Phone: +33(0)4 50 33 30 30.

Executive Management: 6 avenue Kleber, 75116 Paris – France. Phone: +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.

Explanation of the changes to the name of the entity presenting the financial statements after the end of the previous reporting period: N/A

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.

2014-2021

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).

In 2021, Sopra Steria was bolstered by the acquisition of French cybersecurity firm EVA Group. This acquisition is a key step toward positioning Sopra Steria as one of the top three players in the French cybersecurity market.

The Group also acquired two other companies in 2021: EGGS Design, which specialises in digital service design and has locations in Norway's four biggest cities (Oslo, Bergen, Trondheim and Stavanger) as well as in Denmark (Copenhagen), and Labs, a Norwegian user experience consulting firm.

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 2021, the digital services market in Western Europe was worth an estimated $318.0 billion [(1)], up 7.9% [(2)] (after being down 4.7% in 2020 due to the Covid-19 pandemic). Gartner predicts growth of 7.6% to $337.4 billion in 2022.

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

Country *(in billions of dollars)*	**2022 estimates**
France	43.4
United Kingdom	96.6
Germany	59.4
Rest of Europe	138.0
TOTAL	**337.4**

Source: Gartner, updated Q4 2021.

According to market research, in 2021 the market [(1)] grew by 8.9% [(2)] in France, 8.1% in Germany and 6.8% in the United Kingdom. For 2022, growth is expected to continue, amounting to 8.6% in France, 8.4% in Germany and 8.1% in the United Kingdom.

This trend should also continue over the next few years, with market growth in Western Europe estimated at around 7% per year on average (2022-2025).

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

Business *(in billions of dollars)*	**2022 estimates**
Consulting	75.5
Development and systems integration	92.0
Outsourced IT services	130.7
Business process outsourcing	39.2
TOTAL	**337.4**

Source: Gartner, updated Q4 2021.

In terms of business segments, consulting was up 8.7% [(2)] in 2021 and implementation services grew by 10.7%. The Group's other activities also experienced a year of growth: Outsourced infrastructure and cloud services were up 6.4%, with business process outsourcing up 7.0%.

For 2022, Gartner predicts growth of 10.0% in consulting, 10.5% in implementation services and 6.7% in outsourced infrastructure and cloud services. Business process outsourcing is expected to grow by 7.9%.

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 54% of the digital services market in Europe [(1)].

Furthermore, the IT services market remains fragmented despite some consolidation, with the leading player in the European market holding a 5% share. Against this backdrop, Sopra Steria is one of the 12 largest digital services companies operating in Europe (excluding software) with an average market share of just under 2%. In France (second in the market) and in Norway (fourth in the market), the Group's market share is over 5%. In the other major European countries, its market share is around 1%.

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, Tietoevry 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 2021
(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, development of industry- and technology-specific solutions, infrastructure management, cybersecurity and business process services.

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 over 47,000 employees in nearly 30 countries, it pursues a strategy based on European key accounts.

4.1.1. CONSULTING AND SYSTEMS INTEGRATION – 61% OF 2021 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 over 3,000 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 Next 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 TECHNOLOGY SERVICES – 9% OF 2021 REVENUE

With over 6,000 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. Our main activities include consulting, integration projects and upgrading information systems, as well as the execution of operations in the field of IT infrastructure and cloud management.

Our 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 public and sovereign cloud environments.
- **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 support 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 delivery, our teams work more specifically on transformation and managed services projects in private, public, sovereign and hybrid cloud environments.

At Sopra Steria, we also assist our clients with their strategic cloud-native, cloud-first or "data centre-less" initiatives. We deploy and operate secure and proven solutions in a demanding environment in terms of production, continuity of service and data management, leveraging our expertise 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 over 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 revolves around three key areas of expertise:

- **Prevention:** Drawing up a cybersecurity strategy that is adapted to the risks of the business and complies with the regulations in force, and spreading a culture of security within the organisation;
- **Protection:** Ensuring the continuous monitoring of its assets by securing multi-cloud and hybrid environments, end-to-end encryption of applications and sensitive data;
- **Detection & Response:** Adopting a defence strategy that addresses real threats by relying on the CERT (Computer Emergency Response Team) and CTI (Cyber Threat Intelligence) to understand the nature of the threat, and on the SOC (Security Operations Centre) deployed in DevOps to detect and respond to security incidents.

In 2021, Sopra Steria launched two major offerings to address the need for reliability and speed among the Executive Committee, the IT department and CISOs in the event of a cyberattack:

- **Crisis Management** allows organisations to save time and focus on their business through a comprehensive, collaborative and proven approach structured around five pillars: governance, detection, CTI, investigation and remediation;
- **Cyber Resilience** responds to fully or partially destructive cyberattacks on the information system to restore essential services within a few hours and to ensure the continuity of operations within a few days by restoring confidence in the information system.

4.1.4. DEVELOPMENT OF BUSINESS SOLUTIONS – 15% OF 2021 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 more than 50 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:

- Sopra Banking Platform 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;
- Sopra Financing Platform 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. In response to new hybrid working patterns, the new generation of Sopra HR 4YOU solutions offers a fully digital HR space that helps businesses stay closely connected with their employees and optimise HR performance and the quality of HR services.

Within Sopra HR Lab, Sopra HR anticipates the emergence of innovative HR solutions.

Services

Sopra HR Software, a comprehensive service provider, offers a number of services linked to its solution offering and its HR ecosystem. 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 (Sopra Real Estate Software): 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. Sopra Steria offers major public and private sector players in real estate (institutional investors, social housing operators, property management firms and major users) the most comprehensive digital information system available on the market.

Today, Property Management Solutions by Sopra Steria's teams of more than 700 experts guide its 400 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-investment approaches put in place with its clients.

Solutions

Property Management Solutions by Sopra Steria offers a digital services platform, for everything from property management to building information management, 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 2021 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.

Sopra Steria manages two of Europe's largest shared services organisations. Shared Services Connected Limited (SSCL) is a unique joint venture between Sopra Steria and the UK Cabinet Office. Sopra Steria provides a full range of business support services to major government departments, the police and UK government agencies. NHS Shared Business Services is a joint venture between Sopra Steria and the Department for Health and Social Care that provides support services to NHS trusts and UK health bodies.

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. FINANCIAL SERVICES – 24% OF 2021 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. GOVERNANCE & PUBLIC SECTOR – 26% OF 2021 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 SECURITY – 16% OF 2021 REVENUE

a. Aerospace

The aerospace 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 through the Aeroline vertical 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.

As a company specialising in digital services, Sopra Steria does not engage in the manufacture, maintenance or marketing of controversial weapons.

c. 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 2021 REVENUE

The energy sector is in the midst of its most radical transformation, in Europe and in France, since the end of the Second World War. Public institutions, civil society and the private sector have decided to become carbon-neutral in Europe by 2050, with an initial reduction of 55% to 60% by 2030, as part of the European Union's "Fit for 55" plan.

Becoming carbon-neutral will require a thorough overhaul of the energy sector's value chain, from production to marketing, with electricity replacing fossil fuels, and biogas and hydrogen acting as complementary forces, particularly for industry.

For energy providers, this raises a number of specific challenges:

- **in production:** Striving for excellence in the field of low-carbon (especially nuclear) and renewable energy production, while mastering the technological, financial and societal challenges associated with accepting the many projects to be launched in the various regions.
- **in transport and distribution:** Carrying out a wave of investments to address the challenge of expanding renewable energy production points, connecting them and ensuring their operation under optimal conditions by digitising and modernising the network.
- **in marketing**: Optimising the customer experience and creating offers that combine energy and services to retain and win over new customers, and to respond to new usage patterns (electric mobility, self-consumption, etc.).

Against this backdrop, 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;
- **modernisation and optimisation of information systems** to enable energy transition investments;
- **transformation and resilience of organisations:** facilitating changes in organisations and business lines to promote agility.

4.2.5. TELECOMMUNICATIONS, MEDIA AND ENTERTAINMENT – 4% OF 2021 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 2021 REVENUE

Given that the transport sector accounts for 30% [1] of GHG (greenhouse gas) emissions, all players in the sector will have to undergo major changes in the short to medium term to reduce their footprint. Meanwhile, mobility and logistical needs are constantly changing and must contend with new challenges: increased international traffic and interoperability, the development of platforms to facilitate access to mobility services in urban areas, the upgrading of infrastructure both in terms of capacity and modernity, and new approaches to urban logistics as the volume of goods driven by e-commerce explodes and last-mile services in densely populated areas require new approaches.

(1) Report on the state of the environment in France: https://notre-environnement.gouv.fr/ree/

Faced with these major challenges, the transport industry will have to implement strategies, investments and services to encourage travellers to choose the most environmentally friendly solutions by facilitating access to services, using "door-to-door" methods, offering seamless intermodality, integrating micro-mobility, and developing new payment and customer experience models. Transporters, infrastructure managers and logisticians will progressively update their operating and supervision models to integrate the new functionalities made possible by data and predictive models. Advances in autonomous driving are a key issue in urban areas.

Sopra Steria Group is determined to partner with the leading players in the transport industry to help them achieve their digital transformation objectives in three key areas of their value chain: passenger flow and real-time information, operational supervision, as well as industrial operations and asset management.

The Group also aims 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 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 – 6% OF 2021 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 2021 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 €137 million in 2021 (versus €139 million [1] in 2020) 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. 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.

(1) After taking into account the impact of changes in scope

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."

5.2. Confirmed objectives and priority action areas

5.2.1. DEVELOPMENT OF SOLUTIONS

The Group, currently France's number-two enterprise software developer, confirms its medium-term target of continuing to grow its solution development and integration activities. 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.

Management at the Group's three software entities (Sopra Banking Software, Sopra HR Software and Sopra Real Estate Software) confirmed the benefits of mapping out a Software Project that goes beyond merely setting up a reporting and control hub.

This resulted in the creation of a Software division spanning these three entities.

The first decision was to put in place, in 2021, a Design Authority Software (DAS) tasked with the following:

- defining mandatory requirements for all software entities and ensuring they are properly implemented;
- promoting knowledge-sharing: shared research, best practice, coordination of subject-specific communities, etc.;
- developing and running tools and platforms on behalf of the three entities;
- managing key partnerships for the benefit of all.

5.2.2. 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 continuing to develop its activities in this area. 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.

5.2.3. 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:

- strengthening its training offering: introductory and more advanced courses on all digital/cloud technologies, training on new digital practices 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.

5.2.4. 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; Governance & Public Sector; Aerospace, Defence & Security; Energy & Utilities; Telecoms, Media & Entertainment; Transport; Insurance; 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.

In 2021, the organisation of the financial services vertical was bolstered in order to develop synergies between the various business lines and improve the Group's positioning in Europe in this strategic market.

The financial services vertical includes:

- service businesses in France, the United Kingdom, Germany, Spain, the Benelux countries, Scandinavia, Italy and Switzerland, by Gallit and at the Group's Service Centres;
- software and ancillary services supplied by Sopra Banking;
- software and ancillary services supplied by Sopra HR Software and Sopra Real Estate Software in the financial services market.

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.

5.2.5. 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 end of the Covid-19 crisis. In this context, it will be able to carry out larger acquisitions.

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

To fulfil 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.

5.3. Medium-term strategic objectives

Sopra Steria's strategy is built around its independent corporate plan focused on sustainable value creation for its stakeholders. This Europe-wide corporate plan is underpinned by expansion through organic and acquisition-led growth. Its goal is to generate substantial added value by leveraging a comprehensive range of end-to-end solutions, driven by our powerful consulting and software businesses and our combination of technology and sector-specific expertise.

This plan is set within an upbeat market for digital services, boosted by demand for digital transformation on the part of businesses and institutions looking to optimise their processes and increase their resilience.

Given this context, Sopra Steria is targeting annual organic revenue growth of between 4% and 6% over the next three years. The Group has also set targets to achieve an operating margin on business activity of around 10% by 2024 and generate free cash flow of between 5% and 7% of revenue over the next three years.

6. 2021 Full-year results

6.1. Comments on 2021 performance

Vincent Paris, Chief Executive Officer of Sopra Steria Group, commented:

"We turned in a strong performance in 2021, comfortably achieving the targets we had set for ourselves at the beginning of the year. Digital transformation is accelerating and is seen by senior management teams as an opportunity, in particular to improve internal processes and make their organisations more resilient. Business dynamic was very this year and we are very well positioned to take advantage of market growth. In this context, human resource management is one of our current priorities. In relation to this important topic, 2021 saw a strong recovery in recruitment and efforts focused on retaining talent. I am pleased with the net increase in our headcount of 1,500 employees and our partnership with 650 additional subcontractors. I am also very proud of the continuing improvement in the results of our survey of the Group's entire workforce, with virtually all of our entities around the world eligible for Great Place to Work® certification in 2021."

DETAILS ON 2021 OPERATING PERFORMANCE

Consolidated revenue totalled €4,682.8 million, an increase of 9.8%. Changes in scope had a positive impact of €94.5 million, and currency fluctuations had a positive impact of €41.6 million. At constant scope and exchange rates, revenue growth was 6.4%.

Profit from recurring operations came to €379.2 million, up 26.3% relative to 2020. The operating margin on business activity bounced back strongly to 8.1% (7.0% in 2020 and 8.0% in 2019).

The **France reporting unit** (39% of the Group's revenue) generated revenue of €1,824.9 million, representing organic growth of 5.9%. The rebound was driven in particular by our product life cycle management activities (up 17.2%). Steadily gaining momentum over the course of the year, consulting and systems integration recorded growth of 5.7%, while infrastructure management rose 2.5%. Defence, aerospace, telecoms and media, and energy were the best-performing vertical markets. The acquisition of EVA Group in December has significantly boosted Sopra Steria's firepower in cybersecurity with the aim of becoming one of the leaders in this market in France. The reporting unit saw a clear recovery in profitability, improving its operating margin on business activity by 1.8 points to 8.6%. This improvement is expected to continue in 2022 with a return to the level reached in 2019 (9.7%).

In the **United Kingdom** (18% of Group revenue), growth slowed in the fourth quarter as anticipated. Nevertheless, the reporting unit posted solid growth of 13.9% in 2021, ending the year with revenue of €823.1 million. This performance was driven by the rapid growth achieved by the two joint ventures specialising in business process services for the public sector (NHS SBS and SSCL). They posted revenue of €435.7 million, representing average organic growth of 24.3% for the financial year (8.0% in Q4). The defence, security and government sectors grew 9.4% year on year even though the fourth quarter was less favourable, especially for the visa renewal service. The private sector remained under pressure in 2021 although operating performance improved compared with 2020. The strong rise in the reporting unit's revenue was accompanied by a 1.1-point improvement in its operating margin on business activity to 9.1%.

The **Other Europe reporting unit** (29% of Group revenue) posted organic revenue growth of 6.0% at constant scope and exchange rates to €1,343.2 million. Momentum was strong for Benelux, Scandinavia and Germany in particular, all of which achieved double-digit organic growth. During the second half of the year, the reporting unit strengthened its position in digital consulting in Scandinavia with the acquisitions of Labs (50 consultants) and EGGS Design (150 consultants), specialising respectively in user experience and business design. The operating margin on business activity came to 7.8% (8.1% in 2020). The countries of the pole improved their performance at 9.1% while Sopra Financial Technology remained, as forecasted during the transformation period, dilutive for the reporting unit.

In 2021, Sopra **Banking Software** (9% of Group revenue) continued its product developments, particularly in its range of digital solutions, whose pace of growth accelerated, while tightening its cost control. Overall, operating performance continued to improve. Revenue came to €434.1 million, an organic contraction of 3.3%. This change was mainly due to a decline in licence sales arising from a highly unfavourable base effect in the second half of the year, given the 43% increase recorded in the same period of 2020. Services revenue grew in the second half of 2021. The five-year R&D transformation programme delivered a €4 million reduction in development costs in its first year. The gradual recovery in profitability under way since 2019 gained momentum in 2021: operating profit on business activity came to €17.5 million (€10.5 million in 2020 and €4.9 million in 2019), equating to a margin of 4.0% (2.5% in 2020 and 1.1% in 2019).

The **Other Solutions reporting unit** (5% of Group revenue) posted revenue of €257.5 million, representing organic growth of 8.7%. Human resources solutions posted growth of 10.0%, while real estate management solutions grew 6.2%. The operating margin on business activity improved by 1.3 points to 10.1% (8.8% in 2020).

6.2. Comments on the components of net profit attributable to the Group and financial position at 31 December 2021

Profit from recurring operations came in at €339.3 million equating to growth of 29.9%. It included a €6.7 million share-based payment expense and a €33.2 million amortisation expense on allocated intangible assets.

Operating profit reached €303.4 million, representing an increase of 49.9%, after a net expense of €35.9 million for other operating income and expenses (compared with a net expense of €58.9 million in 2020).

The tax expense totalled €93.5 million, an effective tax rate of 32.8%.

The share of profit from equity-accounted companies (mainly Axway Software) was €1.8 million (€2.3 million in 2020).

After deducting €5.9 million in **non-controlling interests, net profit attributable to the Group** came to €187.7 million, a rise of 75.8% on 2020 and 17.1% on 2019.

Basic earnings per share came to €9.27, up 75.9% (€5.27 in 2020).

Free cash flow was very strong, at €264.4 million (€203.5 million in 2020) in particular due to an increase in EBITDA of €64.8 million.

Net financial debt totalled €327.1 million, down 23.1% from its level at 31 December 2020. It was equal to 19% of equity and 0.73x pro forma EBITDA for 2021 before the impact of IFRS 16 (with the financial covenant stipulating a maximum of 3x).

The Group's **syndicated credit facilities** were renewed on 22 February 2022 for a period of five years and in the total amount of €1.1 billion. The new multi-currency revolving credit facility is an early replacement, under favourable conditions, for the existing syndicated loan, which was due to mature in July 2023. Interest rate calculations for this new credit facility are tied in part to an ESG metric (reduction in greenhouse gas emissions).

6.3. Proposed dividend in respect of financial year 2021

At its meeting of 23 February 2022, the Board of Directors of Sopra Steria Group decided to propose at the General Meeting of the Shareholders to be held on Wednesday, 1 June 2022, that a dividend of €3.20 per share be distributed (vs. €2.0 per share in respect of financial year 2020). The ex-dividend date will be 7 June 2022. The dividend will be paid as of 9 June 2022.

6.4. Workforce

In a very buoyant market, **recruitment** increased considerably in 2021. A total of 10,636 new employees joined the Group during the year, with 6,392 hires during the second half alone. The Group's pace of recruitment has thus returned to pre-pandemic levels.

At end-December 2021, the Group's **net headcount** increased by 1,477 employees. The Group had a total workforce of 47,437 employees, up from 45,960 at 31 December 2020. Staff employed at international service centres (India, Poland, Spain, etc.) represented 18.3% of the total workforce.

The Group also added 650 **subcontractors** in 2021.

The **workforce attrition rate** rose to 16.0% in 2021, but remained below its 2019 level (17.6%).

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.

With regard to **the environment,** on 7 December 2021, 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 5th year in a row.

With regard to **social responsibility**, in March 2021 Sopra Steria became a signatory of the Women's Empowerment Principles (WEPs) established by the UN Global Compact and UN Women, reaffirming its commitment to gender equality. The main imperatives are to attract more women to the digital services sector and increase the proportion of women in the Group's management bodies. Sopra Steria has set a target for women to make up at least 30% of its Executive Committee membership by 2025. The Group also renewed its commitments to equal opportunity, notably in July 2021 by signing on to the LGBT+ Commitment Charter established by *L'Autre Cercle*.

More generally, Sopra Steria places great importance on the management of its **human resources**. The survey conducted across the Group's entire workforce in 2021 found that 72% of its employees would recommend Sopra Steria as a great place to work, making virtually all of our entities eligible for Great Place to Work® certification.

6.6. External growth transactions and acquisitions in financial year 2021

During financial year 2021, Sopra Steria announced the following key transactions:

- **EVA Group** – a French cybersecurity firm

On 21 December 2021, EVA Group was added to Sopra Steria's scope of consolidation. The proposed acquisition was announced on 12 October 2021. This transaction is a key step toward positioning Sopra Steria as one of the top three players in the French cybersecurity market;

- **EGGS Design –** a consulting firm specialising in digital service design

On 2 December 2021, EGGS Design, a consulting firm specialising in digital service design, was added to Sopra Steria's scope of consolidation. The proposed acquisition was announced on 29 October 2021. EGGS Design employs around 120 consultants who assist their clients in developing service strategies and designing brand platforms. It has locations in Norway's four biggest cities (Oslo, Bergen, Trondheim and Stavanger) as well as in Denmark (Copenhagen);

- **Labs –** a Norwegian user experience consultancy

On 30 September 2021, the Group finalised its acquisition of Labs, a consultancy specialising in the digital user experience. The proposed acquisition was announced on 24 June 2021. Labs is based in Bergen, Norway's second-largest city. It employs around fifty consultants specialised in digital services to help transform the customer experience. This acquisition bolsters Sopra Steria's consulting activities in Norway in highly promising digital markets.

6.7. Infrastructure and technical facilities

A total of €42.7 million was invested in 2021 in infrastructure and technical facilities, as against €27.8 million in 2020.

Investments in facilities comprised the following:

- land and buildings: €0.5m;
- fixtures, fittings and furniture: €23.0m;
- IT: €19.2m.

6.8. Targets for 2022

- Organic revenue growth of between 5% and 6%
- Operating margin on business activity of between 8.5% and 9.0%
- Free cash flow of around €250 million

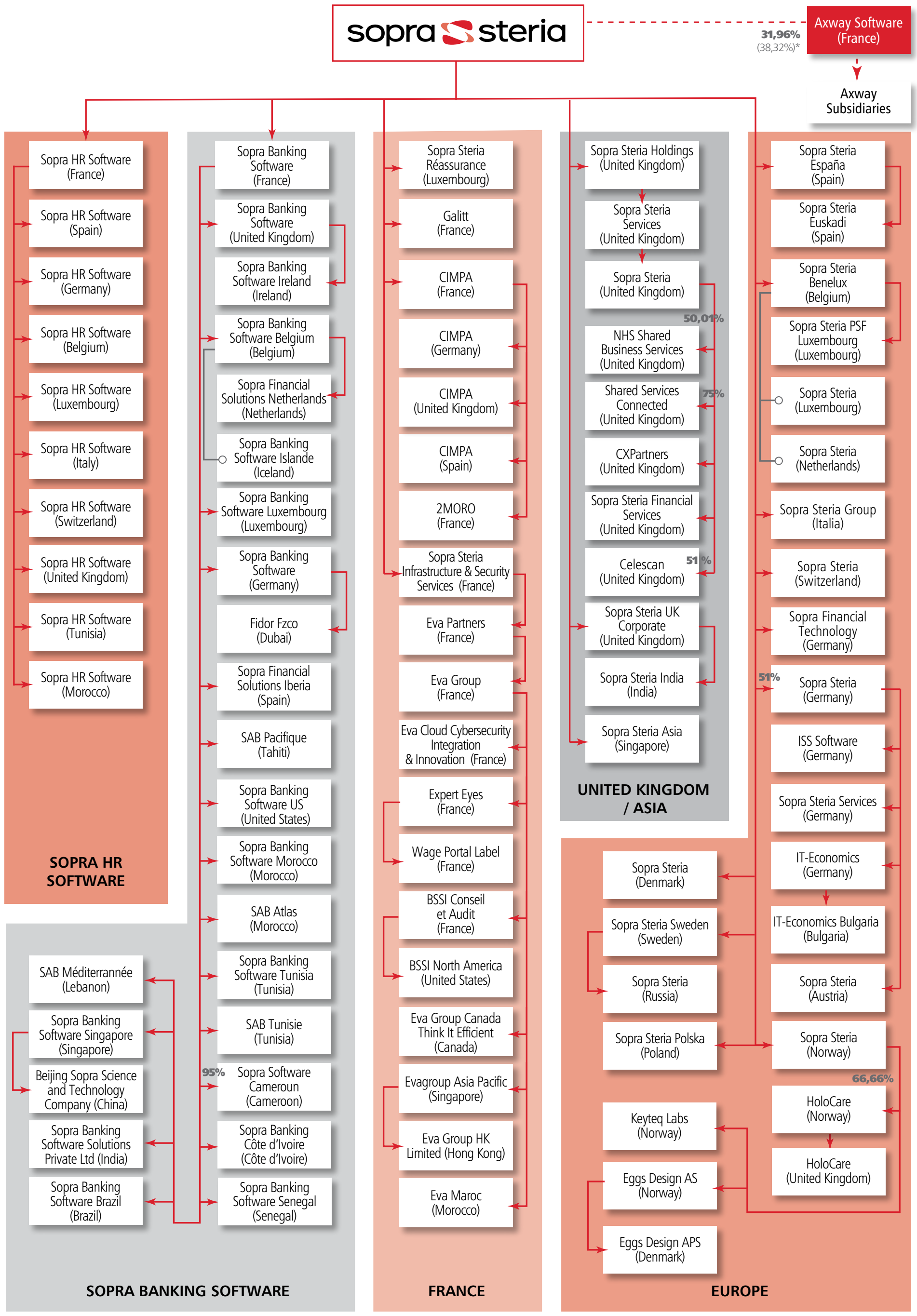
7. Subsequent events

The Board of Directors decided on 12 January 2022 to implement a new We Share employee share ownership plan by adopting the same features as the previous plans, given their success. The plan involves the transfer of existing shares.

On 22 February 2022, the Group signed an agreement with its partner banks consisting of a €1,100 million non-amortising multi-currency credit facility tied to the achievement of environmental goals. This agreement replaced the existing revolving multi-currency credit facility. It has an initial term of five years and may optionally be extended for two periods of one year each. Furthermore, the current syndicated loan, amortising until 2023, was repaid in full.

No other subsequent events occurred after the end of financial year 2021.

8. Simplified Group structure at 31 December 2021



Note: the companies are over 95%-owned by the Group, either directly or indirectly, unless otherwise specified.
(*) Exercisable voting rights

BRANCH

9. Group organisation

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

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

On Wednesday, 12 January 2022, Sopra Steria announced the appointment of Cyril Malargé to succeed Vincent Paris as Chief Executive Officer.

After 1 March 2022, when Cyril Malargé will take up the position of Chief Executive Officer, Vincent Paris will continue to work with the Group as Advisor to the Chairman.

The Executive Committee (ExCom) is led by the Chief Executive Officer and consists of 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. The Executive Committee is involved in the Group's strategic planning and implementation. Three of its members are women.

Members of the Sopra Steria Executive Committee:

- Cyril Malargé, Chief Executive Officer;
- Laurent Giovachini, Deputy Chief Executive Officer, Business Strategy, Defence and Security;
- Éric Pasquier, Software;
- Pierre-Yves Commanay, Continental Europe;
- John Neilson, United Kingdom;
- Grégory Wintrebert, France;
- Nicolas Aidoud, Financial Services;
- Yvane Bernard-Hulin, Legal;
- Éric Bierry, Sopra Banking Software;
- Étienne du Vignaux, Finance;
- Claire Ducos, Marketing;
- William Ferré, Industrial Approach;
- Jean-Claude Lamoureux, Sopra Steria Next (Consulting);
- Fabienne Mathey-Girbig, Corporate Responsibility and Sustainable Development;
- Xavier Pecquet, Key Accounts and Partnerships, Aeroline;
- Mohammed Sijelmassi, Technology;
- Jean-Charles Tarlier, Human Resources Development.

The Group Operating Committee consists of the members of the Executive Committee and 22 operational and functional directors for countries or subsidiaries. Five of the Group Operating Committee's members are women.

The Group Management Committee consists of the members of the Group Operating Committee, together with 14 operational directors and functional directors. Nine of the Group Management Committee's 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

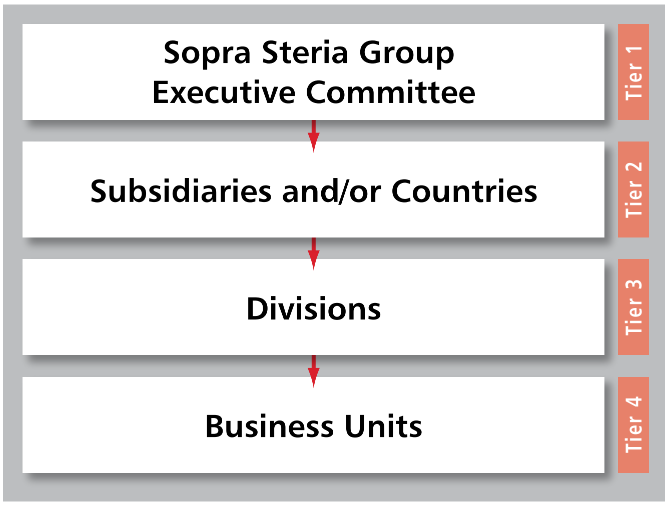
Each country or subsidiary is made up of divisions based on two criteria:

- 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 and Poland, and offshore 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

1. Risk factors

1.1. Risk identification and assessment

Risks are identified and the implementation of associated mitigation plans assessed and monitored on an ongoing basis by the various operational and functional units via the risk management system. This system is based on regular weekly, monthly and annual cycles that are followed at every level of the organisation, corresponding to monthly, annual and multi-year planning horizons (see description in Section 3.3.2 of this chapter, page 46). These cycles help the Group maintain an overall view that takes into account opportunities and risks at every level (strategy, operations, human resources, compliance, etc.). They are synchronised so as to facilitate higher-level consolidation. All engineering methodologies used by the Group's business lines are predicated on the risk-based approach, helping disseminate this culture at every level of the organisation.

Every year, when the annual cycles take place, information gathered at Group level is used to update the general mapping of risks. This exercise, coordinated by the Internal Control Department, consists of identifying the risks that could limit Sopra Steria's ability to achieve its objectives and complete its corporate plan, as well as assessing their likelihood of occurrence and their impact should they occur, on a financial, strategic, operating and reputational level. This assessment is based on contributors' perceptions, analysis of historical and forecast data and monitoring of changes in the external environment. The main operational and functional managers are involved through interviews and validation workshops. The risk mapping covers all internal and external risks and includes both financial and non-financial issues.

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 results are reviewed and approved by Executive Management and presented to the Audit Committee of the Board of Directors.

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. As such, this presentation of residual risks is not intended to show all Sopra Steria's risks. The assessment of this order of materiality may be changed at any time, in particular due to the appearance of new external factors, changes in operations or a change in the effects of risk management 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, such as governance, policies, procedures and checks.

1.2. Summary overview of risk factors

The table below shows the results of this assessment in terms of residual materiality on a scale of three levels, from least material (●) to most material (●●●).

Category/Risk	Residual materiality	Page
Risks related to strategy and external factors		
Strategic positioning and marketing	●●●	Page 39
Loss of business from a major client or vertical	●●	Page 39
Acquisitions	●●	Page 40
Attacks on reputation	●●	Page 40
Risks related to operational activities		
Cyberattacks, systems security, data protection	●●●	Page 40
Resilience to a major systemic event	●●●	Page 41
Sale and delivery of projects and managed/operated services	●●	Page 42
Risks related to human resources		
Ability to attract and retain employees **SNFP** (1)	●●●	Page 43
Development of skills and managerial practices **SNFP** (1)	●●	Page 43
Risks related to regulatory requirements		
Compliance **SNFP** (1)	●	Page 44

(1) SNFP Statement of Non-Financial Performance : This risk also relates to the provisions of 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.

It should be noted that the Group is not directly exposed to Ukraine, Belarus or Russia, with the exception of a small non-trading entity in the latter country, which is currently being closed.

1.3. Detailed presentation of risk factors

1.3.1. RISKS RELATED TO STRATEGY AND EXTERNAL FACTORS

STRATEGIC POSITIONING AND MARKETING

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 adaptation of competitors, and the development of new businesses and/or 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 corporate 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 2021:

- transforming the integration and infrastructure management offerings;
- developing consulting activities within the Group;
- Sopra Banking Software's strategic plan;
- establishing a Software division;
- strengthening priority verticals, particularly the Financial Services vertical;
- the Group's industrial policy;
- developing human resources;
- acquisitions.

LOSS OF BUSINESS FROM A MAJOR CLIENT OR VERTICAL

Risk description

In general, the uncertain 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.

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, Banque Postale, BNP Paribas, the UK Cabinet Office, CNAM, Crédit Agricole, EDF, the UK Department for Work and Pensions, the UK Home Office, the UK Metropolitan Police, the French Ministry of the Armed Forces, the French Ministry of the Economy, Finance and Recovery, the French Ministry of the Interior, the UK Ministry of Defence, the UK Ministry of Justice, the UK National Health Service, Norddeutsche Landesbank, Orange, the French Job Centre, SNCF, Société Générale and Sparda Banken.

In 2021, the Group's top client accounted for 6.2% of revenue, the top five clients represented 21.6% and the top ten contributed 32.5%.

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 help mitigate, if necessary, 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.

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. All procedures associated with this upstream process are included in 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, with no guarantee that the negative effects of such attacks can be fully neutralised.

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 are examples of cyberattacks. They 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 a service provided 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. Cyberattacks by malicious actors (hackers, criminal organisations and state-backed organisations) have increased sharply in both frequency and sophistication, and this trend only looks set to intensify in the future.

These risks are significant in terms of both their probability and their impact and are at the heart of Sopra Steria's strategic concerns. Their potential impacts include the financial implications of client claims relating to contractual commitments, the interruption of internal operations, high incident recovery costs and regulatory non-compliance as well as reputational damage for the Group and the potential 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 solid governance 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 services, the security operations centre (SOC) and computer emergency response team (CERT), 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. It is aimed at anticipating, preventing and managing cyber risks in relation to information systems, including both internal systems and those used for projects and services delivered or managed on behalf of the Group's clients. 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, surveillance and detection systems and to expand the involved teams. The organisation therefore permanently enhances its procedures in terms of cybersecurity monitoring and intelligence, to manage all security events around the clock, as well as 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 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.

The Group has decided to further step up its investment: for more than a year now, it has been pursuing a reinforcement programme based on best practice and the best security solutions in its category, the two key aims of which are to improve the Group's security response and shorten the time required to get IT systems up and running again following an attack.

RESILIENCE TO A MAJOR SYSTEMIC EVENT

Risk description

The Group may be faced with extreme 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, whose frequency will surely increase, a global cyberattack or a major incident making the Group's physical and/or IT and communication infrastructures widely unavailable.

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 Covid-19 pandemic has served as an opportunity to put the Group's crisis management systems into effect. 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 typically rapid and severe, remains a significant risk for the Group on a five-year horizon.

More specifically, as regards the business continuity plan 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. 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, 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, lack of 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 penalties and/or budget overruns, resulting in additional costs and potentially impacting operating margins.

Risk management measures

Managing clients' demands and maintaining production quality are central priorities for the Group. In order to ensure the quality of management and execution of services, the Group has developed a series of methods, processes and controls. In particular, the Group uses a Delivery Rule Book (a set of 32 mandatory rules covering everything from pre-sales to the end of the production phase for services).

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 business unit/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, the Legal Department and the Finance Department, is an integral part of the Group's controls implemented to fulfil its commitments. Indicators known as pre-sales KPIs are used throughout the Group to monitor these quality milestones and ensure that they are achieved. 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. The achievement of quality milestones laid down in the Delivery Rule Book for the production cycle is notably measured via compliance reviews based on various checklists. Depending on its outcome, a compliance review may be supplemented by a more in-depth review of the project in question.

Monthly steering meetings facilitate an overview of quality at all levels, the monitoring of established annual quality targets 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.

As regards industrialisation, the Group has continued to invest heavily in the resources required to rapidly develop and operate digital solutions for its clients, designed to run in the cloud environment: the Digital Enablement Platform (DEP); implementation accelerators based on the build-to-reuse/reuse-to-build approach, which, as well as improving efficiency and productivity, aim to reduce the environmental impact of development; and digital factories to deliver service offerings combining consulting and software (e.g. cloud migration and modernisation of information systems).

1.3.3. RISKS RELATED TO HUMAN RESOURCES

ATTRACTING AND RETAINING EMPLOYEES

Risk description

Sopra Steria Group 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 increasingly intense competition, scarcity of expertise and increased demands of applicants and employees in terms of quality of life at work, 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 relatively high employee turnover (16.0% in 2021, up from 13.6% in 2020, returning to 2018-2019 levels) may prevent the Group from delivering on its strategy or achieving its target 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 recruitment almost at 2019 levels (10,636 new hires in 2021, compared with 10,844 in 2019) after a decline in 2020 (6,133 new hires) in line with the effects of the Covid-19 pandemic;
- closer relationships with universities, with the focus of the policy shifting away from forums and towards educational activities (classes, academic chairs, business and technical talks, HR workshops, etc.);
- a continuously improving applicant experience (platforms for interacting with applicants, original new event formats including coding competitions and e-sports challenges, live chats and numerous social media sourcing campaigns) and further optimisations to the recruitment process and organisation;
- an "immediate boarding" integration process based on specific training programmes ("Get On Board" seminar, business line training programmes);
- a special focus on well-being in the workplace (preventive approach to occupational risks) and employee engagement in this area (new 2021 edition of the Group people survey in partnership with Great Place to Work);
- an employer brand ("Dare together") that conveys the image of a committed and united Group with a singular and responsible collective ambition;
- ever-expanding civic engagement through iconic projects (HandiTutorat, Prix Étudiants awarded by Fondation Sopra Steria – Institut de France, etc.).

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 changes.

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 practices 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 crises 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 and international, management and leadership programme). A total of 1,219,922 hours of training were delivered in 2021, up 1% from 2020;
- an ongoing effort to support employees, including remote working agreements, local support for managers, faster digitalisation of the training offering, mechanisms for listening to employees and monitoring risks associated with work-related stress, etc.

1.3.4. RISKS RELATED TO REGULATORY REQUIREMENTS

COMPLIANCE

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 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 4.4, "Ethics and compliance" of this Universal Registration Document, pages 141 to 145).

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. With this in mind, the Company set up its own captive reinsurance company in late 2021.

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" of Chapter 1, "Business overview and strategies" of this Universal Registration Document (pages 35 to 36).

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 communication and management applications 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.

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 4.4 "Ethics and compliance" in Chapter 4, "Corporate responsibility" of this Universal Registration Document, pages 141 to 145.

b. Group rules, policies and procedures

The framework of internal control rules, known as the Group Rules, constitutes the common core of operating rules applicable to all entities and is rolled out as early as possible in the integration process whenever a new company is acquired. With the aim of continuously improving internal control and better managing risks identified through the Group's various risk mapping exercises, the Group Rules are regularly reviewed to ensure they remain relevant and supplemented to take into account, in particular, segment-specific developments, regulatory changes and internal audit findings. They underwent a thorough update in 2021.

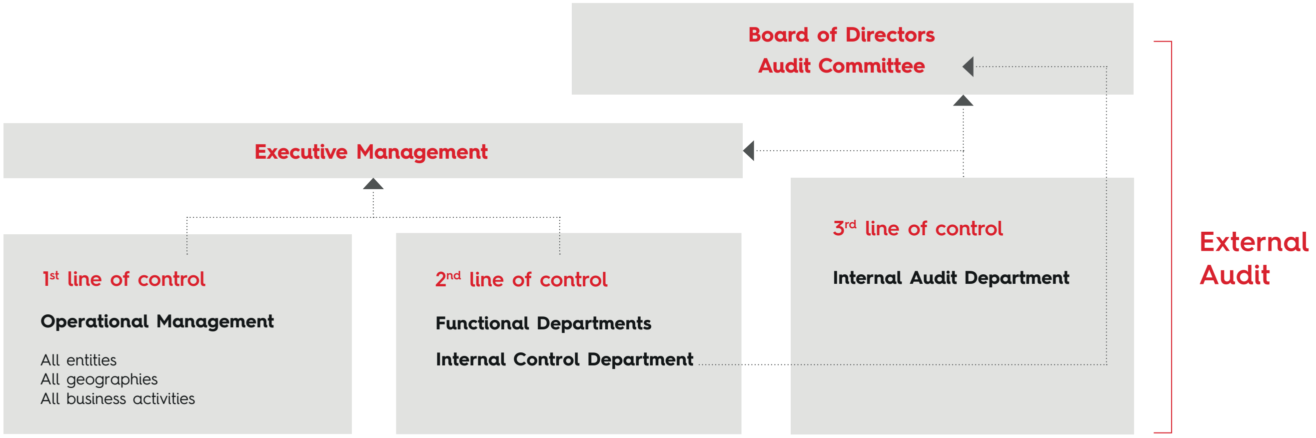
The Group Rules cover 14 areas corresponding to Group processes: governance and steering, human resources, pre-sales and contracting, production, information systems security, site management and security, purchasing, finance, legal structure of entities, insurance, mergers and acquisitions, corporate responsibility, marketing communications, and compliance. These rules may be adapted to suit the Group's different geographies and subsidiaries provided they remain consistent with the framework laid down.

These fundamental rules are then broken down for each area in the form of detailed policies and procedures (e.g. Delivery Rule Book, Human Resources Policy, Information Security Policy, Purchasing Procedure, M&A Playbook, etc.). They are available on the Group's intranet and are reinforced through the Group's various training and communications initiatives.

As regards the production front, Sopra Steria's Delivery Rule Book defines all the pre-sales, production, management and quality assurance processes required to successfully manage projects. The primary goal is to contribute effectively to producing the expected level of service that meets clients' needs in line with time and budget constraints. It 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 Delivery Rule Book sits above all the Group's quality systems. All quality systems in use within the Group are compatible with the Delivery Rule Book. The basic principles of the Quality Systems 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.

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.



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 Internal Control Department consists of a team of four people.

The Group also has a network of Compliance Officers, appointed in each of the Group's entities and across all its geographical operations. In 2021, there were 15 Compliance Officers. In the largest entities, they are assisted by a deputy. 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.

The Internal Control Department, supported by entity-level compliance officers, oversees monitoring of Group rules to ensure that they remain relevant and that any corrective action identified is properly implemented. In 2021, a self-assessment of this monitoring process was undertaken following the publication of an updated version of the Group Rules.

- 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

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.

Reviews 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 Internal Audit Department consists of a team of five people.

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 22 assignments in financial year 2021.

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 76 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

This chapter describes the organisation and operation of governance as well as the compensation policy for company officers and its application during financial year 2021. It contains explanations concerning the recommendations of the AFEP-MEDEF Code [(1)] that were, by exception, set aside or partially implemented in 2021.

1. Organisation and operation of governance

1.1. Executive company officers

1.1.1. SEPARATION OF THE ROLES OF CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

On 19 June 2012, Sopra's Board of Directors decided to separate the roles of Chairman and Chief Executive Officer. It confirmed this decision in 2018 and 2021. It believes 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.

1.1.2. 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.

1.1.3. SUCCESSION PLAN FOR EXECUTIVE COMPANY OFFICERS

In 2021, the Nomination, Governance, Ethics and Corporate Responsibility Committee conducted its annual review of the succession plan covering the roles of Chairman of the Board of Directors and Chief Executive Officer. No changes were made as a result of this review.

During this review, the Committee heard from the Chairman of the Board of Directors, verified the adequacy of the plan in terms of the needs and culture of the Group, enquired – in the event of proposed amendments – about the profile of people newly identified in the plan and approved short- and medium-term actions to address any unforeseen vacancies.

1.1.4. OVERVIEW OF THE ACTIVITIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS IN 2021

The Board of Directors is currently chaired by Pierre Pasquier.

The Chairman of the Board of Directors carried out activities on a full-time basis throughout the year. This involved steering the work of the Board as well as other assignments entrusted to him.

These assignments include the governance of strategy, acquisitions and the Board of Director's shareholder relations as well as the supervision of matters which were identified early in the year in coordination with the Chief Executive Officer. These matters all relate to long-term preparations required in particular for the Group's transformation (HR, digital and industrial transformation; key organisational and operating principles for the Group, employee share ownership, promotion of Group values and compliance).

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

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

Executive Management may be forced to focus on urgent operational matters, limiting the time available for long-term planning.

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;
- monitoring of the implementation of such decisions over the long term.

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 high complementarity between these office holders. In summary, the current framework contributes to fluid and flexible governance arrangements. It means that the Group is able to act as quickly as needed and ensures decisions are taken with due care, while taking into account Sopra Steria Group's medium- and long-term strategic priorities.

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

In carrying out all of his assignments, the Chairman may receive support from two advisors and draw on resources across the Group but is also supported by a permanent team of four individuals at the

(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).

Sopra GMT holding company. Three of them have spent much 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 position within Sopra GMT means it has an outside perspective and greater independence. These resources enhance the Board of Directors' ability to oversee the smooth running of the Company.

The team was initially formed when Axway Software was spun off. It performs duties for Sopra Steria Group and Axway Software, in which Sopra Steria Group holds an ownership of approximately 32%. 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 (such as the Acquisitions Committee, the Corporate Responsibility Advisory Board, the Internal Control/Internal Audit Steering Committee and the Employee Share Ownership Plan Steering Committee) and working groups 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. They also comprise, under the same conditions, any external expenses (such as specialised advisors' fees) incurred by Sopra GMT. This organisational method does not increase the expenses borne by Sopra Steria Group. If the assignments handled by Sopra GMT's employees were not entrusted to them, they would need to be reallocated within the Group.

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 79 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.

Around 85% of Sopra GMT's total operating expenses are rebilled (with the remaining 15% reflecting the expenses arising from Sopra GMT's own internal operations). Expenses are rebilled on a cost-plus basis including a 7% margin. By definition, Sopra GMT generally records a small operating loss. The annual breakdown varies according to the respective needs of Sopra Steria Group and Axway Software. On average, since 2011, about 70% of the rebillings have been allocated to Sopra Steria Group.

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: €1,324 thousand;
- income: €163 thousand.

The Board of Directors reviewed the implementation of this agreement at its meeting on 9 February 2022. It unanimously agreed to maintain the previously granted authorisation for the current financial year. The Directors directly or indirectly affected by this decision did not take part in either the discussion or the vote.

1.1.6. EXECUTIVE MANAGEMENT

Cyril Malargé has served as Chief Executive Officer since 1 March 2022.

Cyril Malargé has been with the Company for almost 20 years. In particular, he has served as Managing Director of the France reporting unit and, for the 18 months prior to his appointment as Chief Executive Officer, as the Group's Chief Operating Officer. He has been a member of the Executive Committee since 2015.

Vincent Paris, Chief Executive Officer of Sopra Steria Group from 17 March 2015 to 28 February 2022, currently continues to serve the Group as Advisor to the Chairman of the Board of Directors.

The Chief Executive Officer has authority over the entire Group. He directs, administers and coordinates all of its activities. To this end, he is supported by Executive Management, the Executive Committee, the Operations Committee and the Management Committee. These Committees comprise the Chief Executive Officer, Deputy Chief Executive Officer and other key operational and functional managers from Sopra Steria Group and its subsidiaries.

The Chief Executive Officer has the broadest possible powers to act in all circumstances in the name of Sopra Steria Group SA, the parent company of Sopra Steria Group. He represents the Company in its dealings with third parties.

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 Chapter 8, "Additional information" of this Universal Registration Document (page 290).

1.1.7. 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, invoiced at €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;
- 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 environment gained by Éric Hayat throughout his career. Éric Hayat was a co-founder of Steria, former Chairman of the digital sector employers' organisation and subsequently of the broader "Fédération Syntec"[(1)], and a former member of MEDEF's[(2)] Executive

(1) The Syntec federation brings together professional unions in France specialising in the engineering, digital, consulting, event management and professional training professions.

(2) The Mouvement des entreprises de France (MEDEF), or the Movement of the Enterprises of France, is the largest employer federation in France.

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's operational managers 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: €198 thousand;
- the Board of Directors reviewed the implementation of this agreement at its meeting on 9 February 2022. It unanimously agreed to maintain the previously granted authorisation for the current financial year. The Director affected by this decision did not take part in either the discussion or the vote.

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 15 members with the right to vote, 12 of whom were directly appointed at the General Meeting and three of whom were Directors representing the employees and employee shareholders.

Five Directors' terms of office are due to expire at the General Meeting of 1 June 2022 (see the summary of resolutions, Chapter 9 "General Meeting" of this Universal Registration Document (pages 297 to 302). The Directors concerned are Noëlle Lenoir, André Einaudi, Michael Gollner, Jean-Luc Placet and Jean-François Sammarcelli. Jean-François Sammarcelli did not wish to be reappointed after serving for 12 years, as this cumulative duration made him ineligible as an Independent Director within the meaning of the AFEP-MEDEF Code. The Chairman and all the members of the Board of Directors unanimously recognised his contribution to the work of the Board and its committees during these years of service.

SUMMARY PRESENTATION OF THE BOARD OF DIRECTORS

	Personal information					Position on the Board				Attendance at meetings in financial year 2021			
Name	**Age**	**Gender**	**Nationality**	**Number of shares**	**Number of directorships at listed companies (excluding Sopra Steria Group)**	**Independent 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**	**Compensation Committee**
Pierre Pasquier Chairman of the Board of Directors	86	M	FRA	108,113	1		12/06/2018	AGM 2024	53	100%		100%	
Éric Pasquier Vice-Chairman of the Board of Directors	50	M	FRA	4,366	0		12/06/2018	AGM 2024	7	100%	86%		
Sopra GMT, represented by Kathleen Clark Bracco Chairwoman of the Nomination, Governance, Ethics and Corporate Responsibility Committee	54	F	USA	4,035,669	1		12/06/2018	AGM 2024	7	100%		100%	100%
Éric Hayat Vice-Chairman of the Board of Directors	80	M	FRA	37,068	0		12/06/2018	AGM 2024	7	100%		100%	100%
André Einaudi Director	66	M	FRA	100	0	Yes	09/06/2020	AGM 2022	1	100%			
Michael Gollner Director	63	M	USA/GBR	100	1	Yes	12/06/2018	AGM 2022	3	100%	100%		
Noëlle Lenoir Director	73	F	FRA	1	0	Yes	09/06/2020	AGM 2022	1	100%		100%	
Jean-Luc Placet Chairman of the Compensation Committee	69	M	FRA	100	0	Yes	12/06/2018	AGM 2022	9	100%		100%	100%
Sylvie Rémond Director	58	F	FRA	152	0	Yes	09/06/2020	AGM 2023	6	100%			100%
Marie-Hélène Rigal-Drogerys Chairwoman of the Audit Committee	51	F	FRA	100	1	Yes	12/06/2018	AGM 2024	7	100%	100%		
Jean-François Sammarcelli Director	71	M	FRA	500	1	Yes	12/06/2018	AGM 2022	11	86%	100%	100%	
Jessica Scale Director	59	F	FRA/GBR	10	0	Yes	09/06/2020	AGM 2023	5	100%		100%	100%
Astrid Anciaux Director representing employee shareholders	56	F	BEL	1,812	0		26/05/2021	AGM 2025	7	1			
Hélène Badosa Director representing the employees	63	F	FRA	0	0		23/09/2020	AGM 2024	3	100%			100%
David Elmalem Director representing the employees	39	M	FRA	0	0		23/09/2020	AGM 2024	1	100%			

* *Number of years as at 31/12/2021, rounded down 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 2021

	Departures	Appointments	Reappointments
Board of Directors		**Astrid Anciaux** (26/05/2021)	
Audit Committee			
Nomination, Governance, Ethics and Corporate Responsibility Committee		**Noëlle Lenoir** (25/02/2021)	
Compensation Committee			**Hélène Badosa** (28/01/2021)

1.2.2. SELECTION PROCESS

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

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.

During the second phase, a list of potential candidates is drawn up based on the needs identified. This list is made up of the following:

- names put forward by members of the Nomination, Governance, Ethics and Corporate Responsibility Committee;
- names put forward by members of the Board of Directors more generally;
- names put forward by recruitment firms;
- names proposed by Executive Management;
- unsolicited applications received by the Company.

The Chairwoman of the Nomination, Governance, Ethics and Corporate Responsibility Committee decides on the list of potential candidates. A file is put together based on publicly available information about the candidates.

After reviewing this file, the Nomination, Governance, Ethics and Corporate Responsibility Committee decides which candidates to contact and meet.

In the third phase, members of the Nomination, Governance, Ethics and Corporate Responsibility Committee arrange meetings with the selected candidates. 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 necessary to complete the list of candidates.

In the fourth and final phase, the Board of Directors:

- is made aware of the findings of the previous phases;
- discusses the candidates put forward by the Nomination, Governance, Ethics and Corporate Responsibility Committee;
- decides which candidates 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 elected at a General Meeting of Shareholders from among the candidates put forward by employee shareholders. After reviewing the candidates, the Nomination, Governance, Ethics and Corporate Responsibility Committee may recommend that the Board of Directors support an appointment resolution to be put to the shareholders at a 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 in a reasonably sized team the range of outlooks, skills and experience required for effective collective decision-making in view of the Group's needs and characteristics. 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. The four female Independent Directors are members of at least one committee.

The targets for bringing more women into senior management positions are presented in Section 2.7.1, "Gender equality policy" of Chapter 4, "Corporate Responsibility" of this Universal Registration Document (pages 114 to 115). 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. The proportion of women in senior management positions forms part of those targets on which the Chief Executive Officer's variable compensation is based.

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 63 (at 31/12/2021). Two out of 15 Directors are over 75 years old.

Given the international dimension of the Group's business, it is considered desirable to have foreign nationals sitting on the Board of Directors. As far as possible, Directors who are foreign nationals come from or live in countries in which the Group operates or is seeking to develop business. 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. Furthermore, an adjustment to the method used to apportion compensation among Board members has been agreed to better reflect the constraints on foreign 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. Four out of 15 Directors have at least one other than French nationality.

1.2.4. 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 10 key competencies that it would like to be represented within the Board of Directors. These skills and areas of experience are as follows:

- k**nowledge 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
Astrid Anciaux						✔	✔	✔	✔		✔
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		✔	✔	✔				✔	✔		

In addition to these ten key areas of expertise and experience, and given the Group's ownership structure, the Nomination, Governance, Ethics and Corporate Responsibility Committee also considers experience of corporate governance within family-owned listed companies to be of benefit to potential Board members. Such experience promotes the use of key strengths and harnesses an understanding of the challenges faced by family-owned companies in pursuit of sustainable and profitable growth. It is primarily gained through serving as a corporate officer or senior manager in a company – either listed or with a broad shareholder base – whose main shareholder is either an individual or a family holding at least 10% of the voting rights and who either runs the company or has the ability to choose who runs it.

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 Director representing employee shareholders, Astrid Anciaux, was elected at the General Meeting of Shareholders held on 26 May 2021.

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. They account for around 67% of Directors appointed by the shareholders at a General Meeting.

Every year, the Nomination, Governance, Ethics and Corporate Responsibility 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:

- although Sopra Steria Group's Board of Directors is kept informed of Axway Software's operational and financial position, it does not discuss the latter's routine operations and investments;
- the procedure for handling potential conflicts of interest applies to the consideration of any 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 may hold an office or have an interest in companies that are potential clients, suppliers, investment bankers, commercial bankers or consultants to the Sopra Steria Group or its core shareholder.

In such cases, the Board of Directors determines whether the nature, purpose or importance of this business relationship 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 inferred by reference to various criteria, including in particular the following:

- whether the service provided is of a strategic nature;
- whether there is reciprocal dependence;
- the volume of business transacted (particularly where this equates to more than 1% of annual revenue);
- the selection procedure used and how often the business is put out to tender;
- whether the Director is involved in the business relationship.

Business relationships identified between PwC, Jean-Luc Placet's employer, 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.

A real estate investment trust held by André Einaudi owns the premises occupied by the Company for a number of years at its Aix-en-Provence site. 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 that it is customary for the Group to rent its premises: apart from in exceptional circumstances, the Group does not own its premises. Lastly, the Board confirmed that no dependency is created for the lessor in relation to this lease.

The Company identified no other business relationships 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 as yet been appointed. The Nomination, Governance, Ethics and Corporate Responsibility Committee has decided to review the Company's stance on this issue, in accordance with the AMF's recommendation set out in its 2021 report on corporate governance.

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, page 52).

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:** 86

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

Main positions and appointments currently held	Appointments: 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 275 of this Universal Registration Document.

ÉRIC PASQUIER

Vice-Chairman of the Board of Directors

Number of shares in the Company owned personally: **4,366** [(1)]

- Member of the Audit Committee

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

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

Nationality: French

Age: 50

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

Biography

Éric Pasquier, Director with responsibility for Software, 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 guided many financial players in Europe, the Middle East and Africa through their digital transformation. He oversaw Sopra Banking Software's corporate plan in both specialist financing and retail banking.

He is currently in charge of the Software division for the entire Group, coordinating the activities of Sopra Banking Software, Sopra HR Software and Sopra Steria Group's Real Estate line.

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 275 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

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

Nationality: American **Age:** 54

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

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**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 complement 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

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

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

Nationality: French **Age**: 80

	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: 9/6/2020
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2021
Term of office proposed for renewal for 4 years

Nationality: French **Age:** 66

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	✔		
■ Company officer of direct and indirect subsidiaries of Ortec group	✔		
■ Manager of SCIs	✔		
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 Industrial Maintenance and Environment Department, which under his aegis 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:
Operating Capital Partners
6075 Laurel St
New Orleans, Louisiana USA

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
Term of office proposed for renewal for 4 years

Nationality: American and British | **Age:** 63

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: Listed company
Director of Axway Software	✔		✔
Managing Partner of Operating Capital Partners	✔		
Other directorships and offices held during the last five years			
Executive Chairman of Madison Sports Group	✔		
Director of Levelset	✔		

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.

Michael Gollner founded Madison Sports Group in 2013 and served as its Executive Chairman. He was also the founding shareholder of Levelset in 2012 and a Director. Mr. Gollner sold his investments in these two companies in 2021.

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:
Noëlle Lenoir Avocats
28 boulevard Raspail – 75007 Paris – France

Nationality: French **Age:** 73

Date of first appointment: 9/6/2020
Date term of office ends: General Meeting to approve the financial statements for the year ended 31/12/2021
Term of office proposed for renewal for 4 years

	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, as an administrator on the Law Committee, then joined the CNIL in 1982, the French Data Protection Authority, as the Chief Legal Officer. 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 and the youngest person ever to be appointed to France's Constitutional Council (1992 to 2001), she also chaired UNESCO's International Bioethics Committee from 1991 to 1998 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 and was tasked with monitoring the drafting of the constitutional treaty.

Currently practising as a lawyer at the Paris bar, in 2020, after working for US law firms, she set up her own firm (specialising in digital and data protection law, internal and international investigations, compliance and anti-corruption, European law, public and constitutional law, criminal law and arbitration). She also served as Chief Ethics Officer of France's National Assembly from 2012 to 2014, reviewing statements of interest submitted by members and drafting initial recommendations based on the members' code of conduct.

Since then, she has chaired the Ethics Committee at Radio France and the Science and Ethics Committee for 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 for France Culture and a regular columnist and contributor to L'Express and La Tribune. 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 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, a member of the French Academy of Technologies and a HEC Business School Director. She also chairs the Law and Public Debate Committee, whose role is to comment on current developments from a legal perspective.

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

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

Nationality: French **Age:** 69

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
Term of office proposed for renewal for 2 years

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: 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 multinationals, defending the art of harnessing 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:
Sopra Steria Group
6 avenue Kléber
75116 Paris – France

Nationality: French **Age:** 58

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**
■ Director of Boursorama (Société Générale Group)	✔		
■ Director of Sogecap (Société Générale Group)	✔		
Other directorships and offices held during the last five years			
■ Group Chief Risk Officer, Société Générale Group			
■ 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, acquired during her time with the Société Générale group, which she left in July 2021. She sat on the group's Executive Committee from 2011 and served as Group Chief Risk Officer from 2018.

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 managed 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: 51

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

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: 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 ■ Member of the Board of Directors of Chapter Zero France			
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.

She then moved into consulting, joining Ask-Partners as a Consulting Partner and subsequently serving as Adviser to the President at Ecole Normale Supérieure de Lyon. Whether internally or externally, since 2009 she has been helping businesses and organisations transition to new models within fast-changing ecosystems.

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. Marie-Hélène Rigal-Drogerys recently joined the Board of Directors of Chapter Zero France, a climate forum for business leaders.

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**: 71

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**
Member of the Supervisory Board, NextStage	✔		✔
Director of Crédit du Nord	✔		
Director of Boursorama	✔		
Other directorships and offices held during the last five years			
Non-Voting Director of Ortec Expansion	✔		
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:** 59

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

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**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.

ASTRID ANCIAUX

Director representing employee shareholders

Number of shares in the Company owned personally: **1,812**

Business address:
Sopra Steria Benelux
Le Triomphe
Avenue Arnaud Fraiteur 15/23
1050 Brussels – Belgium

Date of first appointment: 27/06/2014
Date term of office ends: General Meeting to approve the financial statements for the financial year ended 31/12/2024

Nationality: Belgian

Age: 56

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: 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 also brings 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).

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

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

Nationality: French **Age:** 63

	Appointments		
Main positions and appointments currently held	**Outside the Group**	**Outside France**	**Listed company**
■ Lead Engineer			
■ Member of the Board of Directors of the Traid-Union trade union	✔		
■ Manager of SCIs (Property Investment Companies)	✔		
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:** 39

	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.

a. Legal provisions

Articles L. 225-17 et seq. and L. 22-10-2 et seq. of the French Commercial Code govern the working procedures of the Board of Directors.

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 purpose, composition and main provisions applicable to the three standing committees tasked with preparing certain matters for the Board of Directors:

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

The internal rules and regulations allow for the possibility that these committees, in performing their respective duties and after having informed the Chairman, may:

- hear matters brought to them by the Group's senior managers;
- call upon the services of outside experts at the Group's expense.

They also provide that the Board of Directors may create one or more "ad hoc" committees.

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, Works 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. Each of the permanent Board Committees has adopted its own charter approved by the Board of Directors setting forth how it should operate. The selection procedure is appended to the Nomination, Governance, Ethics and Corporate Responsibility Committee's Charter.

1.3.2. MEETINGS OF THE BOARD OF DIRECTORS

a. Number of meetings held during the financial year

The annual work schedule, which is drawn up for the financial year, may be changed where justified by special events or deals. The Board of Directors met seven times in 2021, including one meeting not on the annual schedule held to discuss external growth projects.

b. Directors' attendance

Financial year 2021	Board of Directors	Audit Committee	Nomination, Governance, Ethics and Corporate Responsibility Committee	Compensation Committee
Number of meetings	7	7	7	4
Attendance rate	99%	96%	100%	100%

The Board of Directors' attendance rate in 2021 was 99%, with only one absence.

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.

In accordance with the policy approved by shareholders at 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 2021 were:

- Strategy and investment:
  - the Group's strategy,
  - various external growth and investment transactions;
- Accounting and financial information:
  - approval of the financial statements for the year ended 31 December 2020,
  - approval of the interim financial statements for the first half of 2021,
  - 2021 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);
- Corporate governance:
  - 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, participation of Directors representing employees on specialist Board committees),
    - qualification of Independent Directors,
    - operation of the Board of Directors,
    - the company policy on workplace and pay equality and the targets for bringing more women into senior management positions,
  - the notice of, and the preparations and participation arrangements for the Combined General Meeting on 26 May 2021,
  - the 2021 long-term incentive (LTI) plan;
- Control and prior authorisations:
  - monitoring of routine agreements,
  - continuation of previously authorised agreements,
  - authorisation to guarantee commitments by subsidiaries controlled by the Group.

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 was approved by the Board of Directors on 28 July 2021.

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 and accounting expertise and knowledge of the business and its business lines that are necessary 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 "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 74.

The Committee meets seven times a year on average and in any event no fewer than four times a year. They generally break down as follows:

- three 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. 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 cover:

- internal control and risk management (reviewing general and specific risk mapping, and monitoring information security in particular);
- preparation of the accounting and financial information;
- critically examining management decisions and assessments relating to the Company's financial statements, performance analyses and interim reports before they are submitted to the Board for approval and, where applicable, making recommendations to ensure their integrity;
- financial policy;
- internal audit;
- the Statutory Auditors;
- any one-off assignments and areas for attention identified by the Board.

The Committee met seven times in 2021, with only one absence recorded. 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 2021, dealt with either at the Company's initiative or at the request of the Committee, 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 2020,
  - approval of the financial statements for the year ended 31 December 2020,
  - monitoring of the accounting and financial consequences of the public health crisis,
  - recognition in the Company's accounts of the consequences of the cyberattack,
  - presentation by the Statutory Auditors of the results of the statutory audit, interim reviews and the accounting options adopted,
  - review of the 2021 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,
  - organisation, priorities and specific projects for the Finance department in 2021 and 2022,
  - priorities and procedures in relation to the green taxonomy,
  - objectives and terms of investor relationships;
- with regard to knowledge of the business, 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 2020 Universal Registration Document,
  - further detailed work on the presentation of the Company's risk management policy,
  - an update on insurance cover,
  - an update on the rollout of Group rules;
  - significant changes in the Company's legal environment,
  - with regard to the Internal Audit Department:
  - organisation of the internal audit function and the work programme for 2021,
  - 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,
  - update of the internal audit charter,
  - with regard to knowledge of the business:
  - presentation of the Infrastructure & Cloud Services business,
  - Presentation of cyber risks and steps taken to manage them (two separate meetings),
- *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 2020,
  - key priorities for 2021,
  - the annual work schedule,
  - review of the Committee's operating charter,
  - committee self-assessment.

The Independent Directors sitting on the Committee heard the Statutory Auditors, with no members of management in attendance. The same was true of the Director of Internal Audit.

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 meetings scheduled throughout the year. Thirteen specific requests were formulated using this approach in 2021 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 Board's internal rules and regulations and an operating charter govern the composition and functioning of the Nomination, Governance, Ethics and Corporate Responsibility Committee. The operating charter has been 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 succession 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 2021, with an attendance rate of 100%. Items of business included:

- concerning appointments and governance:
  - members of the Board of Directors (see Section 1.2.2 "Selection process" of this chapter, page 55),
  - the search for new Directors,
  - composition of the committees and in particular the participation of Directors representing employees on specialist Board 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,
  - procedures governing participation in the General Meeting,
  - verification of Company compliance with the AFEP-MEDEF Code,
  - qualification of Independent Directors;
- concerning ethics and corporate responsibility:
  - the Company's policy on workplace and pay equality, and the diversity policy,
  - action plan and results as regards the proportion of women in senior management positions,
  - review of the draft Universal Registration Document for 2020.

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 four times in 2021, with an attendance rate of 100%. Items of business included:

- compensation policy of the Chairman of the Board of Directors;
- compensation policy for the Chief Executive Officer;
- the recommendations to the Board of Directors concerning compensation paid to the Chairman of the Board and the Chief Executive Officer in respect of financial year 2021;
- compensation policy for members of the Board of Directors;
- review of plans to give managers and employees a stake in the Group's capital;
- the review of the draft Registration Document for 2020 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 the previous financial year;
- conclusions and recommendations set out by market bodies (Autorité des Marchés Financiers, Haut Comité de Gouvernement d'Entreprise, Institut Français des Administrateurs).

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/her 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. It puts this information into perspective by highlighting the main trends in macroeconomic and financial market data as well as comparisons with the largest companies in the industry.

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 made possible by the availability of a high-performance cloud solution offering a sufficiently robust guarantee that access to stored data – even by technical staff – would be strictly controlled.

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.

The Audit Committee requests such contributions several times a year and includes them in its annual work schedule.

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/her term in office, engage in training he/she feels is necessary for the performance of his/her duties".

Following the appointment of the Directors representing the employees, a specific training plan is implemented to orientate new Directors. The Board of Directors approves the content and format of this orientation training after consultation with the individuals concerned and with the Nomination, Governance, Ethics and Corporate Responsibility Committee.

In 2021, three Directors received training either on taking up office or further into their terms of office. This training was delivered by the Company or outside bodies, depending on Directors' wishes and targets.

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

Directors are required to notify the Board of any conflict of interest, whether actual or potential, and must refrain from taking part in associated discussions or voting on associated decisions.

Monitoring of related-party agreements

Law, the Company's Articles of Association and the Board's own internal rules govern monitoring of related-party agreements. Proposed new agreements are reviewed prior to being signed. In addition, at the beginning of each financial year the Board of Directors reviews the purpose and application of agreements that will remain in effect. It checks whether they still meet the criteria on which their initial approval was based.

No new agreements were authorised during financial year 2021.

Nature	Framework agreement for assistance with Sopra GMT	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	§1.1.5	§1.1.7
Income (financial year ended)	€163 thousand	€0 thousand
Expense (financial year ended)	€1,324 thousand	€198 thousand
Relevant Members of the Board of Directors	Pierre Pasquier, Éric Pasquier, Kathleen Clark Bracco	Éric Hayat
Agreement already approved at a General Meeting	Yes	Yes

Monitoring of routine agreements entered into at arm's length

The Board of Directors regularly assesses whether agreements pertaining to routine transactions entered into at arm's length meet the necessary criteria.

The procedure adopted by the Board calls for the following in particular:

- 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 has adopted the principle of annual assessments.

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 is carried out;

  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.

After the questionnaire was approved by the Board of Directors, an overview of its findings was reviewed 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.

The Board of Directors' discussions did not identify any new areas for improvement in 2021. A new formal assessment of the Board of Directors and its committees is planned for 2022.

2. Compensation policy

2.1. Policy outline

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. In particular, the Board checks that compensation policy:

- continues to be in keeping with the Company's best interests;
- contributes to the Company's long-term success;
- is in keeping with the Company's business strategy.

The Board also checks that compensation policy complies with the recommendations laid down in the AFEP-MEDEF Code. To this end, it is supported by the Compensation Committee, which helps it prepare its decisions in this area.

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 Compensation Committee usually meets three to five times between October and February to help the Board prepare its decisions.

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/her 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. It assesses the extent to which qualitative targets have been met. 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 considers ways in which employees may be given a stake in the Company's financial performance. It assesses the suitability of share ownership plans for all employees and long-term incentive plans for managers of the Company and its subsidiaries. The Board of Directors considers that employee and executive share ownership makes a lasting contribution to the Company's 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 deliberates 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. The Committee also presents its observations on how compensation is apportioned among the Directors and any proposed adjustments. 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
- where applicable, an upper limit if there is the possibility that a target may be exceeded.

Performance is assessed by comparing actual performance with the target broken down into thresholds and targets, as the case may be. Where, by exception, compensation may exceed the target level, the extent to which it may do so is capped.

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. This overlap ensures that decisions are consistent between the two Committees.

The procedure for determining compensation policy applicable to executive 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. This ensures that such decisions are consistent among themselves and aligned with the Company's strategy.

The compensation policy applies to newly appointed company officers. However, in exceptional circumstances, notably to enable the replacement or appointment of a new executive company officer, the Board of Directors may waive application of the compensation policy. Such waivers must be temporary, aligned with the Company's interests and necessary to secure the Company's long-term success or viability. Furthermore, this option may only be adopted where there is consensus among the members of the Board of Directors as to the decision to be taken (i.e. no votes against). This may result in the awarding of components of compensation currently defined in the compensation policy as not applicable, though any such items would be subject to ex post approval at the following General Meeting.

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 23 February 2022.

It should be noted that the compensation policy and payment of variable and exceptional components of compensation must be approved in advance at a General Meeting.

2.2.1. COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Financial year 2022 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 OF THE CHIEF EXECUTIVE OFFICER

Financial year 2022 and following

a. Compensation payable to Vincent Paris, Chief Executive Officer from 1 January to 28 February 2022

At the recommendation of the Compensation Committee, the Board of Directors has decided:

- not to make any change to the annual fixed compensation payable to Vincent Paris;
- to propose a temporary amendment to the compensation policy, specifically in connection with the resignation of Vincent Paris, and not to set any conditions on the payment of his variable compensation in respect of 2022 (amount at issue: €50k). This proposal is based on the quality of the handover between Vincent Paris and Cyril Malargé and the impossibility of determining meaningful quantifiable or qualitative targets over a period of a month and a half. Payment of Vincent Paris's variable compensation for 2022 remains subject to approval at the General Meeting of Shareholders to be held in 2023.

b. Compensation payable to Cyril Malargé, Chief Executive Officer with effect from 1 March 2022

At the recommendation of the Compensation Committee, the Board of Directors has decided to set the amount of Cyril Malargé's annual fixed compensation at €450,000, starting on 1 March 2022 when he takes office.

As regards annual variable compensation, 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.

The Board of Directors has decided to structure his compensation 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 portion linked exclusively to the achievement of qualitative targets reflects a desire to take into account the context of Cyril Malargé's taking office as well as medium-term targets (relating to the Group's organisation and the social and environmental implications of its business activities).

For 2022, 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%**
Qualitative targets related to the assumption of duties as Chief Executive Officer	Qualitative	15%	9.0%
Progress towards meeting the target of increasing the proportion of women in senior management positions by 2025	Qualitative	5%	3.0%
Progress towards meeting the target for reducing direct GHG[1] emissions per employee (SBTi III)[2]	Qualitative	5%	3.0%
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. That being the case, it does not take into account the extent to which qualitative targets have been met. It proposes to the shareholders that no variable compensation be paid in respect of that financial year.

Lastly, in the event of exceptional circumstances (such as an exogenous shock) leading to the suspension of the normal system of variable compensation for employees and Executive Committee members, the Compensation Committee would review the situation of the Chief Executive Officer. It could recommend to the Board of Directors that it ask the shareholders at the General Meeting to approve an improvement to the Chief Executive Officer's variable compensation if that would serve the Company's interests, subject to an upper limit of 60% of his annual fixed compensation.

(1) GHG: Greenhouse gas

(2) SBTi : Science Based Targets initiative

c. **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 targets are met; ■ capped at 100% of annual fixed compensation; criteria: • 75% based on one or more quantifiable targets, • 25% based on meeting one or more precisely defined qualitative targets consistent with the Group's strategy and organisation, its corporate responsibility policy (CSR) 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. In the specific case of Vincent Paris, for the period covering January and February 2022 (amount at issue: €50k), the Board decided not to set any targets in light of the quality of the handover between Vincent Paris and Cyril Malargé and the impossibility of determining meaningful quantifiable or qualitative targets over a period of a month and a half.
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 OF DIRECTORS OF THE PARENT COMPANY

The 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 shall be 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.

The total amount of this compensation is apportioned:

- among those members attending meetings of the Board and its committees (Directors and Non-Voting Directors);
- in proportion to their actual attendance at such meetings, whether in person or remotely.

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. They organise and oversee the work of their committees and report on it to the Board of Directors.

2.3.2. COMPENSATION OF 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)

	2020	2021
Compensation awarded in respect of the financial year	€533,644	€532,892
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	**€533,644**	**€532,892**

STATEMENT SUMMARISING THE COMPENSATION OF PIERRE PASQUIER, CHAIRMAN OF THE BOARD OF DIRECTORS (TABLE 2 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	2020		2021	
	Amount awarded	**Amount 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)	€27,944	€27,330	€27,192	€27,944
Benefits in kind	€5,700	€5,700	€5,700	€5,700
TOTAL	**€533,644**	**€533,030**	**€532,892**	**€533,644**

Pierre Pasquier is the Chairman and CEO of Sopra GMT, the holding company for Sopra Steria Group. In respect of these duties (leading the Sopra GMT team and chairing the Board of Directors), he received compensation of €130,000 in 2021. In addition, he received compensation under Article L. 22-10-14 of the French Commercial Code in the amount of €14,400 in respect of financial year 2021. This compensation was paid by Sopra GMT and was not rebilled to Sopra Steria Group (see Section 1.1.4 "Overview of the activities of the Chairman of the Board of Directors in 2021" of this chapter, page 52).

As Chairman of the Board of Directors of Axway Software, as indicated in its Universal Registration Document, Pierre Pasquier 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 €19,028.

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)

	2020	2021
Compensation awarded in respect of the financial year	€609,021	€811,274
Value of stock options granted during the financial year	-	-
Value of performance shares granted during the financial year[1]	-	€408,180
Value of other long-term compensation plans	-	-
TOTAL	**€609,021**	**€1,219,454**

STATEMENT SUMMARISING THE COMPENSATION OF VINCENT PARIS, CHIEF EXECUTIVE OFFICER (TABLE 2 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	2020		2021	
	Amount awarded	Amount paid	Amount awarded	Amount paid
Fixed compensation	€500,000	€500,000	€500,000	€500,000
Annual variable compensation	€97,500	€265,000	€300,000	€97,500
Exceptional compensation	-	-	-	-
Compensation allotted in respect of directorship (L. 22-10-14)	-	-	-	-
Benefits in kind	€11,521	€11,521	€11,274	€11,274
TOTAL	**€609,021**	**€776,521**	**€811,274**	**€609,021**

The relative proportions of fixed (€500,000) and variable (€300,000) compensation are 62.5% and 37.5%, respectively.

CALCULATION OF 2021 ANNUAL VARIABLE COMPENSATION

Criteria	Type	Potential amount as % of AVC (1)	Potential amount in €	Threshold	Target	Ceiling	Achieved	Amount awarded in €
Consolidated operating margin	Quantifiable	45.0%	€135,000	7.5%	8.0%	N/D (2)	8.1%	€135,000
Consolidated revenue growth	Quantifiable	30.0%	€90,000	2.0%	5.3%	N/D (2)	6.4%	€90,000
Implementation of leadership structure and application of key Group policies	Qualitative	10.0%	€30,000	N/A (3)	N/A (3)	N/A (3)	Target 100% achieved	€30,000
Progress towards meeting the 2025 target for the proportion of women in senior management positions	Qualitative	7.5%	€22,500	N/A (3)	N/A (3)	N/A (3)	Target 100% achieved	€22,500
Progress towards meeting the target of zero net emissions by 2028	Qualitative	7.5%	€22,500	N/A (3)	N/A (3)	N/A (3)	Target 100% achieved	€22,500
TOTAL		**100%**	**€300,000**					**€300,000**

(1) AVC: Annual variable compensation.
(2) Non-defined.
(3) Not applicable.

Performance criteria were applied as anticipated at the time they were determined on 25 February 2021. These targets were at least equal to any publicly disclosed guidance. No compensation is due at the threshold; the amount due is calculated on a linear basis between the threshold and the target.

Total compensation is in keeping with the compensation policy and contributes to the Company's long-term performance. It provides an incentive to drive profitable growth based on shifting the Group's services toward higher-value offerings.

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) For more information, see Table 6 on page 89

The Compensation Committee, taking into account the opinion of the Nomination, Governance, Ethics and Corporate Responsibility Committee, noted that the Company is on track to achieve its targets in relation to greenhouse gas emissions (see Section 3.4 "Optimising resource consumption and reducing greenhouse gas emissions" of Chapter 4 "Corporate Responsibility" of this Universal Registration Document, pages 125 to 127) and the proportion of women in senior management positions (see Section 2.7.1 "Gender equality policy" of Chapter 4 "Corporate Responsibility" of this Universal Registration Document, pages 114 to 115); it thus considered the corresponding qualitative targets to have been 100% achieved. After hearing from the Chairman of the Board of Directors, the committee also considered the target related to the implementation of the leadership structure and the application of key Group policies to have been 100% achieved, particularly with regard to the operations of Executive Management.

STATEMENT OF COMPENSATION RECEIVED BY NON-EXECUTIVE COMPANY OFFICERS (TABLE 3 – AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR LISTED COMPANIES, JANUARY 2020)

	2020		2021	
(amounts rounded to the nearest euro)	**Amount awarded**	**Amount paid**	**Amount awarded**	**Amount paid**
Astrid Anciaux (appointed by the shareholders at the General Meeting of 26 May 2021)				
Compensation allotted in respect of directorship	€13,867	€20,038	€8,876	€13,867
Other compensation	-	-	-	-
Hélène Badosa				
Compensation allotted in respect of directorship (reversion to a trade union)	€23,809	€24,972	€26,266	€23,809
Other compensation	-	-	-	-
André Einaudi (appointed by the shareholders at the General Meeting of 9 June 2020)				
Compensation allotted in respect of directorship	€4,622	-	€20,710	€4,622
Other compensation	-	-	-	-
David Elmalem (initially designated by the Works Council at its meeting on 23 September 2020)				
Compensation allotted in respect of directorship	€4,623	-	€20,710	€4,623
Other compensation	-	-	-	-
Michael Gollner				
Compensation allotted in respect of directorship	€49,380	€26,266	€48,581	€49,380
Other compensation	-	-	-	-
Éric Hayat				
Compensation allotted in respect of directorship	€36,455	€35,554	€34,599	€36,455
Other compensation	-	-	-	-
Noëlle Lenoir (appointed by the shareholders at the General Meeting of 9 June 2020)				
Compensation allotted in respect of directorship	€6,934	-	€25,340	€6,934
Other compensation	-	-	-	-
Éric Pasquier				
Compensation allotted in respect of directorship	€38,243	€42,765	€37,659	€38,243
Other compensation	-	-	-	-
Jean-Luc Placet				
Compensation allotted in respect of directorship	€42,838	€43,777	€42,006	€42,838
Other compensation	-	-	-	-
Sylvie Rémond				
Compensation allotted in respect of directorship	€25,057	€14,313	€28,117	€25,057
Other compensation	-	-	-	-
Marie-Hélène Rigal-Drogerys				
Compensation allotted in respect of directorship	€61,499	€65,493	€60,258	€61,499
Other compensation	-	-	-	-

(amounts rounded to the nearest euro)	2020 Amount awarded	2020 Amount paid	2021 Amount awarded	2021 Amount paid
Jean-François Sammarcelli				
Compensation allotted in respect of directorship	€45,386	€49,015	€44,007	€45,386
Other compensation	-	-	-	-
Jessica Scale				
Compensation allotted in respect of directorship	€36,455	€35,554	€34,599	€36,455
Other compensation	-	-	-	-
Sopra GMT				
Compensation allotted in respect of directorship	€43,598	€42,845	€41,080	€43,598
Other compensation	-	-	-	-
Other terms of office ended before 2021				
Compensation allotted in respect of directorship	€39,290	€72,078	-	€39,290
Other compensation	-	-	-	-
TOTAL	**€472,056**	**€472,670**	**472,808**	**€472,056**

The difference between the total amount of compensation stated in Article L. 225-45 of the French Commercial Code to be allocated for 2020 and 2021 (€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 (€27,944 in 2020 and €27,192 in 2021). 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 €1,160,789 excluding VAT (see Section 1.1.5 of this chapter and the Statutory Auditors' special report on related-party agreements provided at the end of Chapter 6, "2021 Parent Company Financial Statements" of this Universal Registration Document, on pages 270 to 271);
- Éric Hayat Conseil, a company controlled by Éric Hayat, provided consulting services for business development in strategic operations, billed in the amount of €197,750 excluding VAT under an agreement renewed in October 2018 (see Section 1.1.7 of this chapter and the Statutory Auditors' special report on related-party agreements provided at the end of Chapter 6, "2021 Parent Company Financial Statements" of this Universal Registration Document on pages 270 to 271).

SHARE SUBSCRIPTION AND PURCHASE OPTIONS GRANTED TO EACH EXECUTIVE COMPANY OFFICER 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 EACH EXECUTIVE COMPANY OFFICER 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)

Name of executive company officer	Number and date of plan	Number of Sopra Steria Group shares in awards granted during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Vincent Paris	26/05/2021	3,000	€408,180	01/07/2024	01/07/2024	1) Sopra Steria Group's consolidated revenue growth in financial years 2021, 2022 and 2023 2) Growth in the Group's operating profit on business activity in financial years 2021, 2022 and 2023 3) Growth in the Group's free cash flow in financial years 2021, 2022 and 2023 4) Proportion of women in senior management positions
Total	-	3,000	€408,180	-		-

The performance share plan put in place by the Group in 2021 has the following features:

- for all recipients, the granting of shares is subject to the condition of continued employment at the end of the three-year vesting period. However, depending on the circumstances, this condition may 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 under previous plans);
- the performance condition is based on three criteria, equally weighted at 30% each: organic consolidated revenue growth, operating profit on business activity and consolidated free cash flow;
- strict targets will be set over the entire plan period (the year of allotment and the two following years). These targets will be 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 average annual rate of achievement of targets will determine the number of free shares to which beneficiaries are entitled;
- an additional condition, focused on corporate responsibility and weighted at 10% of total vesting conditions, relates to the proportion of women in senior management positions within the Group (defined as the two highest echelons, levels 5 and 6), which must reach 17% by 30 June 2023.

The Chief Executive Officer, Vincent Paris, was subject to the same rules as all the other recipients under the 2021 plan. He was also required to retain at least 50% of the shares acquired under this plan throughout his entire term of office. It should be noted that Vincent Paris' term of office ended on 28 February 2022. Lastly, Vincent Paris undertook not to hedge his performance shares until the holding period had expired.

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	16/02/2018 LTI C plan	952 shares with no minimum holding period 953 shares with a minimum holding period for the entire term of office
TOTAL		**1,905 SHARES**

This allotment is calculated by applying the performance level of the plan targets (determined as set out below) to the initial allocation of rights (3,000 rights to shares):

2018

Sopra Steria Group performance targets 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	

2020

Sopra Steria Group performance targets and criteria	Threshold	Target	Results	% Achieved	Weighting	% Achieved (Year)
Organic revenue growth	-4.00%	-2.5%	-4.8%	0%	1/3	
Operating profit on business activity *as % of revenue*	5.50%	7.5%	7.0%	75.0%	1/3	58.33%
Free cash flow [(1)]	€80m	€120m	€203.5m	100%	1/3	
						% Achieved (Plan)
TOTAL – PLAN B						**63.50%**

(1) Result established as per plan rules

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 (over 90% at 31/12/2021 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.

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, "2021 Consolidated Financial Statements" and Section 4.2.2 of Chapter 6, "2021 Parent Company Financial Statements" of this Universal Registration Document (on pages 192 to 193 and 245 to 246, respectively).

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: 2022	✔			✔		✔		✔
Cyril Malargé Chief Executive Officer Term of office began: 2022 Term of office ends: Indefinite	✔			✔		✔		✔

Cyril Malargé was appointed Chief Executive Officer with effect from 1 March 2022. He does not hold any position as a company officer outside the Group. By way of an exception to the AFEP-MEDEF Code, his employment contract was not terminated and remains in abeyance.

Cyril Malargé has spent much of his career with the Company, which he joined in September 2002. The criteria used to determine and structure his variable compensation remain very similar to those used for the Company's senior managers.

At present, no commitments have been entered into by the Company with regard to termination benefits, a non-compete payment or a supplementary pension plan for Cyril Malargé. Cyril Malargé is not a member of the Board of Directors.

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. Any decision to terminate his employment contract would necessitate compensation. On the other hand, any disadvantages of holding Cyril Malargé's employment contract in abeyance until his term of office expires have not been identified. Should his contract be reinstated, he would be entitled to claim retirement bonuses or termination benefits, as applicable. The employment contract in abeyance is a standard Sopra Steria Group employment contract identical to that signed by Group employees. It is 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.

OTHER COMPANY OFFICERS

	Employment contract (permanent)		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		
Other company officers	**Yes**	**Company**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Amount paid in 2021**
Astrid Anciaux	✔	Sopra Steria Benelux		✔		✔		✔	€122,831
Hélène Badosa	✔	Sopra Steria Group SA		✔		✔		✔	€51,807
David Elmalem	✔	Sopra Steria Group SA		✔		✔		✔	€57,254
Éric Pasquier	✔	Sopra Banking Software		✔		✔		✔	€483,483

Board members may be linked to the Company or any of its subsidiaries by an employment contract 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. Pay ratios

3.2.1. CHAIRMAN OF THE BOARD OF DIRECTORS

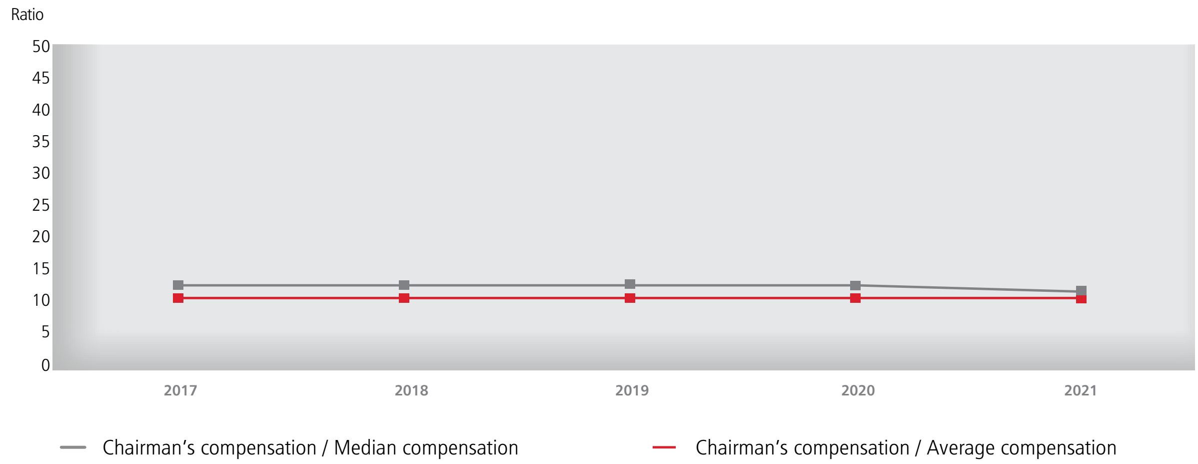
The average amount of annual compensation paid to the Chairman of the Board of Directors has not changed since 2011. In accordance with the recommendations laid down in the AFEP-MEDEF Code, the full amount of this compensation has been fixed since 2017.

The chart below shows how the pay ratios provided for by French 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 extended scope (average 86% of the workforce in France over the period).

CHAIRMAN – PAY RATIO

Ratio based on average compensation = $\frac{\text{Chairman's compensation}}{\text{Average compensation}}$

Ratio based on median compensation = $\frac{\text{Chairman's compensation}}{\text{Median compensation}}$



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. He initially spent over 26 years as an employee of 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 targets be met, capped at 100% in the event of particularly outstanding performance.

For financial year 2018, the Compensation Committee noted the progress made by the Group in respect of cash flow in particular. It determined the extent to which qualitative targets had been met. The Committee also took into consideration the implications for the various stakeholders (employees and management, shareholders) of the shortfall between the operating margin on business activity and the target set at the beginning of the year. On completing its review, it concluded that the Group's financial performance was not sufficient to justify the payment of variable compensation. 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 delivered. The vesting periods for the three plans in question were extended from 24 June 2016 to 31 March 2021.

On 26 May 2021, the Board of Directors decided, under the authorisation given at the General Meeting of 12 June 2018, to allot 3,000 rights to performance shares (out of a total of 219,200 such rights) to Vincent Paris. The rules governing this plan state that the shares are to be delivered on 1 July 2024.

The chart below shows how the pay ratios provided for by French Ordinance 2019-1234 of 27 November 2019 have varied over time. It presents:

- the change in the Company's performance, with the extent to which the quantifiable targets used to determine the Chief Executive Officer's variable compensation (financial performance of the Company) have been met serving as a proxy for the Company's performance;

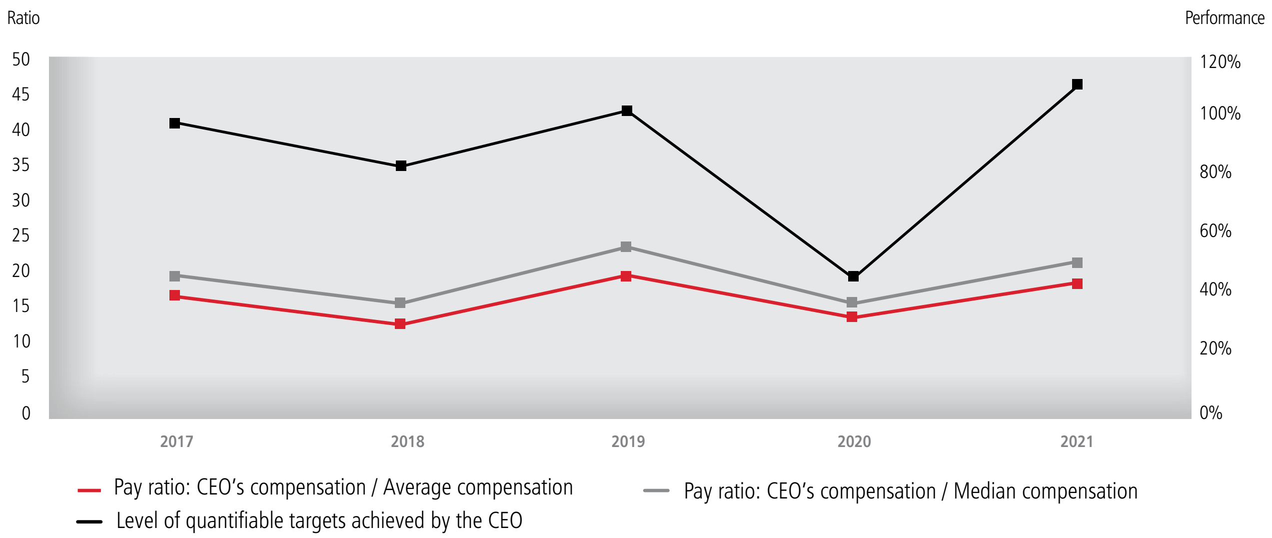
- the change in the amount and composition of the Chief Executive Officer's total compensation;
- ratios calculated relative to the average and median compensation of employees across the extended scope (average 86% of the workforce in France over the period).

CHIEF EXECUTIVE OFFICER – PAY RATIO

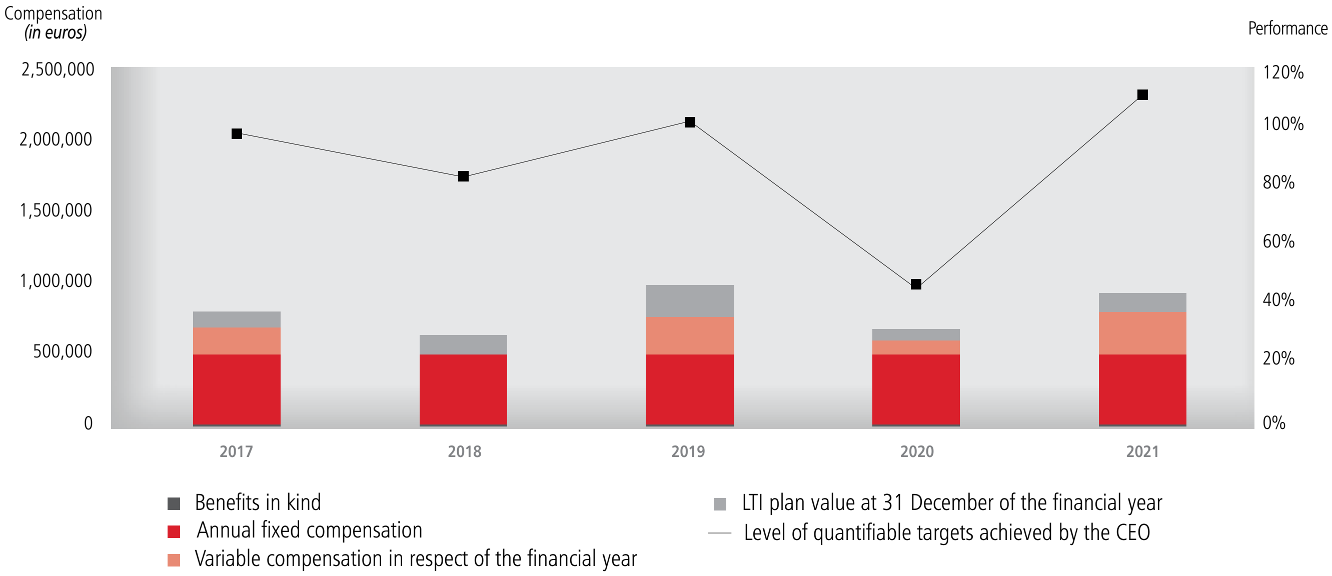
The chart has been prepared using the ratio calculated across the extended scope.

Ratio based on average compensation = $\frac{\text{Chief Executive Officer's compensation}}{\text{Average compensation}}$

Ratio based on median compensation = $\frac{\text{Chief Executive Officer's compensation}}{\text{Median compensation}}$



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. PAY RATIO TABLE

	2017	2018	2019	2020	2021
Chairman's compensation	€529,077	€531,818	€535,880	€533,644	€532,892
Chief Executive Officer's compensation	€814,958	€646,847	€1,004,548	€692,946	€947,335

Extended scope (Sopra Steria Group, Sopra Banking, I2S and Beamap)	2017	2018	2019	2020	2021
Average annual compensation	**€47,964**	**€48,314**	**€49,833**	**€50,388**	**€50,287**
Pay ratio: Chairman's compensation/ Average compensation	11	11	11	11	11
Pay ratio: Chief Executive Officer's compensation/ Average compensation	17	13	20	14	19
Median annual compensation	**€41,179**	**€40,873**	**€42,595**	**€42,611**	**€43,285**
Pay ratio: Chairman's compensation/ Median compensation	13	13	13	13	12
Pay ratio: Chief Executive Officer's compensation/ Median compensation	20	16	24	16	22

Sopra Steria Group SA	2017	2018	2019	2020	2021
Average annual compensation	**€47,353**	**€47,642**	**€49,063**	**€49,719**	**€49,477**
Pay ratio: Chairman's compensation/ Average compensation	11	11	11	11	11
Pay ratio: Chief Executive Officer's compensation/ Average compensation	17	14	20	14	19
Median annual compensation	**€40,550**	**€40,357**	**€42,017**	**€42,072**	**€42,622**
Pay ratio: Chairman's compensation/ Median compensation	13	13	13	13	13
Pay ratio: Chief Executive Officer's compensation/ Median compensation	20	16	24	16	22

Performance	2017	2018	2019	2020	2021
Level of quantifiable targets achieved by the CEO	**100%**	**85%**	**104%**	**47%**	**109%**
Consolidated operating margin	8.6%	7.5%	8.0%	7.0%	8.1%
Organic consolidated revenue growth	3.5%	4.9%	6.5%	-4.8%	6.4%
Free cash flow	€111.4m	€173.1m	€229.3m	€203.5m	€266.4m

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 2.7.1, "Gender equality policy" and Section 3.4, "Optimising resource consumption and reducing greenhouse gas emissions" concerning actions to protect the environment, in Chapter 4, "Corporate responsibility" of this Universal Registration Document (on pages 114 to 115 and 125 to 127, 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:

The Chairman's compensation corresponds to the amounts owed as shown in the AFEP-MEDEF tables.

The Chief Executive Officer's compensation 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 financial years covered by the plan depending on the extent to which the applicable performance conditions are met. They are measured at fair value at the grant date.

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 past five financial years. However, calculations made in 2019 showed that the result did not changed beyond the first decimal point. Since the ratios were last published, changes have been made to the method used to determine their denominator. These changes have not resulted in any significant change in the ratios. For employees, compensation taken into account includes fixed and variable compensation and bonuses of any kind paid in the financial year as well as incentives and profit-sharing. For methodological reasons, it no longer includes performance share plans or matching employer contribution shares in connection with employee share ownership plans.

The extent to which the quantifiable targets used to determine the Chief Executive Officer's variable compensation have been met is used as a proxy for the Company's performance. These targets concern the Company's financial performance (operating profit on business activity and organic growth). The performance level is calculated relative to the target 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. 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 the compensation of executive company officers (General Meeting of 26 May 2021)

RESULT OF THE SHAREHOLDER CONSULTATION ON THE CHAIRMAN'S COMPENSATION

		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 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	21,571,572	98.00%	439,404	1.99%	2,384
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 of the French Commercial Code	21,403,311	97.23%	608,019	2.76%	2,030

RESULT OF THE SHAREHOLDER CONSULTATION ON THE CHIEF EXECUTIVE OFFICER'S COMPENSATION

		For		Against		Abstain
Resolution	**Ordinary General Meeting**	**Votes**	**%**	**Votes**	**%**	**Votes**
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	21,085,595	95.79%	925,281	4.20%	2,484
8	Approval of the compensation policy for the Chief Executive Officer, as presented in the report on corporate governance pursuant to Article L. 22-10-8 of the French Commercial Code	20,967,397	95.25%	1,043,960	4.74%	2,003

The Board of Directors took note of the result of the shareholder consultation on the compensation of executive company officers.

4. Departures from the guidelines set forth in the AFEP-MEDEF Code

At its meeting of 23 February 2022, 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:

Recommendations in the AFEP-MEDEF Code	Sopra Steria Group practices and rationale
Operation of the Board of Directors	
Recommendation 11.3.	During financial year 2021, no meetings of the Board of Directors were held fully in the absence of the Chief Executive Officer. The Chief Executive Officer is not a Director. He does not take part in discussions on the evaluation of his performance, the setting of his targets or his compensation in general.
Status of and compensation payable to 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. This contract remained in abeyance until the end of his term of corporate office. 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. He initially spent over 26 years as an employee of 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. The criteria used to determine and structure his variable compensation remained very similar to those used for the Company's senior managers. ■ 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. ■ Vincent Paris' employment contract resumed at the end of his term of corporate office and will entitle him to claim retirement bonuses or termination benefits, if applicable. ■ Mr Paris's employment contract 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. ■ The same decision was made in respect of Cyril Malargé, who succeeded Vincent Paris as Chief Executive Officer with effect from 1 March 2022 and whose position was very similar to that of Mr Paris at the time he was appointed. Cyril Malargé has been with the Group for almost 20 years. 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. Any decision to terminate his employment contract would also necessitate compensation. On the other hand, any disadvantages of holding Cyril Malargé's employment contract in abeyance until his term of office expires have not been identified. Should his contract be reinstated, he would be entitled to claim retirement bonuses or termination benefits, as 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

Message from the Chief Executive Officer

Cyril Malargé
Chief Executive Officer

"A fundamental requirement of our day-to-day activities is that they must contribute to a more sustainable world"

Our strategy in relation to corporate responsibility is to be a company that's committed to tackling the key issues that face society today, drawing on our ethical principles and values, while setting ambitious and meaningful targets that create value for all our stakeholders.

To help meet the Group's challenges, we've kicked off a major transformation program rooted in professional excellence and employee engagement. Our employment policy, which relies on hiring the best talent and developing skills aligned with the most demanding market standards, ensures that people – both individually and collectively – are at the heart of our approach to managing human resources.

The latest Great Place to Work survey, conducted across the whole of the Group in 2021, shows that nearly three quarters of employees think Sopra Steria is a great place to work. Similarly, Sopra Steria is now one of the top-performing companies in the market when it comes to diversity.

As regards our environmental policy, we are convinced that we must work together to anticipate the far-reaching changes that lie ahead, drawing on the potential offered by new technologies. For almost 10 years now, we've been pursuing a major programme to reduce the environmental impact of our activities and help combat climate change. But it's also incumbent on us to consider our impact over and above our direct activities. The Group's indirect activities are gradually being factored into our target of achieving net-zero emissions by 2028. In this way, we're involving the whole of our value chain – employees, customers, suppliers and partners – in a process of continuous improvement. These efforts were recently once again recognised in the CDP Climate Change ranking, with the Group featuring in the A List – the highest level of recognition for environmental and climate action – for the fifth year running.

But being a responsible business also means looking out for the most vulnerable in society. The quickening pace of digitalisation during the public health crisis has only further exacerbated existing inequalities in relation to digital technology. As a major player in digital transformation, we also have a responsibility to help work towards an ethical and inclusive digital society.

We've historically carried this responsibility together with all our employees across all of the Group's geographies. In 2021, to coincide with the Sopra Steria-Institut de France Foundation's 20th anniversary, the Group conducted a survey in partnership with Agence Nouvelle des Solidarités Actives and published a white paper titled "Digital technology and human fragility" setting out inspiring practices to help ensure that digital technology helps build a better society rather than creating new obstacles.

A fundamental requirement of our day-to-day activities is that they must contribute to a more sustainable world. I'm proud of our people's commitment and motivation in working to ensure that Sopra Steria is a responsible company that serves the common good.

Foreword

For this fourth annual Statement of Non-Financial Performance (SNFP) , Sopra Steria is publishing in its Universal Registration Document (formerly known as the Registration Document) a Corporate Responsibility Report including information relevant to the key non-financial risks to which the Group is exposed (workforce-related, environmental and social information and information relating to human rights and the prevention of corruption and tax evasion). In addition to the information that is required to be included as a mandatory part of the SNFP, this document voluntarily includes all useful and important workforce-related, environmental and social information under the banner of Sopra Steria's corporate responsibility programme.

A description of the Group's business model is set out in the "Business model and value chain" section of the integrated presentation of Sopra Steria that forms part of this Universal Registration Document (pages 10 and 11).

Key risks, methodology and policies, procedures and actions associated with managing and controlling those risks, including non-financial risks, are set out in Chapter 2 of this Universal Registration Document (pages 37 to 52).

1. Sopra Steria's Corporate Responsibility Strategy

Sopra Steria'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.

Our corporate responsibility approach is underpinned by the mission Sopra Steria set for itself: **"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-centred and guiding.

Sustainable: we see our actions – whether in running our businesses or helping with the digital transformation of our clients – 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.

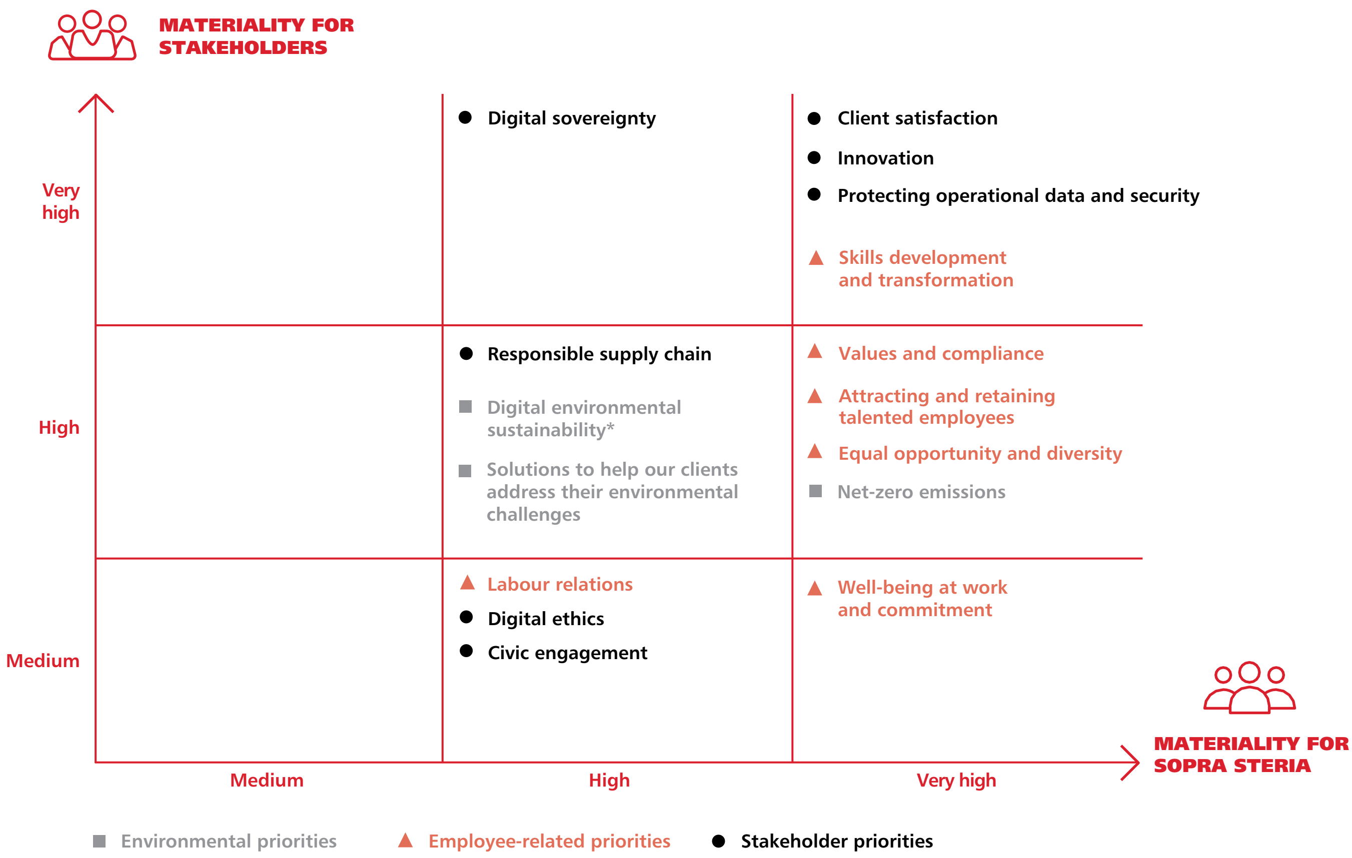
Guiding: our contribution is rooted in our ability to anticipate, understand and translate the challenges posed by digital technology so as to be able to better assess their impacts on everyday life. We are thus able to help our clients meet their own sustainability challenges. We work with our stakeholder community 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.

This strategy is based on our commitment to the United Nations Global Compact and on the materiality matrix that we use to assess the sustainability challenges that the Group faces.

1.1. 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, 16 priorities have been identified as being aligned with the Group's strategy.



* Digital sobriety

STAKEHOLDER PRIORITIES	EMPLOYEE-RELATED PRIORITIES	ENVIRONMENTAL PRIORITIES
MARKET		
■ *Client satisfaction*	■ *Skills development and transformation*	■ *Net-zero emissions*
Focus on the Group's strengths: close relationships, responsiveness, reliability and high-quality delivery Achieve and maintain leading-edge production efficiency	Develop employability and align employee skill sets with the new client priorities	By 2028, reduce emissions arising from our direct and indirect activities and gradually offset non-averted emissions by investing in carbon capture projects
■ *Innovation*	■ *Attracting and retaining talented employees*	■ *Digital environmental sustainability (sobriété numérique, i.e. digital sobriety) of services delivered to clients*
Support clients' digital transformation by gaining a lead in the top technologies on the market and by working with an innovative community predicated on major technological partnerships and startups	Gain recognition as the employer of choice among top industry and digital professionals	Include digital sustainability in the solutions and services delivered to our clients, to benefit the environment
■ *Protecting operational data and security*	■ *Equal opportunity and diversity*	■ *Solutions to help our clients address their environmental challenges*
Safeguard the security of operations and the confidentiality of personal and client data by implementing robust and agile frameworks, paying special attention to cybersecurity	Eliminate all forms of discrimination, achieve a high level of gender equality and promote diversity at every level of the business	Use our technological solutions and services to help our clients transition to a net-zero emissions economy
■ *Values and compliance*	■ *Well-being at work and commitment*	
Place our values and ethical principles at the heart of our relationship with our stakeholders and ensure the compliance of our actions	Foster employee development and build their engagement in support of a corporate plan that is meaningful and adds value for everyone involved	
■ *Responsible supply chain*	■ *Labour relations*	
Work with suppliers and service providers fully aligned with the Group's labour-related, ethical and environmental priorities	Forge a constructive workplace dialogue benefiting the Group's and employees' development	
SOCIETY		
■ *Digital sovereignty*		
Help build a firm grasp of data issues across both the public and private sector in Europe		
■ *Digital ethics*		
Design dedicated "ethical by design" digital programmes which respond to responsible digital technology criteria		
■ *Civic engagement*		
Ratchet up the commitment of the Group and its employees to support the most vulnerable sections of society and foster digital inclusiveness		

Key issues resulting from the materiality matrix define the scope of action of Sopra Steria's corporate responsibility programme.

1.2. Seven key commitments aligned with the United Nations Sustainable Development Goals (SDGs)

Drawing on the Group's business model (see "Integrated presentation of Sopra Steria" of this Universal Registration Document on pages 10 to 11) and the changing expectations of its stakeholders, Sopra Steria has defined seven key corporate responsibility commitments in respect of its materiality matrix updated in 2021.

1. Being a leading **employer** that attracts the best talent, fosters employee dialogue and promotes diversity and equal opportunity
2. Achieving net-zero emissions by 2028, protecting resources and helping combat **climate** change
3. 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
4. Acting **ethically** and with integrity in our day-to-day operations and across all our business activities
5. Establishing ongoing constructive and transparent **dialogue** with our stakeholders
6. **Collaborating with our stakeholder community** to adapt our initiatives in response to the major challenges we face
7. Supporting **local communities** by stepping up our community engagement initiatives, notably in the area of digital inclusion

The 10 Principles of the Global Compact and the Sustainable Development Goals

We place great importance on ensuring that our business and our key priorities are aligned with the 10 principles set out in the UN Global Compact and with the Sustainable Development Goals.

As a signatory to the United Nations Global Compact (in the Global Compact **Advanced** reporting category), the Group supports the Global Compact's commitments in relation to human rights, international labour standards, the environment and anti-corruption.

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.

In addition to our seven commitments, we have defined three priorities for 2022 as part of our environmental, social and governance (ESG) roadmap. The related policies and their main results are presented in the corresponding sections of this Universal Registration Document.

A dedicated governance structure coordinates implementation of policy and associated improvement plans.

OUR THREE ESG PRIORITIES

Priority 1: Be a benchmark employer that pursues a proactive policy of increasing the proportion of women in management positions

Indicators	2020 Results	2021 Results
Proportion of women on the Executive Committee – 2025 target: 30%	■ 12%	■ 17.6%
Proportion of women in 10% most senior positions	■ 18.6%	■ 19.4%
Percentage of women in workforce	■ 32.5%	■ 32.4%

Priority 2: Achieving net-zero emissions by 2028

Targets	2020 Results	2021 Results
Reduce emissions per employee from direct activities (Scopes 1/2/3-6 and 3-8) relative to 2015	■ -74.0% (incl. pandemic impact) ■ -45% (excl. pandemic impact)	■ -83.5% (incl. pandemic impact) ■ -50% (excl. pandemic impact)
Reduce emissions from indirect activities (in particular supply chain): ■ Measurement of the proportion of suppliers accounting for 70% of the supply chain's GHG emissions that have set an emissions reduction target ■ Measurement of GHG emissions from waste, commuting and homeworking	■ 44% across France, Spain, Germany and Italy	■ 55% across all geographies ■ GHG emissions from waste, commuting and homeworking: 21,758 tCO_2e
Offset unavoided emissions from our direct activities(1) through Climate Neutral Now carbon capture projects(2)	■ 100%	■ 100%

Priority 3: Incorporate digital sustainability into our value proposition

Targets	2020 Results	2021 Results
Include digital environmental sustainability in our service proposition (Green IT)	■ France: 3,000+ employees trained in eco-friendly digital behaviours	■ Group: 16,000+ employees trained in eco-friendly digital behaviours (35% of the workforce) ■ Digital environmental sustainability gradually incorporated into our value proposition
Use our digital solutions and services to support our clients as they transition to a net-zero emissions economy (IT for Green)	■ Tools and skills developed ■ Strategic studies and analysis from The *Exploratoire*: "Organisations and environmental transition", "Digital environmental sustainability"	■ Projects that support decarbonisation in our clients' business sectors ■ Taxonomy: climate change mitigation and adaptation, eligibility (turnover slightly above 5%, capex 97.3%, opex non-material)
Take into account the various dimensions of digital sustainability, in particular digital sovereignty, digital ethics and digital inclusion	■ Digital sovereignty: Sponsor of the "Cybersecurity and Digital Sovereignty" academic chair at the IHEDN ■ Digital ethics: Set up The *Exploratoire*	■ Digital sovereignty: Gaia-X (trusted cloud architecture and standards) ■ Digital ethics: data altruism partnership ■ Digital accessibility: awareness raised among 8,400+ employees in France

(1) Emissions from indirect activities will be offset from 2025 onwards.

(2) 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.

1.2.1. ESG ROADMAP DASHBOARD

Commitments/SDGs	Materiality matrix issues	Key indicators	2019	2020	2021
1. Be a benchmark employer SDGs: 3, 4, 5, 8, 10 and 17	Skills development and transformation	Average training hours per employee	29	27	27
	Attracting and retaining talented employees	Number of new hires	10,844	6,133	10,636
	Equal opportunity and diversity	Percentage of women in workforce	32.0%	32.5%	32.4%
	Workplace well-being and commitment	GPTW(1) satisfaction survey participation rate	82.0%	No survey	82.0%
	Labour relations	Number of agreements in force	291	326	357
2. Protecting resources and helping combat climate change SDGs: 6, 7, 8, 9, 11, 12, 13, 14, 15 and 17	Net-zero emissions by 2028	GHG emissions in tCO_2e – **Scope 1 (incl. fugitive emissions),** offset by Climate Neutral Now projects	4,712	3,718 (100%)	3,650 (100%)
		GHG emissions in tCO_2e – **Scope 2,** offset by Climate Neutral Now projects	1,724	1,124 (100%)	627 (100%)
		GHG emissions in tCO_2e – **Scope 3 (off-site data centres and business travel),** offset by Climate Neutral Now projects	35,560	12,691 (100%)	7,098 (100%)
		GHG emissions in tCO_2e – **Scope 3 (full coverage)**	-	-	292,456
	Digital environmental sustainability of services and solutions delivered to clients	Actions to promote digital environmental sustainability	5 dedicated working groups: training, internal transformation, tools and methods, business, and stakeholder community	■ France: 3,000+ employees trained in eco-friendly digital behaviours ■ Development of digital environmental sustainability tools and skills	■ Group: 16,000+ employees trained in eco-friendly digital behaviours (35% of the workforce) ■ Digital environmental sustainability incorporated into our value proposition and co-developed with our stakeholder community ■ Joined Institut du Numérique Responsable, NegaOctet and the European Climate Pact ■ Committed to the European Green Digital Coalition (joined in 2022)
	Solutions to help our clients address their environmental challenges	Sopra Steria: helping our clients navigate environmental transition	Designing environmentally responsible solutions and services (low-carbon mobility, paperless processing, circular economy and smart cities, etc.)	Solutions and services in response to the public health crisis	Solutions aimed at decarbonising industry sectors, particularly mobility, energy, aviation, the public sector and banking

(1) *GPTW: Great Place to Work®*

Commitments/SDGs	Materiality matrix issues	Key indicators	2019	2020	2021
3. Serving as a long-standing partner for our clients SDGs: 8, 9, 11, 16 and 17	Customer satisfaction	Organic revenue growth	+6.5%	-4.8%	+6.4%
		Customer Voice survey (100 strategic clients surveyed)		1st survey: over 80% customer satisfaction	2nd survey: over 80% customer satisfaction
	Innovation	Actions in support of innovation	Creation of Next, the DigiLab flagship dedicated to fostering creativity	Sopra Steria Ventures worked with 50 more start-ups	Sopra Steria Ventures worked with 300+ start-ups
4. Act ethically and with integrity SDGs: 3, 8, 9 and 16	Protecting operational data and security	Number of employees who have completed GDPR e-learning	15,296	21,056	41,397
		Compliance defects identified by a supervisory authority as defined in Chapter 6 of GDPR	0	0	0
		Number of ISO 27001 certifications[1]	13	15	17
	Values and compliance	Number of employees trained in preventing corruption and influence peddling	37,400+	92%	92%
		Compliance defects	Not found guilty of corruption or influence peddling at any time in the last five years	Not found guilty of corruption or influence peddling at any time in the last five years	Not found guilty of corruption or influence peddling at any time in the last five years
5. Establish constructive dialogue with our stakeholders SDGs: 1, 5, 10, 12, 13 and 17	Responsible supply chain	EcoVadis assessment	247 target suppliers assessed	■ 540 suppliers asked to take assessment (72% of total expenditure) ■ 327 actually assessed (43% of expenditure)	Group: 425 suppliers assessed (over 100% of 2021 target expenditure)
		Signature of the suppliers' charter	■ France: 332 charters signed (82% of target suppliers) ■ United Kingdom: 447 target suppliers signed up (43% of expenditure)	■ France: 1,308 suppliers signed up (35.5% of all suppliers) ■ United Kingdom: 539 suppliers signed up (46% of expenditure)	■ France: 1,427 suppliers signed up (66% of eligible suppliers) ■ Group: 2,771 suppliers signed up (57% of eligible suppliers)
6. Work with our stakeholder community to respond to major changes SDGs: 4, 8, 11, 12, 13, 16 and 17	Digital sovereignty	Actions to build digital trust	Sponsor of the "Digital, Governance and Sovereignty" academic chair at Sciences Po	Sponsor of the "Cybersecurity and Digital Sovereignty" academic chair at the IHEDN	Helped define secure cloud architecture and standards within Gaia-X
	Digital ethics	Actions to promote digital ethics	Member of artificial intelligence (AI) working groups dealing with ethical issues	Set up The *Exploratoire*, a "do tank" that puts digital ethics at the heart of our actions	Partnered with the Human Technology Foundation on data altruism
7. Support local communities SDGs: 1, 2, 3, 4, 5, 6, 7, 10 and 17	Civic engagement	Impact of community initiatives	■ 218 non-profit organisations supported ■ More than 50,000 children supported in India ■ 646 students in India awarded higher education scholarships	■ 347 non-profits and schools supported ■ 54,000+ children supported in India ■ 755 students in India awarded higher education scholarships	■ 626 non-profits and schools supported ■ 52,000+ children supported in India ■ 851 students in India awarded higher education scholarships

(1) ISO/IEC 27001 Information security management.

1.2.2. CHANGE IN NON-FINANCIAL RATINGS, 2020-2021

CONTINUOUS IMPROVEMENT IN ESG SCORES

Non-financial ratings agencies		2020	2021	Change
MSCI ESG	AA since 2019	7.4/10 AA Leader	7.9/10 **AA Leader**	↗
Vigeo Eiris	Top 2 in 2020	62/100 Advanced	60/100 **Advanced**	→
Sustainalytics		73/100 Outperformer	75/100 **Leader**	↗
Sustainalytics ESG Risk ratings Low = 0 – Higher = 100		19.2/100 Low risk	15.1/100 **Low risk**	↗
ISS OEKOM	Prime since 2019	C+ Medium	**C+ Medium**	→
Gaïa	Part of the Gaïa Index for over 10 years	78/100	87/100	↗
CDP Climate Change	Score of "A" for the 5th year running in 2021	A	**A**	→
EcoVadis	In the top 1% for the 3rd year running in 2021	74/100 Platinum medal	78/100 **Platinum medal**	↗

1.2.3. ESG COMMITMENT: 2021 HIGHLIGHTS

- 11 March 2021: Partnered with UN Women (the United Nations entity for gender equality and women's empowerment) by signing a corporate giving agreement and becoming a signatory of CEO Statement of Support for the Women's Empowerment Principles, in support of the seven Women's Empowerment Principles (WEPs), with a goal of attracting more women to the digital sector and working to combat gender stereotypes
- 1 April 2021: Signed the International Labour Organization (ILO) charter and joined the Global Business and Disability Network
- 22 April 2021: Joined the UN's Climate Neutral Now initiative and continued our partnership with One Carbon World, aimed at offsetting part of our emissions through carbon capture projects
- 21 May 2021: Introduction of a long-term incentive plan based on performance shares
- 31 May 2021: In France, fourth-year secondary school students invented an app to help people with autism communicate, winning the Sopra Steria – Science Factor 2021 Handinumérique Award
- 10 June 2021: The Sopra Steria-Institut de France Foundation announced the six finalists for the 2021 *Prix Entreprendre Pour Demain*
- 12 July 2021: Signed the L'Autre Cercle LGBT+ Commitment Charter and maintained commitment to equal opportunity
- 27 September 2021: Sopra Steria Next joined the Institut du Numérique Responsable
- 30 September 2021: Winner in the "CSR and compliance award" category of the 18th AGEFI Corporate Governance Grands Prix
- 7 October 2021: Came second in the Transparency ranking, winning the 2021 meeting brochure award at the *Grands Prix de la Transparence*
- 12 October 2021: Committed to work with the European Green Digital Coalition – EGDC (joined in 2022)
- 14 October 2021: Celebrated the Sopra Steria-Institut de France Foundation's 20th anniversary and hosted *Prix Entreprendre Pour Demain* awards
- 2 to 10 November: Disability week – by signing up with the *Activateur de Progrès* campaign to become a champion of progress, took another step in pursuing commitment to a digital society accessible to all
- 8 November 2021: Group spoke at two sessions at COP26 in Glasgow – "How your business can save the planet" and "What do science-based targets mean for your organisation?"
- 7 December 2021: Awarded an "A" rating by CDP in recognition of our climate initiatives for the fifth year running – in the top 1.5% of 13,500 companies assessed
- 22 December 2021: Signed up for NegaOctet, a standard for measuring the environmental impact of digital services and suggesting ways to improve

1.3. Corporate Responsibility governance structure supporting the Group's strategy

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 (Comex), which lays down operational guidelines in these areas. The Chief Executive Officer's compensation takes into account several criteria linked to corporate responsibility.

The Deputy Chief Executive Officer oversees the Group's corporate responsibility programmes. He represents the Group in dealings with major government and industry bodies touching on corporate responsibility issues and 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.

1.3.1. GROUP CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT (CR&SD) DEPARTMENT

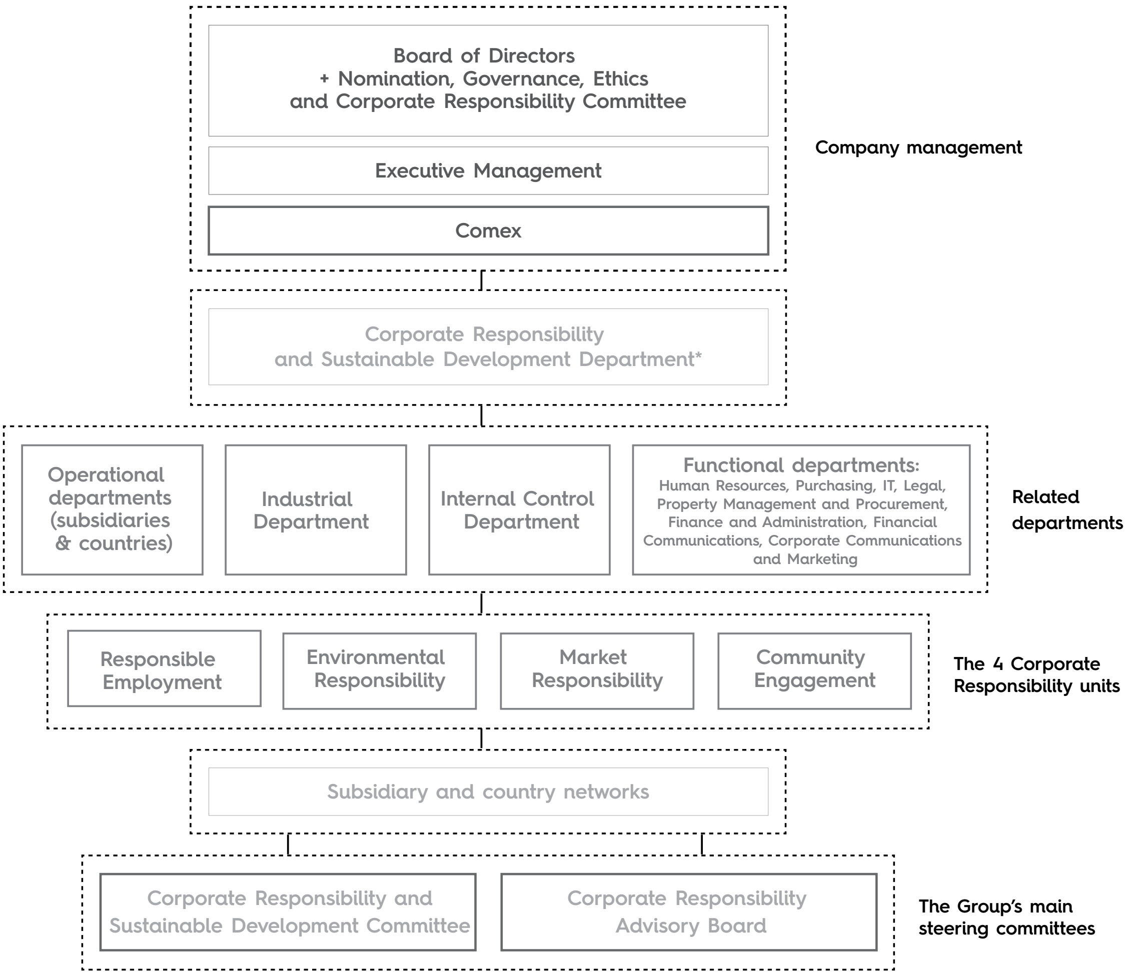
Reporting directly to Executive Management, the Corporate Responsibility and Sustainable Development (CR&SD) Department implements the framework governing the Group's corporate responsibility strategy drawn up with Executive Management. It coordinates action plans, manages reporting, and analyses and 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.

1.3.2. CORPORATE RESPONSIBILITY GOVERNANCE STRUCTURE



* The CR&SD Director is a member of the Executive Committee.

1.3.3. CORPORATE RESPONSIBILITY ADVISORY BOARD

The purpose of the Corporate Responsibility Advisory Board is to provide external feedback on the various components of the Group's corporate responsibility approach. It consists of five external experts and key Group managers with responsibility for business units and major issues. This Board met twice in 2021.

The main items of business in 2021 concerned the following:

- The Group's procurement policy applied to offsetting greenhouse gas emissions through carbon capture projects;
- The proportion of women in senior management positions;
- Achieving a balance between remote working and on-site working for our businesses;
- Involving student populations in social, environmental and community engagement initiatives.

In 2021, the Advisory Board's membership included the following five independent experts:

Patrick Bourdet

Nationality: French

Member of CR Advisory Board: since 2018

Biography

Patrick Bourdet, former founder and Chairman and CEO of Areva Med, an executive consultant and coach working with educational and child welfare bodies.

Jan Corfee-Morlot

Nationality: American

Member of CR Advisory Board: since 2021

Biography

Jan Corfee-Morlot is an expert in environmental and climate issues. 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).

Mark Maslin

Nationality: British

Member of CR Advisory Board: since 2011

Biography

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

Nationality: French

Member of CR Advisory Board: since 2008

Biography

Frédéric Tiberghien, an honorary member of France's Council of State, Chairman of FAIR (formerly Finansol; merged with Impact Investment Lab in June 2021) and Honorary Chairman of ORSE, a French CSR think tank.

Marie-Ange Verdickt

Nationality: French

Member of CR Advisory Board: since 2012

Biography

The former Director of Research and Socially Responsible Investment at La Financière de l'Échiquier, Marie-Ange Verdickt is a company director working with institutions that champion social development.

2. Social responsibility: a committed and responsible Group

The Group 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. It abides by the eight fundamental conventions of the International Labour Organization (ILO) and is committed to:

- Complying with European Community and domestic labour law and collective bargaining agreements in each country where the Group operates or, if necessary, putting in place measures intended to improve relations between labour relations;
- 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.

It meets the United Nations Sustainable Development Goals and directly or indirectly contributes to Goals 3, 4, 5, 8, 9, 10 and 17.

In keeping with these commitments, it pursues a corporate responsibility policy aimed at safeguarding the health and safety of each of its employees and ensuring that everyone is treated with dignity and respect at work. The goal is to foster a caring work environment where everyone feels recognised and valued irrespective of origin, gender, age or disability

2021 context

The uncertain public health and economic environment and new hybrid working arrangements prompted the Group to adapt its work environment so as to protect its employees and maintain their engagement. The goal was to establish genuine relationships of trust between managers and their remote teams by rolling out specific programmes and new digital tools designed to help meet this collective challenge. The Group was able to successfully adapt, enabling business to continue without any significant impact on indicators, including recruitment.

2.1. 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.

Regarding matters related to health and safety and labour relations, 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 cover, in particular, buildings (security of premises, furnishings, heating and air conditioning, etc.) and food (canteen, water, etc.). Social dialogue is organised through regular (weekly, monthly and annual) steering meetings attended by the HR directors of the different companies to exchange and ensure the consistency of the approach to labour relations with the Group's policy.

The Group Human Resources Director reports directly to Sopra Steria's HR Transformation Director, who is a **member of the Executive Committee**.

2.2. Responsible employment priorities

The digital sector is a strategic sector of the economy. The digital transformation has gathered pace over the past two years as a result of the public health situation, affecting many areas of day-to-day life. Teaching, healthcare and the service sector have been very quick to adopt digital technology. Digital technology is a real necessity at a time when the Company must reinvent itself while also maintaining a long-term vision.

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.

The Group's five main responsible employment priorities are as follows:

- **Attracting and retaining more talent** to support the Group's development;
- **Maintaining and developing skills** to boost employees' skills to proactively meet clients' current and future needs;
- **Diversity and equal opportunity** to address issues of importance in the public interest and prevent all forms of discrimination, with a particular focus on access to employment for people with disabilities and young people, as well as workplace gender equality;
- **Labour relations** to work with employee representatives to maintain constructive dialogue and negotiations in order to plan ahead for and support the major changes affecting the Group;
- **Health, safety and working conditions** to offer an environment conducive to quality of life at work.

Given the nature of the Group's business, not all the responsible employment priorities set out above constitute key risks as defined in the Statement of Non-Financial Performance. Only the priorities related to attracting talent and maintaining and developing skills are key risks for the Group, and are treated as such in the "Risk factors" section. The relevant information is set out in section 1, "Risk factors" of Chapter 2 of this Universal Registration Document (pages 38 to 44).

Policies, actions and achievements associated with these five challenges are described below.

As part of its commitment to collective responsibility, Sopra Steria presents its **roadmap** for achieving its targets announced in 2021:

Priorities	Targets for 2025	2020 Results	2021 Results
1. Attracting and retaining more talent	Boost visibility of actions and gain more followers on social media	336,762 followers	420,200 followers
	Give all employees a more meaningful stake in the Company's performance	6.3% interest managed on behalf of employee shareholders (company mutual fund/trust)	5.8% interest managed on behalf of employee shareholders (company mutual fund/trust) Launch of the We Share programme
	Increase the % of employees **under 30**[(1)]	+0.2 points	-4.8 points due to delayed resumption of recruitment in the second half of 2021
2. Maintaining and developing skills	Increase proportion of training hours linked to innovation and digital transformation to **20%**[(2)]	Not available	13.3% 41.7% of scope: France
	100% of employees receive training every year	90%	100%
	Management and Leadership **programme fully rolled out** at Group level	Launched in France in 2021	Launched in France in 2021 41.7% of scope: France
3. Diversity and equal opportunity	**30%** of Executive Committee seats to be **held by women**	12%	17.6%
	20% of senior management positions to be **held by women** (17% in 2023)	15%	Update in 2023
	Increase the proportion of women in the **10%** most senior positions	18.6%	19.4%
	Increase the proportion of **employees with disabilities** to **3.3%** (scope: France)	2.48%[(3)]	2.96%
	All employees to have access to a non-discrimination training module	Launched in 2021	96.3%
4. Health, safety and working conditions	**All employees** to have access to a workplace well-being programme[(4)]	Launched in 2021	97.7%
5. Labour relations	Maintain high-quality labour relations and successfully implement agreements	74.2% of scope: Europe	74.4% of scope: Europe

(1) Performance indicator relating to key risks set out in the Statement of Non-Financial Performance: ***2019-2021, renewed for 2022-2025.***

(2) Performance indicator relating to key risks set out in the Statement of Non-Financial Performance: ***rebased for 2022-2025.***

(3) In 2020, the reported proportion of 2.21% was recalculated to reflect the entry into force in 2020 of new calculation rules issued by AGEFIPH and not available at the time the 2020 report was published.

(4) The workplace well-being programme includes training in the form of talks and workshops on issues relating to health and work-life balance.

2.3. Employment policy for professional excellence

For many years, the Group's growth has been backed by a proactive employment policy of recruiting talented individuals and developing employees' skills. This policy and a working environment nurturing professional development and well-being help to attract and retain its talent.

External growth is also a strong driver of the Group's development and increased business volumes. Thanks to the various acquisitions completed in 2021 (420 employees), the Group can offer a comprehensive response to its clients' needs in terms of transformation and competitiveness.

At 31 December 2021, the Group had 47,437 employees, including acquisitions. The workforce grew relative to 2020 thanks to recruitment returning almost to 2019 levels (with 10,636 new hires in 2021 vs 10,844 in 2019). Employees are mainly based in the following countries: Germany, Spain, France, India, Norway and the United Kingdom, which together account for 88.8% of the Group's total workforce. The Group continued to pursue its policy of taking on work-linked training students and interns, welcoming 995 interns in 2021, compared with 846 in 2020 (66.6% of scope: Austria, Belgium, France, Germany, Italy, Luxembourg, Morocco, Poland, Spain, Switzerland, Tunisia) and 564 work-linked training students in 2021, compared with 557 in 2020 (41.7% of scope: France).

The employee turnover rate across the Group as a whole is 16%. It was higher than in 2020 but lower than in 2019 and 2018 (13.6% in 2020, 17.7% in 2019 and 16.9% in 2018). Dismissals accounted for 6.9% of total employees leaving the Group.

The employee turnover rate in France is 13.1%. It was higher than in 2020 but lower than in 2019 and 2018 (10.1% in 2020, 15.9% in 2019 and 16.2% in 2018). Dismissals accounted for 3.3% of total employees leaving, compared 2.4% in 2020.

The proportion of permanent contracts was higher than it had been in the previous four years (up 1.3 points since 2018) while that of temporary contracts continued to decline (down 1.1 points in 4 years). This confirms the Group's longstanding commitment to offer stable jobs while promoting access to employment for young people on permanent contracts and work-linked training (94.8% of fixed-term contracts were for work-linked training students, versus 100% in 2020).

2022 recruitment targets

- 11,000 new hires across the Group.
- 3,800 new hires in France.

Key employment figures	2018	2019	2020	2021
Total workforce (acquisitions included)	44,114	46,245	45,960	47,437
Total FTE (excluding interns)	42,614	44,230	43,989	45,852
Permanent contracts	95.7%	96.1%	96.7%	97.0%
Temporary contracts	3.6%	3.3%	2.9%	2.5%
Full-time workforce	93.1%	94.1%	93.9%	93.6%
Part-time workforce	6.1%	5.9%	6.1%	6.4%
Average length of service for employees on permanent contracts (in years)	7.1	7.1	7.7	7.5
Average age of employees on permanent contracts (in years)	37.8	37.8	38.7	38.8

The delayed resumption of recruitment and the decline in employee turnover meant the average age of employees on permanent contracts was slightly higher than in previous years (up 1 point in three years), as was their average length of service (up 0.4 point in three years). **The distribution by age bracket is evenly balanced between under-30s and over-50s.**

Age	2019	2020	2021
<30	25.6%	25.8%	21.3%
30-50	55.1%	54.7%	57.2%
>50	19.3%	19.5%	21.8%

2.4. Regional impact

Reinforcing the Group's positive regional impact

The Group is a benchmark employer. It has a significant impact on regions and communities, given its size and its local roots. It is also a major recruiter in regions where it operates (see section 2.3, "Employment policy for professional excellence", page 108).

Sopra Steria also ensures that, in developing its business, it takes into account the economic, workforce-related and environmental challenges faced by the regions in which the Group operates. As a responsible company, the Group takes action to support, in particular, struggling and highly vulnerable populations, drawing on the whole of its stakeholder community.

2.5. Attracting and retaining more talent

The Group's ambition is to attract the best professionals and anticipate future skills requirements through a broad training offering. Employee engagement, motivation and skills are key factors in the Group's success and depend on its ability to attract and retain talent.

As the pace of digitalisation quickened as a result of the Covid crisis, the battle for talent intensified in 2021. Against this backdrop, the Group continued to strengthen its policies in terms of employer brand, recruitment, retention and compensation.

These policies form part of a long-term strategy aimed at ensuring the transparency of our HR practices. They are broken down as follows:

- our **employer brand policy** is delivered through communications activities aimed at promoting and boosting the appeal of Sopra Steria's employer promise among candidates and employees (benefits in kind, job opportunities, work environment, training, management support, etc.). These activities are underpinned by four pillars that form the core of the Group's employee value proposition: working together, reaching one's potential, being enterprising and innovative, and having a shared sense of purpose;
- our **recruitment policy** is based on the principles of equal opportunity and non-discrimination. Recruitment policy is aligned with new uses for digital technology and the transparency sought by today's jobseekers. 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, and through retraining programmes in the digital field with the promise of employment. These tailored retraining paths are offered to people in long-term unemployment. Part of our recruitment activity is also aimed at increasing the proportion of experienced professionals in our workforce, particularly in roles requiring rare skills where there is a shortage of suitable candidates;
- our **retention policy** seeks to meet employees' expectations and needs by offering a supportive work environment where everyone can flourish, be in control of their career and feel able to be themselves;

- our **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 is present.

The policies described above have translated into the following actions and achievements:

Employer brand and recruitment: 2021 was a mixed bag due to the public health situation. Activity slowed in the first half of the year, with some remote and face-to-face events resuming in the second half, particularly in schools.

Actions	2021 achievements
Attracting and recruiting: ensure that we hire a diverse range of people	10,636 new hires, vs 6,133 in 2020 31.7% of new hires under 25, vs 29.5% in 2020 New hires in France spanned 53 different nationalities (15 European and 38 non-European) **Highlight in India: recruitment programme** – 574 young people recruited under a graduate programme including 4 to 7 weeks' training and tailored support
Strengthening relationships with universities: promoting jobs in the digital field to attract more young people, welcome more interns and work-linked training students, etc.	**995** interns welcomed, vs 846 in 2020 **564** work-linked training students welcomed, vs 557 in 2020 **420** school initiatives, vs 614 in 2020: decline due not only to the Covid situation but also to a shift in policy to focus more on content-based activities (classes, academic and corporate chairs, etc.) and less on forums 54.6% of scope: Europe, Africa, India **Morocco highlight: an innovative programme** in partnership with 17 business and engineering schools to support students, deliver classes and co-design innovative solutions (700 participants)
Exploring new recruitment channels: numerous sourcing campaigns on social media, etc.	**Glassdoor**: scored 3.7/5 (up 0.1 point vs 2020) **LinkedIn**: selected as one of 25 top companies, with 420,200 followers vs 336,762 in 2020 **Potential park**: ranked among the top 5 French companies (up 13 places vs 2020) **Happy Trainees**: scored 4.06/5 (vs 3.82 in 2020) **Universum**: Ranked in the top 3 companies for "Skills Development" **Highlight in France: new recruitment channels,** with five original event formats rolled out – coding competitions, e-sports challenges, job dating in unusual settings, open days and talks from Sopra Steria experts
Fostering international mobility: offering students(1) and employees opportunities to broaden their career paths	62 international job moves to 13 different destinations (vs 78 in 2020) 76.2% of scope: Europe, Africa and the United States
Encouraging more women to join us to help increase the proportion of women working in the digital sector, at all echelons (see section 2.7 "Diversity and equal opportunity" (page 113)	Proportion of women hired: 33%, vs 34% in 2020 (see section 2.7 "Diversity and equal opportunity" (page 113)

(1) Students: due to the public health situation, which resulted in a ban on internships and work-linked training programmes outside France, no internships or work-linked training programmes were undertaken in 2020 or 2021.

Retention is a key priority in a complex environment. Working arrangements were severely disrupted in 2021, with the advent of hybrid working patterns and staff returning to offices after a long period of fully remote working.

Actions	2021 achievements
Managing induction and follow-up of new recruits through "Immediate Boarding", a two-day welcome and induction course tailored to inductees' seniority Immersive, innovative remote learning event	"Get on Board" induction programme (France) and country-specific programmes: ▪ 4,207 participants hosted, vs 1,500 in 2020; ▪ Get on Board satisfaction rate: 4.4/5. 67.9% of scope: Europe, Africa, South America, Middle East. Continuous improvement approach with regular satisfaction surveys
Maintaining employability: an ongoing career and skills assessment and development process	All Group employees assessed using the same HR systems and processes
Strengthening relationships: additional mentoring available to each and every employee	**22,667** employees in 15 countries covered by an enhanced HR system In addition to operational and HR support, 70% of employees chose a mentor to support them in their career development 64.9% of scope: Africa, United States, Europe Continue rolling out in other geographies in 2022

Actions	2021 achievements
Providing training programmes to position the Group as a "learning company"	See section 2.6. "Maintaining and developing skills" (page 112) Employees can access over 10,000 digital resources via a web portal and a mobile app: Group Fundamentals, Management, Strategy & Offerings, Sales, Quality & Methods, Technology, etc.
Measuring employee satisfaction through regular surveys	Ran international GPTW survey again in 2021; 82% of employees took part, unchanged from 2019
Promoting work-life balance	Remote working implemented across all geographies: two to three days' remote working per week depending on country and context. 100% of scope
Findings of the Great Place to Work survey	**85%** (vs 78% in 2019) of employees responding to the survey felt that "New employees are given a good welcome"

Great place to work

Sopra Steria's survey of its entire workforce, conducted with the help of Great Place to Work (GPTW), was launched in 2019 and run again in 2021. It forms part of a global transformation approach in which the Group's employees play a key role.

Significant progress has been made: in particular, 72% of employees think Sopra Steria is a great place to work, 10 percentage points higher than in 2019.

On the whole, all the entities improved their standing, since 20 out of 22 entities(1) were eligible for certification in 2021 (10 more than in 2019), which means that 88.9% of the Group's employees work for a company recognised as a Great Place to Work.

Eight Group entities(2) are also in the running to earn a spot on a Best Workplaces list, distinguishing the best certified companies.

The main strengths identified are our close relationship and communication with employees. The Group made progress despite the public health crisis and hybrid working arrangements, maintaining a friendly atmosphere and paying particular attention to the welcome and induction of new recruits, which often had to take place remotely.

These two points once again stood out very clearly last year, along with the trust shown by management and respect for diversity, both already identified as genuine strengths in 2019. The Group ranks as one of the top performers in the GPTW ranking on the topic of diversity.

The main areas for improvement relate to fair treatment with regard to pay and promotions, pride of belonging and the need for management to clearly express its expectations. The Group continues to pursue further improvements in 2022, focusing on consolidating its strengths and redoubling its efforts in identified areas for improvement.

A new survey will be undertaken at the end of the year to give employees another chance to express their views and assess progress made. This reflects the Group's commitment to ensuring that its employees are satisfied and offering a healthy and supportive working environment.

Other distinctions included, but were not limited to, the following:

Winner of the *Grand Prix de la Good Economie* in the "Promoting inclusion and diversity" category alongside our partner Diversidays

The *Grand Prix* judges selected the DéClics Numériques programme, which aims to orient and retrain jobseekers from working-class and rural areas to work in the digital sector.

Out of a total of 250 companies, Sopra Steria came in **eighth place in the 2021 Grand Prix Humpact Emploi France**, analysed in France, a ranking released by the ESG rating agency Humpact that recognises companies having implemented the most exemplary social policies for employment in France.

Compensation: a driver of recognition

The guidelines pertaining to the components of compensation and its progression are common to the entire Group and are structured around:

- Fixed compensation: determined according to the level of responsibility, consistent with the Group's Core Competency Reference Guide;
- Variable compensation: to encourage individual and collective performance for some employees, particularly 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.

The pay 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:

- Pay ratio with respect to the top 1% highest salaries in the Group (100% 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% highest salaries is less than 4.5 times the average salary in the country. This pay ratio held steady relative to 2020;
- Senior executive pay ratio, detailed in Section 3.2, "Pay ratios" of Chapter 3, "Corporate governance" of this Universal Registration Document (pages 92 to 95).

(1) Sopra Steria (France, Spain, Luxembourg, Belgium, Netherlands, India, Poland, Germany, Norway, Sweden, Denmark, Italy, Switzerland and United Kingdom), CIMPA (France, Germany, Spain and United Kingdom), Galitt (France), Sopra Financial Technology (Germany), it-Economics (Germany and Bulgaria), Sopra HR Software (Spain and Luxembourg), Sopra Banking Software (United Kingdom, India, Brazil, Spain and Luxembourg).

(2) Sopra Steria (Norway, Sweden, Denmark, NHS United Kingdom, Germany, Italy and Switzerland) and it-Economics (Germany).

Pay ratio: Average top 1% of salaries/Average annual salary	% 2019[1]	% 2020[2]	% 2021[3]
Under 4.5	85.5%	86.9%	86.9%
4.5 ≤ x ≤ 5	14.4%	13.0%	13.1%
Over 5	0.2%	0.0%	0.0%

(1) 99.8% of the Group workforce (excluding Cassiopae Tunisia, interns and acquisitions).
(2) 99.9% of the Group workforce (excluding interns and acquisitions).
(3) 100% of the Group workforce (excluding interns and acquisitions).

Employee share ownership

At 31 December 2021, all the holdings managed on behalf of employees accounted for 5.8% of the share capital and 7.8% of voting rights.

The Board of Directors decided on 12 January 2022 to implement the We Share 2022 employee share ownership plan in the first half of 2022, with the same characteristics as the previous plans, which have met with great success. Under the new plan, employees thus receive an employer contribution of one free share per share acquired, with the individual employee contribution capped at €3,000.

This plan is in keeping with Sopra Steria's continuing aim to give employees the opportunity to share in the success of the Group's corporate plan and performance over the long term. It helps recognise the commitment of Sopra Steria employees to the goals set by the Group. As key drivers of motivation, the We Share plans help the Group retain talent and contribute to the company's attractiveness during recruitment campaigns.

Achievements: 2019–2021 performance indicator

Target	2019	2020	2021
Increase the % of employees under 30	N/A*	+0.2 point	-4.8 points[1]

(1) The proportion of employees under 30 fell due to the delayed resumption of recruitment. However, recruitment of under-25s increased significantly between 2020 and 2021 (31.7%, vs 29.5% in 2020).
** N/A: not available.*

2022–2025 performance indicator target: increase the % of employees under 30.

2.6. 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 develop our employees' skills. It is estimated that nearly 50% of technical or "hard" skills become obsolete in less than five years.

Efforts to maintain and develop employees' skills are underpinned by two key policies: human resources and training. These policies serve the corporate plan and strategic direction, with the goal of ensuring that the Group has access to the appropriate skills at all times and in all places, particularly as project cycles accelerate. Backed by these policies, the Group Core Competency Reference Guide provides a shared framework for understanding the Group's professions, appraising employees and supporting career development. These two policies and the Core Competency Reference Guide are among the Group's key skills development tools and are designed to meet three challenges:

- Constantly improve our ability to meet client expectations and serve the Group's strategy;
- Boost motivation and build employee engagement;
- Drive performance and maintain employability at the leading edge of technological and business expertise.

These policies are also aimed at maintaining a shared culture of purpose that strengthens relationships within the Sopra Steria community. To illustrate the trend, the following table shows selected key figures for training hours in 2021 (excluding work-linked training students and interns):

Training hours		2018		2019		2020		2021
Number of hours and average hours per employee	1,244,583	N/A*	1,263,354	29	1,207,065	27	1,219,922	27
Number of hours and average hours per female employee	N/A*	N/A*	369,505	27	374,536	26	378,547	27
Number of hours and average hours per male employee	N/A*	N/A*	893,850	30	832,528	27	841,375	27

** N/A: not available.*

Maintaining and developing skills: 2021 saw an increase in efforts to digitalise training content and a focus on cultivating a learning organisation.

Actions	2021 achievements
Providing a common performance appraisal system based on ongoing dialogue between employees and their managers and resulting in an individual development plan	6,792 employees promoted, 32% of them women (vs 4,117 employees promoted in 2020, 35% of them women) The number of promotions represents 15.7% of the permanent contract workforce in post throughout the year (vs 9.8% in 2020) 100% of scope, vs 94% in 2020
Supporting both short-term performance and the corporate plan, with two key priorities: **1) Internationalising the offering**: instil a shared corporate plan, fundamentals (values, basics and governance principles) and compliance rules across the Group **2) Management and leadership programme** rolled out to all Group managers (launched in France in 2021, to be gradually rolled out Group-wide starting in 2022)	**1,219,922 training hours**, vs 1,207,065 in 2020 **Internationalisation of training offering:** Training in English: 40 sessions per month/49,000 hours (launched 2021); 2022 target: 80 sessions a month Training in French: 280 sessions per month/385,000 hours **Highlight in France: management and leadership programme** This course aims to develop a shared leadership culture and help managers understand the Group's strategic priorities 58,172 training hours; 40% of managers in France trained 41.7% of scope: France Group training expenditure: 4.1% of total payroll across the relevant scope 54.6% of scope: France, Germany, Spain **Training expenditure – France**: 4.6% of total payroll expenses vs 4.6% in 2020 41.7% of scope: France
Managing future operational risk by rolling out the People Dynamics approach, broken down into two key actions: **1) 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) **2) Draw up HR action plans** for acquiring, maintaining and developing required current and future skills	Rolled out to all geographies **Highlight in France: targeted "Newskill" programme** to promote the acquisition of new skills and/or retraining to protect and enhance employability for selected Group employees 118 employees trained and 17,315 training hours
Driving sustainable performance by promoting self-directed learning, knowledge-sharing, experimentation and on-the-job learning Help employees continuously refresh their knowledge to boost their employability and meet clients' demands Gaining and passing on knowledge must become a key part of our day-to-day activity	13.3% of training hours in "Innovation and digital transformation" modules 100% of scope: Group 25% self-directed learning through digital content 100% of scope: Group

2022-2025 performance indicator targets

- Increase number of hours' training in "Innovation and digital transformation" modules **from 14% to 20% of total training hours.**
- Increase the proportion of self-training by promoting micro-learning: **increase proportion of asynchronous learning (e-learning and platforms) from 25% to 30%.**
- Deploy the Group's management and leadership programme to all entities and countries (to be launched in 2022).

2.7. 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 everyone fairly. This approach is underpinned by five inclusive policies:

- A gender equality policy aimed at increasing the proportion of women at every level of the organisation;
- A disability policy aimed at recruiting and keeping people in employment irrespective of their disabilities;
- An intergenerational policy aimed at attracting talented young people while promoting knowledge transfer between generations;
- A policy promoting diversity and access to employment for young people from working-class and rural areas, aimed at diversifying our recruitment and fostering social openness;
- An LGBT+ policy aimed at ensuring that everyone has the same opportunities to flourish and succeed within the Company, irrespective of gender identity, appearance or sexual orientation.

Our commitment to non-discrimination is reflected in our having signed a number of national and international charters and corporate giving agreements we consider high-priority to support a proactive approach and work to promote diversity:

Topic	Charters signed
Workplace gender equality	UN Global Compact Women's Empowerment Principles (2021-2023 corporate giving agreement)
Recruiting and promoting people with disabilities	Global Business and Disability charter under the aegis of the ILO (2021 charter – renewed every year)
Diversity and social openness	Diversity Charter: Germany, France and Norway: signed in 2021 and renewed annually United Kingdom: signed in 2018 and renewed annually
Non-discrimination against LGBT+ people at work	Autre Cercle charter in France, signed for 2021-2023, with a target of establishing a framework for combating workplace discrimination based on sexual orientation or identity

2.7.1. GENDER EQUALITY POLICY

Our gender equality policy is designed to help women progress within the Group and support their career development at every level of the Company. This policy is implemented through specific actions to ensure that women are ultimately represented at every level of the company in proportion to their percentage of the total workforce. Special attention is paid to achieving this representation in management and senior management positions.

Proportion of women in the Group	2018	2019	2020	2021
Women on the Board of Directors	46%	50%	42%	42%
Women on the Executive Committee	0%	0%	12%	17.6%
Women in senior management positions	N/A*	N/A*	15%	N/A*
Women in the 10% most senior positions	18%	18%	18.6%	19.4%
Women recruited	32.8%	33.1%	34%	33%
Women in the workforce	31.6%	32%	32.5%	32.4%

* *N/A: not available.*

The proportion of women in the Group's workforce remained stable, at 32.4% in 2021 compared with 32.5% in 2020. Women held 29.8% of engineering, consulting and project management positions, compared with 29.9% in 2020. It remains higher than the overall proportion of women in scientific careers (28%).

Increasing the proportion of women in the workforce and in management positions

The Group has implemented a gender equality 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 practices.

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:

Actions	2021 indicators
Setting numerical targets to track progress in the proportion of women in the workforce and in management positions (proportion of women recruited, in the workforce, promoted) Indicators for 2021-2025: Women to make up 30% of the Executive Committee 20% of senior management positions to be held by women (with an intermediate target of 17% for women in senior management positions by 2023)	**The proportion of women in the workforce held steady**: women accounted for 32.4% of the workforce (vs 32.5% in 2020) **The proportion of women recruited held steady**: 33% of new recruits were women (vs 34% in 2020) **Digital skills retraining:** 26.4% of new recruits were women, vs 33.3% in 2020 (41.7% of scope: France) **Balanced ratio of men and women promoted within the Group:** 15.5% of women promoted, vs 15.8% of men Of those promoted, 32% were women, vs 35% in 2020 **More women in the 10% most senior positions:** 19.4% were held by women, vs 18.6% in 2020
Launching Group awareness campaigns under the "TogetHER for Greater Balance" banner, backed by Executive Management, to reaffirm the Group's commitment to diversity	Annual Group **"TogetHER for Greater Balance"** awareness campaign: **7,684 participants** **Group highlights**: inspiring lecture series led by international experts (UN Women representatives and experts talking about the role of women in the digital sector) for Group employees

Actions	2021 indicators
Training employees at every level to drive the cultural and behavioural changes needed to ensure women can advance (addressing the impact of stereotypes on decision-making processes, sexual harassment, sexism, etc.)	5,011 employees received training in gender equality issues 87% of scope: Europe, South America, Africa, Middle East, Singapore **Key events for the Group: Gender Equality Tour** with multicultural sessions in five languages: 1,088 employees trained "Action to prevent sexual harassment and sexist behaviour": 3,923 employees trained 72.8% of scope: Europe, South America, Africa, Middle East, India and Singapore
Supporting career development for women through mentoring programmes	Programmes supporting women to more quickly increase the proportion of women in management: a total of 188 women mentored, vs 137 in 2020 82.5% of scope: Europe and India
Promoting role models to inspire career choices through testimonials, talks, webinars, and internal and external multimedia campaigns involving inspiring women in the Group	**Key events for the Group: "TogetHER For Greater Balance" platform** promoting women with inspiring careers at Sopra Steria. Media campaign: #WomenWhoInspire in Spain; videos of inspiring women in Belgium
Promoting gender equality-focused networks to raise women's and girls' awareness of and attract them to the digital sector through events, in particular at schools (primary, secondary and beyond)	2,717 members of gender equality-focused networks (Europe and India) working for greater gender equality in the digital sector by including more men in the approach **Highlight in Italy:** an inspiring female employee served as a role model by promoting careers in STEM to female secondary school students as part of the Elis Training project
Great Place to Work survey	85% of employees (vs 77% in 2019) responding to the survey felt that "Staff are treated fairly irrespective of gender"

Increasing the proportion of women in senior management positions

Increasing the proportion of women in senior management positions is one of the Group's top three ESG priorities. In accordance with requirements laid down in the AFEP-MEDEF code, Executive Management has drawn up an action plan and targets to more quickly increase the proportion of women in senior management positions. To ensure that targets are achieved, an operational governance structure has been put in place at the very top of the company to monitor the progress of this action plan.

The target population of women in senior management positions encompasses the following:

- Group Executive Committee;
- "Upper management", corresponding to roughly the 3% of employees on permanent contracts belonging to the top two echelons (future Executive Committee members).

Actions	2021 achievements
Promoting female talent by identifying candidates and facilitating their access to the highest levels of the organisation	29% of those promoted at the highest echelons of the organisation were women, in line with the overall proportion of women in the workforce
A recruiting plan to help meet the targets for female representation at the levels concerned alongside internal promotion procedures	16.4% of female new hires were recruited into positions in the highest echelons
Adjustments to HR and management practices to promote gender equality	Implemented recruitment targets Targets for bringing more women into senior management positions included in the criteria used to determine the variable component of management compensation
Supporting actions for talented women to encourage and secure their move into senior management positions by setting up specific training, coaching and mentoring programmes	Put in place a mentoring scheme (188 women mentored) **Highlight in France: implemented the "Boost'Her" programme,** a mentoring, coaching and training programme to help talented women make it to the very top of the organisation

2021-2025 performance indicator target

The ultimate aim is to ensure that women are represented at every level of the Company, and particularly at the highest levels, in proportion to their percentage of the total workforce.

- Women to make up 30% of the Executive Committee;
- 20% of senior management positions to be held by women (with an intermediate target of 17% of senior management positions to be held by women by 2023).

2.7.2. DISABILITY POLICY

Our disability policy has been implemented to favour the recruitment and retention 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 international businesses aims to share best practices in the various countries to improve the recruitment and induction of employees with disabilities.

The Group is committed to complying with local legislation, regulations and recommendations regarding employment of people with disabilities.

Differences in how disability is defined from country to country mean we are not able to collect consistent and comparable data.

Actions	2021 achievements
Fostering access to employment for people with disabilities	Percentage of employees with a disability: 2.96%, vs 2.48%[1] in 2020
Supporting employees with disabilities	Continuation of the plan put in place to reach out to and support employees with disabilities working remotely during the Covid-19 crisis
Delivering training and awareness-raising to foster access to employment for people with disabilities	Awareness raised among 6,000 employees (Group) 12,400 employees trained and awareness raised, vs 6,195 in 2020
Facilitating access to higher education for secondary school and university students	Supported 51 secondary school students as part of the HandiTutorat academic tutoring programme 39 grants awarded to students with disabilities (annual programme)
Supporting the development of the sheltered employment sector	Facilitated inclusive purchasing: ■ Procedure for purchasing from sheltered employers ■ Catalogue of suppliers in the sheltered employment sector ■ Partnered with the national UNEA network of sheltered employers
Encouraging innovation to make day-to-day life easier for people with disabilities	Challenge Innovation Awards: three selected projects currently in progress, sponsored by employees Employees took part in fostering the emergence of solutions that improve day-to-day life and increase independence for people with disabilities

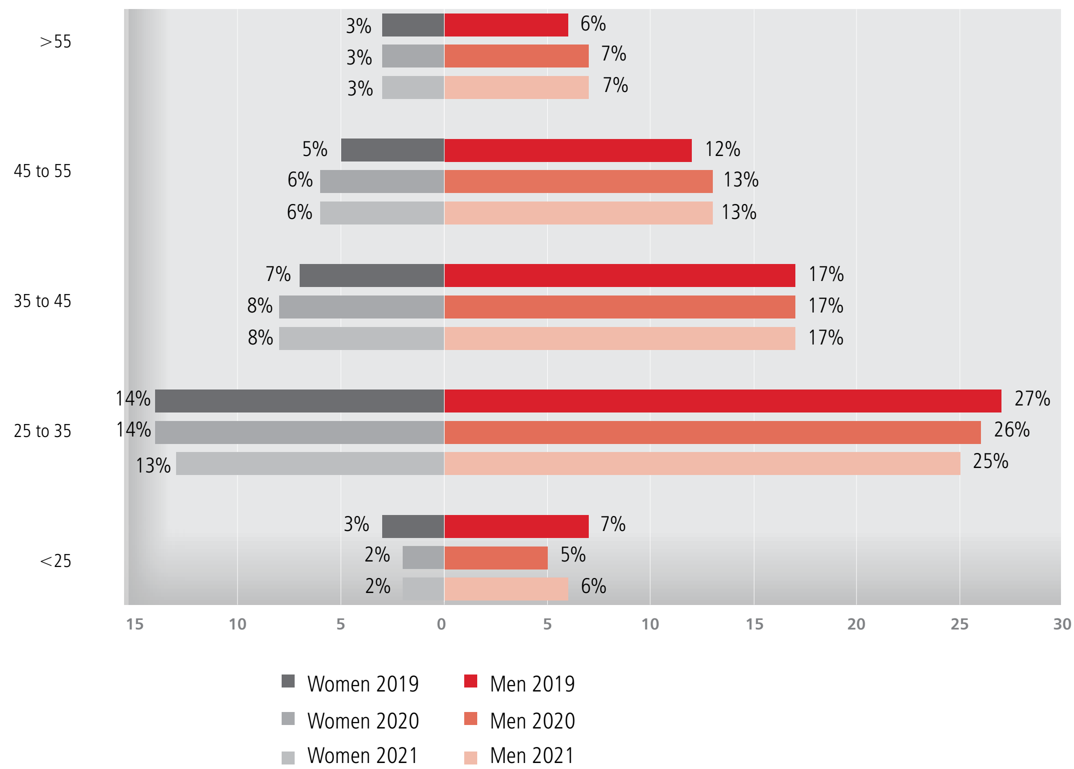
(1) In 2020, the reported proportion of 2.21% was recalculated to reflect the entry into force of new calculation rules issued by AGEFIPH in 2020 and not available at the time the 2020 report was published.

2021-2025 performance indicator target : Increase the proportion of employees with disabilities from 2.96% to 3.30%.

2.7.3. INTERGENERATIONAL POLICY

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 25.

The age pyramid illustrated below, shows a breakdown of the Group's workforce (excluding acquisitions) by gender and age. It has remained stable for the past three years.



Actions	2021 achievements
Maintaining a balanced age representation.	7.9% of the workforce was under 25 years of age (compared with 7.0% in 2020) and 10.4% was over 55 (compared with 9.9% in 2020).
Facilitating the transition to retirement.	Introduced a phased retirement system to facilitate the transition to retirement. Retirement information session: 812 participants. 41.7% of scope: France.

2.7.4. POLICY PROMOTING DIVERSITY AND ACCESS TO EMPLOYMENT FOR YOUNG PEOPLE

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 young talent. The Group has launched the specific actions set out below, with a particular focus on young people from disadvantaged areas.

Actions	2021 achievements
Provide career guidance: inform students about our business as soon as they enter secondary school.	**327** 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, in partnership with the non-profit organisation *Tous en Stage* in France (41.7% of scope).
Reaching out and building relationships: help young people of secondary school age understand and familiarise themselves with the business world.	**153** mentors and sponsors to provide secondary school students with year-round support in France (41.7% of scope).
Fostering inclusion and access to employment: foster inclusion and reintegration into employment for young people in long-term unemployment.	**320** young people helped back into work through tailored training focused on working in the digital sector. 26.4% women (commitment under the Numeum "Manifesto for retraining women to work in the digital sector"). 43.1% of scope: France and Tunisia.
Training and awareness-raising in non-discrimination.	3,357 employees trained in 2021. 100% of staff involved in recruitment in France trained in non-discrimination. 96.3% of scope: Africa, Europe, India, Singapore.
Great Place to Work survey.	**93%** of employees (vs 89% in 2019) responding to the survey felt that "Staff are treated fairly irrespective of ethnic origin, religion or sexual orientation".

The Group runs **digital skills retraining programmes** tailor-made to help people in long-term unemployment back into work.

The Group has for many years undertaken a range of annual digital skills retraining campaigns aimed at people in long-term unemployment in France. These annual campaigns are run in partnership with employment support organisations such as *Ensemble Paris Emploi Compétences* (EPEC), the *Pôle Emploi* public employment centres, the *Maison des Jeunes Talents* and, more recently, non-profit organisation *Diversidays*, and its national programme *DéClics Numériques*. This digital skills retraining programme is aimed at people in long-term unemployment from working-class and rural areas. Sopra Steria's involvement is aimed at promoting its digital skills retraining programme and offering career opportunities.

Since 2018, the Group has also been running a four-year retraining programme for jobseekers in Tunisia. Candidates recruited hold bachelor's degrees or equivalent and receive help towards obtaining a postgraduate engineering degree. In particular, they are awarded scholarships to fully cover their study costs, receive personalised mentoring to ensure their succesful integration, and follow a specific training plan.

Goal for 2022: Rerun initiatives and strengthen momentum at Group level.

2.7.5. LGBT+ POLICY

The Group's LGBT+ policy is committed to respecting every individual's uniqueness. Specifically, the approach covers the following commitments:

- Preventing all forms of discrimination linked to sexual orientation or gender identity;
- Ensuring that all employees are free to be themselves and don't need to hide their sexual orientation or gender identity while at work;
- Ensuring that all employees are treated equally irrespective of their sexual orientation and gender identity. Supporting employees who are victims of discriminatory speech or actions.

Actions	2021 achievements
Training and awareness-raising.	Ran an in-house awareness campaign; set up a dedicated intranet space.
Fostering in-house networks.	In France, LGBT champions are on the lookout for instances of "LGBT phobia". In-house networks rolled out in Norway (135 members) and the United Kingdom (141 members).

2.8. Health, safety and working conditions

Sopra Steria's **workplace health and safety policy** complies with regulatory requirements in each country where the Group is present. It forms part of a preventive approach to occupational risks. It is aimed at protecting employees' and subcontractors' health and safety, improving their working conditions. It contributes not only to workplace well-being but also to work-life balance.

This policy of prevention and support is based on a systematic approach underpinned by an action plan and specific achievements:

Actions	2021 achievements
Training and awareness-raising to identify and safeguard against occupational risk	24,615 employees trained as part of the TechCare programme
Provide employees with a psychological counselling and support unit that is independent and can be accessed anonymously, confidentially and free of charge at any time	Rolled out to: 85.1% of scope (Europe and India)
Analyse protection and welfare arrangements and travel and repatriation insurance cover in each country	To be updated in 2022
Form a network of stakeholders working in the field: social workers, nurses, occupational health staff, ergonomics specialists, advisors, managers, staff representatives, etc.	100% of scope
Ensuring employees are satisfied with their pace of work	Reworking across all geographies: two to three days' homeworking per week depending on the context Voluntary part-time working: 6.4%, vs 6.1% in 2020; part-time working is never a requirement
Managing teams supportively and valuing day-to-day work	Training programme to support managers (hybrid working) and available tools (practical guides, coaching, etc.)
Great Place to Work survey	**93%** (vs 88% in 2019) of employees responding to the survey felt that "Safety conditions are appropriate" **85%** (vs 82% in 2019) of employees responding to the survey felt that "I can take leave when I consider it necessary"

In 2021, amid the uncertain public health environment, the Group was keen to strengthen its support for employees by rolling out the TechCare programme. This new training and awareness-raising programme aims to prevent accidents, improve health and safety and promote workplace well-being and work-life balance.

This multimodal programme (consisting of virtual classes, e-learning, webinars, guides, etc.) is tailored to various target audiences (recruiters, employees, managers, psychosocial contacts, assistants, etc.). Managers receive additional support. The programme is structured around three key areas:

- **Health and safety** to safeguard against physical and psychological risks: fire safety, what to do in the event of an accident, screen work, preventing psychosocial risks, etc.;
- **Workplace well-being** to guarantee a healthy work environment and encourage employees to take care of themselves and others and manage their emotions: relaxation, ergonomics and yoga workshops; webinars on cultivating a caring environment and positive energy; learning how to switch off; etc.;
- **Supporting new hybrid working patterns**: remote management, managing employees returning to on-site working, etc.

The Group operates in the service sector. Its operations 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.

Indicators	2018	2019	2020	2021
Absence rate (%)	N/A*	N/A*	N/A*	2.7
Lost time injury frequency rate (LTIFR)	N/A*	N/A*	N/A*	0.12
Total recordable injury frequency rate (TRIFR)	N/A*	N/A*	N/A*	0.21

* *N/A: not available.*
79.6% of scope: Austria, Belgium, France, Germany, Italy, Luxembourg, Morocco, Netherlands, Poland, Spain, Switzerland, Tunisia, UK

Indicators: France	2018	2019	2020	2021
Absence rate (%)	2.5	2.6	2.5	2.7
Occupational illness (number)	0	0	2	2
Frequency rate of workplace accidents	1.91	2.47	1.26	0.89
Severity rate of workplace accidents	0.056	0.033	0.013	0.013

41.7% of scope: France.

2022 target: continue to roll out the TechCare programme and extend its scope to include all French-speaking countries.

2.9. 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.

In the event of a reorganisation project, Group companies place a priority on taking responsible action to support change and guide transformation, in collaboration with employee representatives.

Along these lines, companies can put in place a range of support and professional development measures, including mobility and training opportunities. Truly individualised training programmes can be implemented, and even measures like the "Newskill" programme (see section 2.6. "Maintaining and developing skills" (page 112).

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.

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 staff to respond to employee expectations;
- Putting in place all bodies required by legislation in force in their country.

2021 achievements

Collective agreements	2021 achievements
Agreements signed	31 foundational labour agreements signed and implemented in 2021 (vs 56 in 2020)
Agreements in force	357 agreements in force, vs 326 in 2020
Scope covered by a company-wide agreement	74.4% of employees, vs 74.2% in 2020

2022 target: maintain momentum on constructive labour relations to support the Group's development and successfully implement new agreements.

3. Environmental Responsibility: Carbon-neutral trajectory – Net-zero emissions by 2028

Climate change is one of the biggest challenges facing humanity. Governments, businesses and civil society must work together to protect future generations.

The European Union has responded to the United Nations appeal aimed at keeping global warming below 1.5°C by passing a law that includes a requirement to achieve a net-zero emissions economy by 2050.

Sopra Steria has been innovating to protect the environment for nearly ten years and is a pioneer in this area. The Group has for several years been a leader on climate action and resource protection.

Through our environmental roadmap, we are directly or indirectly contributing to the following SDGs: 6, 7, 8, 9, 11, 12, 13, 14, 15 and 17.

3.1. Environmental strategy

Sopra Steria committed to achieving net-zero emissions by 2028. The Group actively contributes to international initiatives aimed at mitigating climate risk and supports the transition to a low-carbon economy through the services it provides to its clients. Its long-term greenhouse gas emissions reduction targets are approved by the Science Based Targets initiative (SBTi) and aligned with the aim of limiting average global warming to 1.5°C.

3.1.1. KEY MILESTONES IN THE GROUP'S ENVIRONMENTAL STRATEGY

2012	**Carbon-neutral** in France through projects designed to avoid greenhouse gas emissions for **business travel**
2013	First listed company in France to be awarded a CDP Climate score of 100A
2015	Achieved **carbon-neutrality** for **direct activities** through projects designed to avoid GHG emissions from business travel, offices and on-site data centres
2017	Group greenhouse gas emissions reduction targets aligned with **2°C approved by the Science Based Targets initiative**
2019	Group greenhouse gas emissions reduction targets aligned with **1.5°C approved by the Science Based Targets initiative**
2020	Launched programme to achieve **net-zero emissions** by 2028 including emissions from commuting, homeworking and the supply chain Net-zero emissions through carbon capture projects for unavoided emissions from offices and on-site data centres
2021	Awarded a **CDP Climate Change score of A for the fifth year running** Net-zero emissions through carbon capture projects for emissions unavoided emissions from offices, on-site data centres and business travel

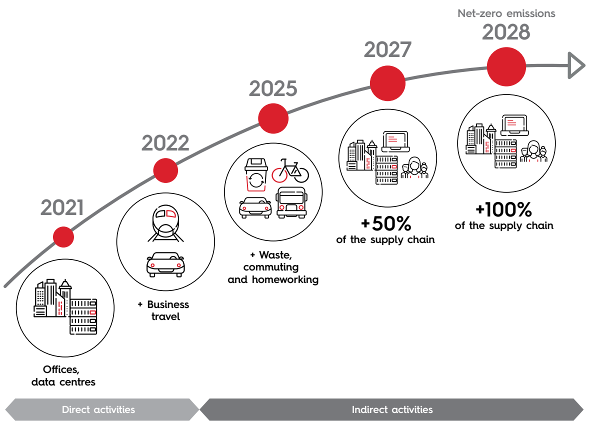
3.1.2. ADOPTION OF TCFD AND CDSB RECOMMENDATIONS AND SCENARIO ANALYSIS

Sopra Steria continues to structure its environmental reporting and reports on its risks and opportunities in keeping with the recommendations of the Task Force on Climate-related Financial Disclosures **(TCFD)** using the framework developed by the Climate Disclosure Standards Board **(CDSB)**, taking into account rules laid down in new national and/or European directives each year. This exercise provides all stakeholders with greater transparency and clarity. The Group's use of the **CDSB/TCFD** reference framework is broken down in this section and summarised in the SDG/GRI/TCFD-CDSB cross-reference table (pages 152 to 154).

We use trends developed in these scenarios to determine the key areas in which we need to develop mitigation strategies and adapt our operations.

3.1.3. ACHIEVING NET-ZERO EMISSIONS BY 2028

TRAJECTORY TOWARD NET-ZERO EMISSIONS BY 2028



Our primary goal over the next ten years is to constantly optimise our resource consumption, continuously reduce our greenhouse gas emissions and offset any unavoided emissions by investing in carbon capture projects in accordance with the UN's Climate Neutral Now programme so as to achieve net-zero emissions aligned with a 1.5°C trajectory, with the following milestones:

- By end-2022: achieve net-zero emissions from our direct activities (offices, data centres and business travel);
- By end-2025: add indirect activities to those covered by our net-zero emissions pledge (waste, commuting and homeworking, and energy not included in the Scopes 1 and 2);
- By end-2028: include the whole of the value chain in the net-zero emissions programme by adding purchases of goods and services.

TARGETS

		TARGETS	2020	2021	2022	2025	2027	2028	2040
			Results		Targets				
Resource optimisation and reducing emissions	SBTi 1	Reduce absolute GHG emissions from Scopes 1 & 2 (offices and on-site data centres)	-73.0%	-76.2%		-42% (baseline: 2015)			
	SBTi 2	Reduce absolute GHG emissions from Scope 3-6 and 3-8 (business travel and off-site data centres)	-61.8%	-78.6%		-21% (baseline: 2015)			
	SBTi 3	Reduce GHG emissions per employee from Scopes 1, 2 and 3-6 and 3-8 (baseline 2015)	-74.0%	-83.5%					-85% (baseline: 2015)
	SBTi 4	Ensure that the Group's suppliers control their GHG emissions	30.8% from 4 countries	38.6% from all countries		Group suppliers accounting for at least 70% of supply chain emissions			
	SBTi 5	Ensure that the Group's suppliers set GHG reduction targets	44.0% of 70% from 4 countries	55.2% of 70% from all countries		Involve 90% of these Group's suppliers, accounting for at least 70% of supply chain emissions			
Offset of residual emissions through carbon capture projects		Net-zero emissions		Offices, Data centres: 1.5%	+ Business travel	+ Waste, commuting and homeworking	+ 50% of the supply chain	+ 100% of the supply chain	

The first phase of this net-zero emissions programme focuses on optimising resource consumption, reducing greenhouse gas emissions from our direct activities and then offsetting any unavoided emissions by investing in carbon capture projects. This phase is managed against the following three targets approved by the Science Based Targets initiative (SBTi):

- Reduce absolute GHG emissions from Scopes 1 & 2 (offices and on-site data centres, including fugitive emissions in 2021 but excluded in 2015) by 42% by 2025 relative to 2015 (SBTi Target I);
- Reduce absolute GHG emissions from Scope 3 (business travel and off-site data centres) by 21% by 2025 relative to 2015 (SBTi Target II);
- Reduce GHG emissions per employee from Scopes 1, 2 & 3 (business travel, offices and on- and off-site data centres, including fugitive emissions in 2021 but excluded in 2015) by 85% by 2040 relative to 2015 (SBTi Target III).

The following two phases of the programme cover indirect activities, including in particular waste recycling and reducing greenhouse gas emissions from employee commuting and homeworking and purchases of goods and services.

Reducing the environmental footprint of our supply chain is a key element of our net-zero emissions programme. This target, approved by SBTi and aligned with a trajectory of 1.5°C, relates to our commitment to ensuring that suppliers accounting for at least 70% of our supply chain emissions control their GHG emissions, and that 90% of those suppliers have in place GHG emissions reduction targets by 2025.

The target in relation to our suppliers, approved by SBT, is broken down into three key phases:

- **Over the period 2019-2023**, assess the emissions of suppliers accounting for 70% of our supply chain's GHG emissions. The assessment scope could reach 80% in 2022 and 100% by end 2023;
- **Over the period 2020-2025**, measure the proportion of GHG emissions from suppliers (accounting for 70% of our supply chain emissions) that control their GHG emissions (SBTi Target IV). This proportion may amount to 30% in 2023, 65% in 2024 and 100% by end 2025;
- **Over the period 2020-2025**, identify the proportion of suppliers (accounting for 70% of our supply chain emissions) that have set emissions reduction targets (SBTi Target V). This proportion may amount to 20% in 2023, 45% in 2024 and 90% by end 2025.

Our supplier engagement programme is gradually being rolled out in countries where we have a strong presence, encouraging communication and assessment using a variety of platforms (CDP Climate, EcoVadis, Provigis, etc.).

Throughout the net-zero emissions programme, Sopra Steria will continue to dialogue and work with political decision-makers and other top-tier organisations, including universities, to incubate and develop innovative solutions.

Supporting our clients as they transition to a low-carbon economy

Because Sopra Steria is itself working to achieve net-zero emissions by 2028, it is able to support its clients as they navigate their own environmental transition, in particular by drawing on expertise developed by the Group for its environmental and low-carbon strategy and on the expertise of operational staff to:

- **Optimise consumption and the environmental footprint of digital technology:** accelerating adoption of digital environmental sustainability, notably by selecting the infrastructure and technologies most closely aligned with clients' Sustainable Development Goals, applying eco-design principles to solutions development and taking into account environmental costs when assessing the value of new services;
- **Foster the emergence of new behaviours and uses in support of a carbon-free economy:** harnessing the potential offered by new technologies to develop innovative solutions that protect the environment and the climate. See section 4.2.2. "Including digital sustainability in our value proposition" (pages 136 to 138).

Governance arrangements in relation to environmental responsibility are set out in section 1.3., "Corporate Responsibility governance structure supporting the Group's strategy" (pages 105 to 106).

3.2. Environmental policy

3.2.1. SEVEN PRIORITY AREAS OF ACTION

The Group's environmental strategy is supported by a policy broken down into seven priority areas of action:

1. Extending ISO 14001 certification of our Environmental Management System (EMS), which provides a framework for the Group's policy to the evolution of environmental priorities;
2. Optimising the use of resources in its operations;
3. Increasing the proportion of electricity consumption met from renewable sources and ensuring it does not fall below 95%;
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 environmental sustainability, sustainable digital, 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.

3.2.2. SUMMARY OF GREENHOUSE GAS EMISSIONS BY SCOPE

The following table summarises the Group's GHG emissions by scope and category. The table also offers brief statements of the reasons why certain categories are not applicable.

*Results for 2021 relating to emissions in the supply chain (Scope 3-1) include 100% actual data for the first time, thus providing a more accurate assessment compared with the results for prior years, which were partly based on estimates. This is the main reason for the differences between 2021 and 2020 data. All of our supply chain data categories in 2021 were independently audited for the first time.

		2019		2020		2021	
Scope	**Category**	**%**	**Emissions** *(tCO_2e)*	**%**	**Emissions** *(tCO_2e)*	**%**	**Emissions** *(tCO_2e)*
Scope 1 (Offices and on-site data centres)	Diesel, gas	0.8%	2,664	1.0%	2,315	0.9%	2,526
	Direct fugitive emissions	0.6%	2,048	0.6%	1,403	0.4%	1,124
Scope 2 (Offices and on-site data centres)	Electricity, district heating	0.5%	1,724	0.5%	1,124	0.2%	627
Scope 3	3-1. Product and service purchases	65.8%	221,311	80.6%	189,406	87.3%	259,011*
	3-3. Emissions arising from energy not included in Scopes 1 and 2	1.6%	5,464	1.6%	3,833	1.5%	4,439
	3-5. Waste (WEEE, paper and cardboard, water)	0.02%	78	0.02%	50	0.01%	42
	3-6. Business travel	10.2%	34,310	4.9%	11,559	2.3%	6,957
	3-7. Employee commuting and homeworking	19.9%	66,778	10.1%	23,714	7.3%	21,716
	3-8. Off-site data centres	0.4%	1,250	0.5%	1,132	0.05%	141
	3-13. Tenants	0.1%	494	0.2%	509	0.1%	151
SOPRA STERIA GLOBAL: ENVIRONMENTAL FOOTPRINT	**TOTAL**	**100%**	**336,120**	**100%**	**235,045**	**100%**	**296,733**

Scope	Category	Reason for exclusion
Scope 3 Excluded subcategories	3-2. Property, plant and equipment	Emissions arising from capital purchases are included in subcategory 1 of Scope 3
	3-4. Upstream goods transport	Included in subcategory 1 of Scope 3
	3-9. Downstream goods transport	Sopra Steria's operating activities do not require downstream transport or distribution of goods
	3-10. Processing of sold products	Sopra Steria does not sell processed products
	3-11. Use of sold products	Emissions arising from the use of products sold by Sopra Steria are non-material
	3-12. End of life of sold products	Emissions arising from end-of-life processing of products sold by Sopra Steria are non-material
	3-14. Downstream franchises	Sopra Steria does not own any franchises
	3-15. Investments	The environmental footprint of Sopra Steria's investments in other companies is non-material

3.3. Incorporating climate risks and opportunities into the Group's strategy

The Group analyses and reviews the impacts of climate change in its general risk mapping each year, but it does not include climate change amongst key residual risks in its five-year risk map (set out in section 1, "Risk factors " of Chapter 2 of this Universal Registration Document on pages 38 to 44) because the nature of the Group's business, the variety of sectors in which it operates and its expanding programme of preventative and mitigating actions limit its exposure to such risks.

3.3.1. IDENTIFICATION PROCESS

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).

Every year since 2015, this analysis has identified, leading up to 2040, the physical risks (increased probability of extreme weather events), transition-related risks (new carbon regulations) and opportunities, the key ones being set out in section 4.2.2. "Including digital sustainability in our value proposition" (pages 136 to 138).

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. The most significant issues for the Group may be discussed at meetings of the Group Executive Committee and the Nomination, Governance, Ethics and Corporate Responsibility Committee, which submit their conclusions to the Board of Directors.

The CR&SD Director, who is a member of the Group's Executive Committee, directly informs the Executive Committee of any environmental or climate-related issues requiring particular attention and any decisions that need to be made.

Details of our analysis are published every year in Sopra Steria's responses to the CDP Climate Change questionnaire.

3.3.2. CLIMATE CHANGE RISKS & OPPORTUNITIES

Risks and opportunities relating to climate change are classed as either physical risks or transition risks (changes in the market and reputational risk). They are assessed in light of their time horizon and severity of impact.(non present en FR)

Risk	Time horizon	Severity of impact
Market: change in client behaviours		
Disruption due to increasingly violent and severe weather events and their impact on the Group's supply chain	Medium term	++
Physical risk: extreme weather phenomena such as cyclones and flooding		
Changes in clients' environmental requirements and impact on the types of solutions and services provided by the Group	Medium term	++
Reputation: increased stakeholder concerns		
Brand reputation among all stakeholders and its impact on the Group's long-term success	Medium term	+

Opportunities	Time horizon	Severity of impact
Sustainable digital		
Sustainable design approach to the development and reduction of the environmental impact associated with the use of digital services, while maintaining a consistently high level of quality and service.	Short term	++
IT for Sustainability		
Harnessing the potential offered by new technologies to develop innovative solutions that protect the environment and the climate.	Short term	++

3.3.3. PHYSICAL RISKS

- Risk description: The most significant physical risks for Sopra Steria are the consequences of increasingly frequent and high-impact extreme climate events such as cyclones and flooding. The potential magnitude of these risks is considered intrinsically low for the Group's own sites given their current geographical distribution and processes in place. However, the risk is more pressing in the upstream supply chain. Any major event affecting the Group's suppliers or partners could disrupt the supply of components and the manufacturing and shipping of equipment. Such situations could adversely affect the Group's ability to meet its operational and contractual commitments to clients.
- Risk management measures: Mitigation plans are in place to minimise or eliminate the consequences of these physical risks. In particular, these involve agreeing alternative supply arrangements and requiring our suppliers to put in place robust business continuity plans to shift production from affected sites to sites not affected by weather events.

Purchases of IT and telecommunications infrastructure and components are thus closely supervised by the Group's Purchasing and Information Systems departments: this kind of equipment is mainly manufactured in Asian and Far Eastern countries, where climate risk appears to be significantly higher. Manufacturing plants belonging to the main supplier of the Group's IT equipment are located all over the world, notably in India, the United States, Mexico and China. This supplier has in the past been affected by flooding at one of its largest production facilities. By implementing the mitigation plan, Sopra Steria has been able to lessen the adverse effects of delays in the delivery of equipment without any notable impact on its commitments to clients.

3.3.4. TRANSITION RISK

Market:

- Risk description: stricter regulatory requirements in relation to the environment, not only in the digital services sector but also in those industry sectors in which the Group's clients operate (the most obvious examples being energy and aviation), could compromise the Group's ability to contribute as much as it would like to the necessary transition to a low-carbon economy;
- Risk management measures: The Group is approaching these twin risks as follows:
  - by continuously and closely monitoring coming changes in its sector by monitoring the legal landscape, taking part in international initiatives such as the Climate Neutral Now programme, discussing these issues with active networks (e.g. GreenIT.fr, Numeum and the European Green Digital Coalition). No environmental fine or non-financial penalty has ever been recorded within the Group,
  - by maintaining its leadership on environmental sustainability, as shown by its performance on managing its own greenhouse gas emissions, the continuous development of solutions and services that help reduce the environmental impact of digital systems (e.g. a project to digitalise the management of environmental performance indicators for a major player in the aviation sector; supporting decarbonisation strategy in the energy sector by implementing consumption monitoring and optimisation modules; low-carbon mobility projects encouraging users to adopt forms of transport that generate fewer emissions), investments in initiatives supporting its clients' environmental transition goals (e.g. participating in the Boavizta project and signing up for NegaOctet, a standard for measuring the environmental impact of organisations' digital services).

Reputation:

- Risk description: any difficulty in drawing up and implementing proportionate action plans in response to the environmental challenges facing the world could damage Sopra Steria's longstanding reputation among all its stakeholders as a group deeply committed to being an environmentally friendly corporate citizen;
- Risk management measures: wherever possible, the Group is committed to going beyond regulatory requirements. Actions include developing the Group's environmental policy, bolstering its environmental management system in compliance with ISO 14001, implementing programmes designed to reduce its environmental impact (e.g. net-zero emissions, digital environmental sustainability, implementing the supplier engagement programme to encourage suppliers to reduce their environmental footprint, responding to specific client expectations (e.g. training in life cycle analysis for digital solutions, digital environmental sustainability and taking part in external assessments, as well as being involved in major events relating to the fight against climate change (e.g. COP26 in the United Kingdom in November 2021).

3.3.5. OPPORTUNITIES FOR THE GROUP

Sopra Steria is addressing business opportunities linked to efforts to prevent climate change and protect resources by offering innovative solutions in terms of both sustainable digital and digital for sustainability, in line with the net-zero emissions programme.

These opportunities are set out in section 4.2.2. "Including digital sustainability in our value proposition" (pages 136 to 138).

Sopra Steria publishes all its risks and opportunities annually in its disclosure to the CDP, in accordance with TCFD guidelines.

3.4. Optimising resource consumption and reducing greenhouse gas emissions

Sopra Steria's net-zero emissions programme focuses primarily on optimising resource consumption and reducing greenhouse gas emissions from its direct and indirect activities.

3.4.1. DIRECT ACTIVITIES

The environmental impact of our direct activities derives from our offices, our on- and off-site data centres, and business travel by Group employees.

A simplified approach for determining the impact of the public health crisis on our direct activities

We have adopted the following assumptions and principles for determining the effects of the Covid-19 pandemic on the reduction of the GHG emissions resulting from our direct activities:

- 2019 is considered to be the last non-pandemic year and 2020 and 2021 are pandemic years;
- We use the average annual reductions observed between 2015 (the base year for our SBTi targets) and 2019 to proportionally estimate the reductions of GHG emissions during the pandemic years that are not attributable to the Covid-19 pandemic;
- We attribute the remaining emissions reductions to the effects of the public health crisis.

The impact of (or reduction due to) the health crisis on GHG emissions depends on the activity that causes it; thus, the impact due to the health crisis is more significant on Scope 3-6 emissions (business travel), than on Scope 1 (on-site offices and data centres), and Scope 3-8 (off-site data centres). The impact of the health crisis on Scope 2 emissions is non-material, therefore the reduction in Scope 2 emissions due to the health crisis has not been calculated.

Reducing resource consumption and greenhouse gas emissions from direct activities

- **Aligning our results with the SBTi targets**

When the effects of the pandemic are included, Sopra Steria reduced its emissions from its global direct activities by 83.5% in 2021 compared to 2015. This reduction is near the SBTi III target of decreasing GHG emissions by 85% from 2015 to 2040. Much of this reduction is attributable to the public health crisis in 2021, without which the decrease in emissions would have been 50%. When the effects of the public health crisis are included, the emissions intensity of our global direct activities in 2021 was 0.24 tCO_2e per employee. Excluding these effects, it would have been 0.8 tCO_2e per employee.

- **Ramping up the rollout of the Environmental Management System (EMS)**

Resource consumption, including the use of energy and water, is optimised by the Group's Environmental Management System, and most of our regions have achieved ISO 14001:2015 certification.

> **ISO 14001 certification in place:** France, Germany, India, Italy, Norway, Poland, Spain, Sweden and the United Kingdom. The Limonest site in France was awarded ISO 14001:2015 certification in January 2022.

- **Optimise energy and water consumption in our offices and data centres, and reduce their emissions**

The following measures have been taken to help cut **energy and water consumption** at our offices and data centres:

- Selection of new offices built to the highest environmental standards (BREEAM, HQE, LEED);
- Selection of new environmentally certified IT equipment (Energy Star® 7.0, EPEAT® Gold);
- Widespread use of collaborative tools to limit the need for large emails and documents to be sent;
- Use of data centres with an effective cooling system and a low PUE (Power Usage Effectiveness), such as Oslo Digiplex (1.1) and Oslo Rata (1.2).

Thanks to these actions, energy consumption (diesel, gas, biodiesel, district heating, electricity) per employee was reduced by 30.1% between 2015 and 2021.

Office closures due to the pandemic have significantly reduced the consumption of electricity, district heating, and the heating of offices and associated services. We attribute to the pandemic about half of the reduction in Scope 1 emissions in 2021 compared to 2019 (the last non-pandemic year). The decrease in fugitive emissions accounts for most of the remaining reduction. The impact of the health crisis on Scope 2 emissions is non-material. The reduction is mainly due to the increase in the proportion of renewables in the electricity we consume on site.

To minimise water leaks and waste, Sopra Steria monitors water consumption. Consumption per employee declined 56.8% between 2017 and 2021.

RESOURCE CONSUMPTION - DIRECT ACTIVITIES

Indicators	Target	Baseline	2019	2020	2021
Energy use in offices		**2015**			
Absolute consumption *(MWh)*	Reduce energy consumption per employee; in France, reduce absolute energy consumption at commercial premises by 40% by 2030 (in accordance with the ELAN law)[(1)]	61,625	73,126	59,615	58,638
Consumption per employee (*MWh/employee*)		1.98	1.62	1.30	1.25
Energy use at on-site data centres		**2015**			
Absolute consumption *(MWh)*		14,561	9,063	9,714	8,467
Consumption per employee *(MWh/employee)*		0.38	0.20	0.21	0.18
Energy use at off-site data centres		**2015**			
Absolute consumption *(MWh)*		20,223	16,621	15,949	15,461
Consumption per employee *(MWh/employee)*		N/A	0.37	0.35	0.33
Renewable energy use		**2015**			
Using renewable energy for electricity consumption at offices and on-site data centres	Increase the proportion of the Group's electricity consumption (at offices and on-site data centres) from renewables to over 85%	20.4%	90%	95%	99.2%
Water use in offices		**2017**			
Absolute consumption *(cu. metres)*	Manage water consumption to minimise leaks and waste	244,480	246,985	164,250	121,926
Consumption per employee *(cu. metres/employee)*		6.00	5.50	3.60	2.59

In 2021, 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 ventures) as well as the employees of the acquisitions made up until and including November 2021, particularly those of Luminosity Limited, Sopra Steria Financial Services and Labs. The workforces of our acquisitions in December 2021 (EGGS Design and EVA Group) are not included. Joint ventures are only included from 2017.
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 ventures) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners.
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 ventures) but does not include SAB or Sopra Financial Technology GmbH.

(1) ELAN: Decree 2019-771 of 23 July 2019 reforming housing, planning and digital technology.

To **lower greenhouse gas emissions** at its offices and on-site data centres, a high proportion of Sopra Steria's electricity consumption continues to come from **renewable sources** under green power purchase agreements sealed directly with suppliers or using Guarantee of Origin certificates (GOs and REGOs in France, Spain, Norway, Switzerland, Poland, Italy, Belgium, the Netherlands, Luxembourg, Monaco, Germany, Austria, Bulgaria and the United Kingdom) or International Renewable Energy Certificates (I-RECs in Cameroon, Côte d'Ivoire, Morocco, Senegal, Tunisia, Lebanon, the United Arab Emirates, India, Brazil, China, the United States and Singapore).

The 85% objective was exceeded back in 2019, and further progress was made in 2021, increasing Sopra Steria's proportion of electricity consumption from renewable sources to 99.2%. The pandemic did not have a material impact on on-site and off-site data centre operations. The reduction in data centre emissions is mainly attributable to the increased proportion of renewables in our electricity consumption.

Reducing emissions from business travel

To reduce the greenhouse gas emissions linked to its employees' business travel, Sopra Steria applies an internal carbon price and supplies each country with its business travel-related environmental footprint. These awareness-raising measures, together with the development of effective communication tools, the use of greener alternative modes of transport and the drastic impact of restricted movement due to the pandemic, helped to reduce **business travel**-related GHG emissions per employee by 41% in 2021 compared with 2020 (an absolute reduction of 40%), and by 84% compared with 2015 (hotels have been included since 2016 and joint ventures since 2017). The impact of the reduction due to the pandemic is material (around 70% to 75% in absolute value) compared with 2019, the last year without Covid.

REDUCING GHG EMISSIONS – DIRECT ACTIVITIES

Indicators	Scope	Target	Baseline	2019	2020	2021
Business travel, offices, on- and off-site data centres and fugitive emissions	**1 2 3**		**2015**			
Absolute emissions *(tCO_2e)*	o o o	Introduce an internal shadow carbon price for business travel in the Group's key geographies by **2025**.	51,192	41,996	17,533	11,375
Reduction in emissions per employee relative to 2015 *(tCO_2e/employee)*			N/A	-36.7%	-74.0%	-83.5%
Offices			**2015**			
Absolute emissions *(tCO_2e)*	o o	Incorporate the Group's business travel, offices and data centres and fugitive emissions into the **net-zero emissions** programme.	15,234	4,336	3,400	3,125
Reduction in emissions per employee relative to 2015 *(tCO_2e/employee)*			N/A	-76%	-81%	-83%
On-site data centres			**2015**			
Absolute emissions *(tCO_2e)*	o o		2,726	54	39	27
Reduction in emissions per employee relative to 2015 *(tCO_2e/employee)*			N/A	-98.3%	-98.8%	-99.3%
Off-site data centres			**2015**			
Absolute emissions *(tCO_2e)*	o		1,227	1,250	1,132	141
Reduction in emissions per employee relative to 2015 *(tCO_2e/employee)*			N/A	-13%	-23%	-91%
Fugitive emissions			**2017**			
Absolute emissions *(tCO_2e)*	o o	SBTi Targets I and III	1,725	2,048	1,403	1,124
Reduction in emissions relative to 2017 *(tCO_2e)*			N/A	19%	-19%	-35%
Business travel*			**2015**			
Absolute emissions *(tCO_2e)*	o	SBTi Targets II and III	32,005	34,310	11,559	6,957
Emissions per employee *(tCO_2e/employee)*			N/A	0.80	0.30	0.15
Direct activities relative to revenue/pro forma EBITDA**			**2018**			
Ratio of emissions from direct activities to revenue *(tCO_2e/€m)*	o o o		11.0	9.5	4.1	2.4
Ratio of emissions from direct activities to pro forma EBITDA** *(tCO_2e/€m)*			122.3	102.9	46.4	25.4

For energy, emissions are calculated within the framework of the Greenstone GHG Protocol, and from residual blend emission factors published by the Association of Issuing Bodies. For business travel, the emissions factors used are those arising from the GHG Protocol. For 2021, indicators were calculated for all of the entities over which the Group has operational control (and therefore the sites of the NHS SBS, SSCL and SFT joint ventures) and includes the employees of the acquisitions made through November 2021, i.e. Luminosity Limited, Sopra Steria Financial Services and Labs. The workforces of our acquisitions in December 2021 (EGGS Design and EVA Group) are not included. Joint ventures are only included from 2017. 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 ventures) 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 ventures) 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 ventures) but does not include Kentor, Galitt, Beamap, Cassiopae or 2MoRO.

**Data taking into account emission reductions due to green business travel in Germany. Excluding the emissions reduction from green travel gives the following values: 7,402 tCO_2e in 2021, 12,698 tCO_2e in 2020, 37,164 tCO_2e in 2019, 38,176 tCO_2e in 2018, 38,133 tCO_2e in 2017 and 36,555 tCO_2e in 2016.*

***Pro forma EBITDA as calculated in Chapter 5, Note 12.5.1*

Offsetting unavoided emissions from direct activities

Sopra Steria has a policy of investing in carbon capture offset projects under its Climate Neutral Now project, which enabled it to reach its net-zero emissions objective across all its direct activities one year ahead of its target date.

Since 2015, emissions from offices, data centres (fugitive emissions included) and business travel are carbon neutral. In 2020, the Group added the emissions from its offices and data centres to the United Nations' Climate Neutral Now programme. These emissions have been offset by **afforestation**[1] carbon capture projects under the net-zero emissions programme. Sopra Steria has chosen to invest in the **Ceibo afforestation project located in eastern Uruguay**. The project covers around 22,000 hectares of land, and its objective is convert the grasslands destroyed by a long history of cattle grazing into transformative forestry plantations that will help to restore the land, while improving soil quality through water retention and the delivery of micro-nutrients to the soil, and preventing soil erosion. These well-managed forestry plantations produce long-life timber, while sequestering large quantities of carbon dioxide from the atmosphere. The GHG emissions sequestered through afforestation under the project are checked by the Verified Carbon Standard (VCS) and have obtained Compliance Certification Board (CCB) certification.

In 2021, Sopra Steria added business travel to the Climate Neutral Now programme and achieved net-zero emissions for all its direct activities one year ahead of its original target date.

Working to promote Biodiversity

Sopra Steria aims to comply with the six environmental objectives in the EU taxonomy starting from 2021 with the climate change mitigation and adaptation objective. It will then move on in the following years to identifying the eligibility and alignment of its activities with the objectives of sustainable use of protection of aquatic and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

Some examples of positive contributions to biodiversity: since 2014, we have kept hives at one of our offices in Brussels and since 2017 at an office in Hamburg. We help protect European bee species and local biodiversity dependent on pollinators.

In partnership with the Foundation de la Mer, Sopra Banking supported the UN International Biodiversity Day on 22 May 2021. In India, Sopra Steria runs tree planting campaigns and monitors their progress.

The Ceibo afforestation and GHG emission capture project presented in section 3.4.1. "Direct activities" (page 129) also underpin the Group's efforts to promote biodiversity. Environmental and impact studies are conducted on the site by a team of experts. Based on the results achieved, the afforestation plans are managed and tracked to restore the natural systems damaged by previous practices, such as arable and livestock farming, and other activities. Regular monitoring takes place to evaluate the effects of the forestry operations on the soil, pollution and ecosystems. The fauna is studied to determine the species present, their composition and distribution. The results of these studies provide information about how the various species interact and fare alongside the forestry activities. That provides a basis for formulating recommendations for forestry management and/or the establishment of conservation areas.

3.4.2. INDIRECT ACTIVITIES

Indirect activities include waste management, commuting and homeworking, purchases of goods and services.

Reducing resource consumption and greenhouse gas emissions from indirect activities

To minimise the resources consumed by its indirect activities and cut the related emissions, Sopra Steria introduced awareness campaigns in 2021 encouraging people to cut down on printing paper documents and extend the life of electrical and electronic equipment (optimised WEEE management).

The Group is also pushing ahead with its responsible procurement programme to select suppliers meeting its requirements and committed to treading more lightly on the environment.

- **Step up our contribution to the circular economy**

Paper and cardboard

To reduce **paper and cardboard waste**, Sopra Steria optimises printing and runs awareness campaigns to change employee habits. This year, paper and cardboard waste volumes increased by 73.6% on their 2020 level. This rise reflected the higher quality of data, including non-hazardous industrial waste in the United Kingdom. However, paper consumption per employee was cut by 32% between 2017 and 2021. Under a **responsible paper procurement programme**, the percentage of paper certified as environmentally responsible (FSC 100%, FSC Mix and PEFC) increased by 4% in 2021 compared with 2020 excluding the United Kingdom, which revised its purchasing policy by type of product to favour purchases of certified paper. Furthermore, 99.8% of paper and cardboard waste was recycled in 2021.

Waste electrical and electronic equipment (WEEE)

To extend the useful life of **waste electrical and electronic equipment (WEEE)**, the Group brings in specialist service providers to collect and dispose of them, and to **maximise the options for reusing or giving them a second life**. In 2021, over 99.5% of Waste Electrical and Electronic Equipment (WEEE) was reused or recycled to give it a second life.

Sopra Steria does not produce any **hazardous waste** according to the RoHS and REACH definitions. In the course of its business activities, the Group produces WEEE classified as hazardous under Commission Decision 2000/532/EC of 3 May 2000 and Directive 75/442/EEC on waste, and reuses wherever possible such electrical and electronic equipment once it has been retired.

In 2021, the portion of hazardous WEEE not given a second life stood at 0.08% of the total amount of WEEE and paper and cardboard waste.

(1) *Afforestation involves establishment of forests where previously there have been none, or where forests have been missing for a long time. It differs from replanting trees or reforestation, which are undertaken to remediate anthropogenic deforestation.*

RESOURCE CONSUMPTION - INDIRECT ACTIVITIES

Indicators	Target	Baseline	2019	2020	2021
Waste electrical and electronic equipment - WEEE		**2017**			
Absolute quantity *(kg)*	Give 100% of WEEE a second life by **2025** (reuse through resale and donation, heat recovery or raw materials for recycling).	82,609	82,947	64,657	62,541
Quantity per employee *(kg/employee)*		2.10	1.90	1.50	1.34
Proportion given a second life		96.2%	97.0%	97.0%	99.5%
Paper and cardboard waste*		**2017**			
Absolute quantity *(kg)*	Recycle 100% of paper and cardboard waste by **2025** (heat recovery or raw materials for recycling).	435,196	415,122	194,418	337,455
Quantity per employee *(kg/employee)*		10.80	9.40	4.40	7.25
Proportion of paper and cardboard waste collected separately and recycled		97.0%	96.0%	99.7%	99.8%
Paper purchased		**2017**			
Absolute quantity purchased *(kg)*	Reduce paper consumption and increase use of certified environmentally responsible paper.	112,409	96,873	39,132	23,549
Paper purchased per employee (kg/employee)		3.00	2.40	0.90	0.51

In 2021, 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 ventures) as well as the employees of the acquisitions made up until and including November 2021, particularly those of Luminosity Limited, Sopra Steria Financial Services and Labs. The workforces of our acquisitions in December 2021 (EGGS Design and EVA Group) are not included. Joint ventures are only included from 2017.

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 ventures) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners.

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 ventures) but does not include SAB or Sopra Financial Technology GmbH.

**These data account for the change in methodology in the UK. Under the former methodology, paper and cardboard waste would have amounted to 150,663 kg in 2021.*

Encourage our supply chain to control its environmental footprint

Sopra Steria has implemented a programme to raise awareness among its suppliers and partners and encourage them to reduce their environmental impact. This programme is based on the Group Suppliers' Charter, which reminds suppliers and partners that they undertake to:

- Reduce the environmental impact of their sites, products, services and activities as well as contribute to achieving the associated greenhouse gas emissions reduction targets;
- Prevent pollution resulting from their activities;
- Contribute to achieving a net-zero emissions economy;
- Protect natural resources and biodiversity;
- Manage risks arising from the use of chemicals and hazardous materials;
- Promote the circular economy, minimise and manage waste and maximise recycling.

By managing and measuring the environmental footprint of its purchases of goods and services, Sopra Steria is contributing to the achievement of the SBTi's targets.

In 2021, we measured the entire share (100%) of our suppliers accounting for 70% of our supply chain emissions. The Group continued to assess its suppliers via the Provigis, EcoVadis and CDP platforms. While monitoring its SBTi Targets IV and V, Sopra Steria observed that 55% of suppliers accounting for 70% of supply chain emissions are controlling their GHG emissions and have set emissions reduction targets.

The Group conducted more testing in 2021 to obtain a moderate level of assurance, validated by the independent third party, covering analysis of the Group's residual data. The scope was extended from four countries in 2020 (France, Germany, Italy and Spain) to all the Group's countries in 2021. With this approach, we were able to estimate the total residual greenhouse gas emissions linked to the Group's purchasing at 259,011 tCO_2e in 2021 using the factor method recommended by ADEME. These emissions increased by 37% compared with 2020 as a result of more accurate data and significant expansion in the scope of our study. The objective is to continue expanding the Group's supplier evaluation programme and to encourage suppliers to set targets for reducing their emissions by 2025. **A programme providing training for the Group's buyers and raising our suppliers' awareness will be introduced in 2022.**

Measure the environmental footprint of our waste

This year, the Sopra Steria Group measured the emissions produced by its WEEE and paper-cardboard waste by processing technique, and those related to wastewater treatment, using DEFRA emission factors(1). In 2021, the environmental footprint of our waste was relatively non-material, amounting to 42 tCO_2e.

Measure the environmental footprint linked to commuting and homeworking by our employees

We surveyed our employees' patterns of movement in France and India to find out the distances they travel and how they get to work. We adjusted these distances to factor in the percentage of employees working from home as a result of the Covid pandemic. In addition, we corrected the emissions figures linked to commuting journeys by adding in emissions arising from the energy used by people working from home (IT equipment, heating/air conditioning).

We used data concerning employees' movement patterns in France to estimate the distances travelled by employees in the United Kingdom, and we calculated the associated emissions in the same way as for France.

Together, France, the United Kingdom and India accounted for 67% of the Sopra Steria Group's employees in 2021. We estimated the emissions arising from commuting journeys and homeworking by the remaining 33% of employees using emissions produced by employees in France as a point of reference.

The commuting emissions were audited for the first time in 2021 and accounted for 21,716 tCO_2e. As part of our CDP response, we estimated the environmental footprint of these emissions at 21,573 tCO_2e in 2020 and 66,778 tCO_2e in 2019.

As we can see, emissions from our employees' business travel and homeworking were divided by three in 2021 compared with 2019. In 2021, the public health crisis triggered a change in working habits in favour of homeworking. Employees in France spent 85% of their work time at home, i.e. 4.25 days per week (compared to 1 day in 2019). We have a flexible homeworking policy that meets the needs of both our customers and employees, while complying with all local laws and the health authority recommendations. We can thus easily scale homeworking up or down, between 0 and 100%.

REDUCING GHG EMISSIONS - INDIRECT ACTIVITIES

Indicators		Target	Baseline	2019	2020	2021
Purchases (excluding emissions from business travel, offices, and on- and off-site data centres and fugitive emissions)			**2018**			
Absolute emissions *(tCO_2e)*			246,447	221,311	189,406	259,011*
Ratio of residual emissions to revenue *(tCO_2e/€m)*			60.2	49.9	44.4	55.3
Ratio of residual emissions to pro forma EBITDA** *(tCO_2e/€m)*		**Reducing in resource consumption**	666.8	542.0	501.5	578.4
Employee commuting and homeworking* **			**2019**			
Absolute emissions *(tCO_2e)*			-	66,778	23,714	21,716
Emissions per employee *(tCO_2e/employee)*			-	1.48	0.52	0.46
Waste electrical and electronic equipment - WEEE	**Scope 3**	**Reducing GHG emissions**	**2017**			
Absolute emissions *(tCO_2e)*			1.75	1.75	1.37	0.73
Emissions per employee *(tCO_2e/employee)*		**Capturing carbon emissions**	0.00004	0.00004	0.00003	0.00002
Paper and cardboard waste			**2017**			
Absolute emissions *(tCO_2e)*			9.27	8.84	4.14	7.97
Emissions per employee *(tCO_2e/employee)*			0.00023	0.00020	0.00009	0.00017
Wastewater			**2017**			
Absolute emissions *(tCO_2e)*			66.50	67.18	44.68	33.16
Emissions per employee *(tCO_2e/employee)*			0.00164	0.00149	0.00097	0.0007

In 2021, 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 ventures) as well as new acquisitions the workforce from acquisitions through November 2021, in particular the acquisitions of Luminosity Limited and Sopra Steria Financial Services and Labs. The workforce from acquisitions completed in December 2021, EGGS Design and EVA Group, is not included. Joint ventures are included from 2017.

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 ventures) as well as new acquisitions Sodifrance, Anteo (Consulting and E-Business Solutions), Holocare and cxpartners. Joint ventures 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 ventures) but does not include the companies SAB or Sopra Financial Technology GmbH.

**By applying the methodology and scope updated in 2021 to previous data, the amounts would be: 242,305 tCO_2e in 2020 and 270,835 tCO_2e in 2019. The values for the ratio to revenue would be : 56.8 tCO_2e/€m in 2020, 61.1 tCO_2e/€m in 2019. The values for the pro forma ratio to pro forma EBITDA would be 641.5 tCO_2e/€m in 2020, 663.3 tCO_2e/€m in 2019.*

***Pro forma EBITDA as calculated in Chapter 5, Note 12.5.1*

****Emissions arising from employee commuting in 2019 and 2020 were estimated and taken into account for our CDP response. The method was further developed to calculate 2021 emissions and audited.*

(1) *DEFRA: The Department for the Environment, Food and Rural Affairs (DEFRA) is an executive department of the UK government responsible for the environment and agriculture.*

Offsetting unavoided emissions from indirect activities

Unavoided emissions arising from Sopra Steria's indirect activities will be offset, as for the direct activities, through investments in carbon capture projects, in line with the Climate Neutral Now project. This will enable the Group to achieve its net-zero emissions target by 2028 in the following two stages:

- By 2025, offset the emissions linked to waste, commuting and homeworking by our employees via carbon capture projects,
- By 2028, fully offset the unavoided emissions from to our supply chain via this type of project.

3.5. Green taxonomy (Regulation (EU) 2020/852 of 18 June 2020)

The Taxonomy Regulation (Regulation (EU) 2020/852 of 18 June 2020) is one of the key measures in the European Union's action plan set out in its Green Deal. It consists of a number of initiatives for going carbon-neutral by 2050 by:

- Reorienting capital flows towards sustainable investments;
- Managing the financial risks caused by climate change, natural disasters, environmental damage and social issues;
- Promoting transparency and a long-term vision in economic and financial activities.

The Green Taxonomy, which is laid down in delegated acts published on 10 December 2021 in the Official Journal of the European Union, establishes a unique and transparent system of classification using common terminology, for economic activities that can be considered as sustainable from an environmental perspective for the purpose of distinguishing them from other economic activities.

This system of classification separates the activities conducted on behalf of clients, investment activities and those related to day-to-day operations. It reflects these using **three indicators**:

- Turnover;
- Capital expenditure (capex);
- Operating expenses (opex).

They are to be stated in terms of percentage alignment with the taxonomy. An aligned activity is a sustainable activity that helps deliver progress towards one or more of the following environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

In the financial year 2021 data, only the first two of the aforementioned environmental objectives are taken into account.

Irrespective of the indicator, activities are classified using a five-step process:

- Identify the activities eligible for the Taxonomy based on one or more environmental objectives. These are listed in delegated acts laying down how the EU regulation is to be implemented;
- Determine the activity's substantive contribution to the environmental objective based on satisfaction of technical criteria;
- Make sure, with the assistance of technical reviews, that the activity does not significantly impair any of the other five environmental objectives;
- Ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, particularly with regard to fundamental labour rights and human rights; At the end of this stage, an activity that has met all the above criteria will be considered to be aligned, i.e. sustainable;
- Determine the value of the indicator by dividing the aligned activities (the numerator) by the total activities. The indicator will be expressed as a percentage.

For 2021, the three Taxonomy indicators to be published apply only to the eligible activities and not the aligned activities.

3.5.1. ACTIONS UNDERTAKEN IN 2021 TO IMPLEMENT THE TAXONOMY REGULATION

The Group's process for Taxonomy reporting in 2021 involved the following three steps:

1 **Interpreting the activities recognised under the Taxonomy in terms of the Group's activities**

The Group set up internal pilot entities to clarify the scope of the eligible activities, determine the approximate volume of these activities at 31 December 2021, and test its methodology before rolling it out across the Group in 2022.

2 **Mobilising the stakeholder community**

In order to gain a harmonised understanding of the European regulation and its delegated acts, particularly with regard to the identification of activities that are eligible for the turnover indicator, the project team regularly communicates with its peers in France via Numeum, a professional association that represents digital services companies, software vendors, platforms and engineering and technology consulting companies.

3 **2021 reporting based on the results of the pilot entities and estimates**

At this point, the project is still in its scoping phase. The Group-wide deployment, Group entity reporting, and overall results implementation phases have not yet begun, nor has the creation of a sustainable and industrial reporting solution. At this stage, the Group is therefore only able to provide 'corporate' estimates of the potential magnitude of its eligible activities, and mainly in relation to turnover.

These estimates may be raised or lowered in 2022. These changes will be made in response to the European Union's clarifications on the activities within the regulatory scope, discussions with industry peers, most notably via Numeum, any interpretations that may result from these discussions, and a detailed analysis of projects at all Group's entities during the deployment and analysis phases.

3.5.2. ACTIVITIES OF MARGINAL IMPORTANCE RELATIVE TO THE TAXONOMY

The main difficulty that Sopra Steria has encountered lies in the application of the activities defined in the Taxonomy and their general lack of relevance to its business model.

As is the case with some digital services companies, the Group's activities do not have a substantial negative impact on the climate. It is therefore only marginally concerned by the activities identified in the Taxonomy, and essentially by those associated with the climate change mitigation objective.

Turnover indicator

The following Taxonomy activities are partly reflected in Sopra Steria's business model and turnover:

1. "Data processing, hosting and related activities";
2. "Data-driven solutions for GHG emissions reductions".

- Data processing, hosting and related activities

  This involves hosting activities for clients in the Group's own infrastructures. At this point, it excludes all hosting activities carried out in third-party infrastructures, such as those of data centre operators or cloud providers, management infrastructure services provided outside of the Group's infrastructures, consulting services, and transformation and cloud deployment projects. Given its business model, the Group has negligible eligibility for this activity.

- Data-driven solutions for GHG emissions reductions

  This mainly involves Consulting and Integration activities. This includes all projects on behalf of clients which could, directly or indirectly, contribute to reducing greenhouse gas emissions. To enable alignment, the impact of these projects must be scientifically measurable. Some examples of projects that have a direct positive effect on the climate are the development of solutions to determine and measure greenhouse gas emissions, systems that offset greenhouse gas emissions, and the integration of solutions that enable the Group's clients to reduce their consumption of raw materials or components. Some examples of projects that have an indirect positive effect on the climate are integration projects that optimise a constraint or replace physical transactions with a digital process (e.g. road traffic regulation and dematerialisation) or that improve the environmental footprint of the Group's clients. These services would be provided mainly by the Group's Energy & Utilities, Transport and Public Sector market teams. Thus, given its business model, the Group would have very little eligibility for this activity.

On the basis of these initial analyses and the current stage of its Taxonomy project, the Group estimates that **the activities eligible under the turnover indicator** would represent just over 5% of the Group's total revenue in 2021.

Capex indicator

This second indicator requires an analysis of the eligibility of capital expenditures. The capex to be used is not the cash outflow on the cash flow statement, but the increase in the value of assets. Accordingly, new right-of-use assets will be recognised when leases are signed, while the financing details of capital expenditures, such as late payments, will not be recognised. Capital expenditures also include new intangible assets resulting from business combinations, such as technologies, customer relationships and brands.

Eligible capital expenditures include those that are made for potentially sustainable activities, for a project to make an activity sustainable or to develop a sustainable activity, or for the individually eligible activities defined in the Taxonomy, such as capex on premises, vehicles or data hosting. The Group estimates that **these eligible expenditures** could account for about 97.3% of **its total capex** in 2021. This ratio may vary from year to year, depending on the nature of the capex.

Opex indicator

This third and last indicator requires an assessment of operating expenditures. These include those made for an eligible activity, for a project to make an activity sustainable or to develop a sustainable activity, or for the individually eligible activities defined in the Taxonomy, such as opex on premises, vehicles and data hosting. Not all operating expenditures are to be recognised. Only research and development expenditures, building refurbishment costs, short-term lease expenses, maintenance, cleaning and repair expenses, and any other direct expenditures for the ongoing maintenance of tangible assets that are necessary to maintain their normal functioning.

The Group's business model is people-intensive. It therefore includes essential expenditures on subcontracting, travel and communication services, which fall outside the scope of the Taxonomy.

With the exception of research and development expenditures, which are essential to software publishing, the other cost components of the denominator of the opex indicator play only a very small role in the Group's business model. These expenditures are immaterial, amounting to no more than 5.4% of total opex. As such, the Group has decided, at this stage, to disregard them, in accordance with the EU regulation's materiality threshold for opex. **The numerator representing the opex-eligible activities** is therefore 0, for a denominator that is estimated not to exceed €236.5m.

3.6. Outlook

Sopra Steria has been exemplary in its commitment to the United Nations Climate Change Conference in Glasgow (COP26), and to addressing the challenges which humanity must face, as shown by the certifications and awards it has received. But the Group wants to do more, by making digital technology a source of opportunities and an accelerator of progress for everyone. Sopra Steria is also finding business opportunities in helping its clients make their transition to a net-zero emissions economy.

Sopra Steria's main objectives for the next three to five years:

- **Direct operations**: continue to reduce greenhouse gas (GHG) emissions by decreasing energy consumption, using more renewable energy, optimising energy consumption in offices and data centres, using technology to reduce business travel, and using low-carbon modes of transport;
- **Client services**: assist our clients with their transition to a net-zero emissions economy, by applying the principles of sustainable design to our solutions, adopting environment friendly approaches, and using the potential of new technologies to reduce GHG emissions;
- **Supply chain**: accelerate our supply chain programme to engage with our key suppliers and review their progress toward achieving the emissions reductions that will be necessary to limit global warming to below 1.5°C;
- **Net-zero emissions by 2028**: continue to reduce GHG emissions and invest in afforestation projects for carbon capture that benefit local communities, while exploring potential solutions based on decarbonisation technology with our partners;
- **Climate ambassador**: proactively engage alongside policy-makers such as national governments, the UN Global Compact, the Science Based Targets initiative (SBTi), the CDP, the European Green Digital Coalition, the European Climate Pact, universities, and niche players in the climate agenda.
- **Sustainability-linked loan**: Sopra Steria Group's new revolving credit facility (RCF), agreed in 2022, will be a sustainability-linked loan (SLL) with a margin that is linked to the annual KPI on GHG emissions reduction per employee, which is in line with Sopra Steria's SBTi objective of reducing GHG emissions per employee by 85% by 2040. The bonus which the bank pays if the KPI is achieved, and the penalty that Sopra Steria must pay if it is not, are allocated to technology projects that serve to reduce the carbon footprint of one or more activities. The following are examples of such projects:
  - Sustainable agriculture: projects that employ "digital technologies" to increase agricultural efficiency while protecting the environment by using energy and water resources more efficiently, permaculture seedlings, agricultural robots, and other means and practices that reduce GHG emissions and carbon storage;
  - Carbon reduction and capture technologies: projects that implement the best "digital technologies" across multiple industrial sectors and geographies for the purpose of measuring and reducing environmental footprints and optimising GHG capture and storage;
  - Any other category that would have a positive impact on the climate, such as renewable energy and waste reduction.

Sopra Steria's actions to achieve these objectives are based on our '5Cs for Climate Action':

1. **Contain** – The most effective way to keep GHG emissions under control is to reduce the emissions we produce during our operations and throughout our supply chain. Our operations generate little in the way of carbon emissions and we have a code of conduct that defines our suppliers' environmental responsibilities in managing their emissions. As we pursue our goal of achieving net-zero emissions by 2028, we will be focusing on initiatives to reduce emissions all along the value chain and eliminate residual emissions, notably through afforestation programmes;
2. **Credit** – Integrity and responsibility are vital to the fight against climate change: our stakeholders must be convinced that the steps we are taking to mitigate climate change are making a difference. Our external auditors audit our emissions reduction performance in accordance with the ISAE 3000 standard. This covers governance, strategy, risks and opportunities, targets and measurements in relation to our direct operations as well as supplier engagement and client services. The CDP has recognised our performance by including us in its "A list" of top performers for the past five years;
3. **Communicate** – Communication is a key element in the fight against climate change. It is important that we are able to inform, persuade and mobilise our stakeholders, both internal and external, to contribute to the fight against climate change;
4. **Collaborate** – We have formed relationships with and are working with partners ranging from established companies to niche players and new entrants into the market. We share our knowledge and experience via trade bodies, business forums and international organisations such as the United Nations Global Compact and the Science Based Targets initiative (SBTi) so as to promote best practice in relation to climate action and solutions;
5. **Contribute** – We communicate our expertise to society as a whole. The SBTi invited Sopra Steria to road test its first Net-Zero standard. We have contributed to a United Nations Global Compact project on the importance of defining scientific targets and initiatives that businesses can undertake. In the coming years, we will be working with other organisations such as the European Green Digital Coalition.

Sopra Steria clearly intends to continue making climate action and environmental sustainability part of its business-as-usual activities, leveraging digital technology to drive the development of climate solutions and playing a proactive role in helping create a sustainable world for all.

4. Engaging our stakeholders to meet their needs better

We need to show all of our stakeholders (which include our customers, employees, job applicants, shareholders, investors, partners, suppliers and civil society) that our commitments to Corporate Responsibility are central to our business strategy and to everything we do. This enables us to develop a relationship of trust and a transparent, open and inclusive dialogue with our stakeholders and engage them in our Corporate Responsibility commitments and action programmes. As a "contributor" company, Sopra Steria is a committed partner to major organisations in helping them drive their digital transformations. Our ambition is to make digital technology a driver and accelerator of progress for everyone. The incorporation of digital sustainability into our value proposition underpins this commitment.

Through continuous transparent dialogue with its stakeholders and open and inclusive governance, the Group contributes directly or indirectly to the following SDGs: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16 and 17.

4.1. Creating value for our stakeholders

In an approach where collective action is essential, we work 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.

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.

EXAMPLES OF INITIATIVES AND COMMITMENTS IN SUPPORT OF STAKEHOLDERS

CLIENTS	■ Group priority on including sustainable digital in its value proposition and notably digital environmental sustainability, digital ethics and digital sovereignty ■ Launch of a programme of actions associated with the commitment to achieve net-zero emissions by 2028 ■ Innovation through Sopra Steria Next, a "do tank" focusing on ethics, trust and corporate responsibility whose work is underpinned by ongoing dialogue with all stakeholders ■ Launch by Sopra HR Software of "Sopra HR 4YOU", a new generation of HR solutions geared to the challenges of today, offering a fully digital HR space ■ Sopra Steria and Forrester survey of financial institutions' priorities
EMPLOYEES JOB APPLICANTS	■ High-priority programme to bring more women into management ■ Sopra Steria signed the UN Women Charter ■ Sopra Steria signed the International Labour Organization (ILO) charter and joined the Global Business and Disability Network ■ Workforce and diversity commitments: Diversidays, Article1, Tous En Stage, JobIrl. ■ Second Group People Survey with Great Place to Work ■ Five mandatory e-learning modules forming part of the "Prevention Passport" ■ 16,000+ employees trained in eco-friendly digital behaviours (35% of the workforce) ■ Mandatory net-zero emissions e-learning module ■ 700+ employees volunteered to help environmental causes through the Green Light (France) and Sustainability Champions (United Kingdom) networks ■ Two community outreach platforms for employees, covering both voluntary work and skills sponsorship initiatives
SHAREHOLDERS INVESTORS	■ Investors and financial analysts are provided with commented reports on earnings and sales via: • Bilingual webcast meetings (for the annual and half-yearly earnings reports) • Bilingual conference calls (quarterly) ■ Meetings with investors: • 26 roadshows and 10 conferences • 188 institutions met • 12 countries and 18 cities ■ Responses to questionnaires from investors and ESG rating agencies: MSCI, Sustainalytics, Vigeo Eiris, ISS QualityScore, Gaïa Index and CDP Climate Change. ■ Percentage of Sopra Steria's share capital held by institutional investors at 31 December 2021: • 29.1%: International institutional investors • 26.6%: French institutional investors ■ 11.0%: Percentage of Sopra Steria's share capital held by individual shareholders at 31 December 2021

PARTNERS	■ 300 start-ups added to the Group's value proposition in Europe under the Sopra Steria Ventures programme ■ Partnerships with leading market vendors to increase added value for our clients. Strategic partners: Axway, Microsoft, IBM, SAP, Oracle, Dassault Systems; leading players in cloud computing: AWS, Google, OVH; major technology players: Pega, Red Hat, Salesforce, Orange, Talend, UIpath, Informatica, Microfocus ■ Partnerships with universities and research institutes to pursue innovation-related projects, in the Group's key geographies. Sopra Steria contributes to work in education and research, involves researchers in its projects and develops innovative solutions (artificial intelligence; virtual, augmented and mixed reality; Internet of Things; data) ■ Digital environmental sustainability: joined NegaOctet, the European Climate Pact and the European Green Digital Coalition. ■ Digital sovereignty: Sopra Steria joined the Franco-German Gaia-X initiative (European Association for Data and Cloud) ■ Digital ethics: Partnered with the Human Technology Foundation on data altruism
SUPPLIERS	■ Assessment by EcoVadis of suppliers accounting for over 100% of target 2021 expenditure ■ 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 ■ SBTi targets incorporating the suppliers' environmental commitments ■ Gradual inclusion in the net-zero emissions programme of our purchases of goods and services that are part of the supply chain, with a target of 50% in 2027 and 100% in 2028 ■ The Group earned a score of A in CDP's 2021 Supplier Engagement Leader rating for its leadership and performance in engaging its suppliers on climate change
CIVIL SOCIETY	■ Publication of a white paper titled "Digital technology and human fragility", in partnership with Agence Nouvelle des Solidarités Actives, to coincide with the Sopra Steria-Institut de France Foundation's 20th anniversary ■ Digital accessibility: awareness raised among 8,400+ employees ■ More than 174 projects supporting local communities and regions ■ Over 800 volunteers on community outreach programmes ■ Two community-focused digital projects, Clic&Moi and H'ability, 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 ■ Sopra Steria joined Association de l'Économie Numérique (ACSEL)

4.2. Helping our clients with innovation and digital sustainability

4.2.1. CUSTOMER 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 beginning of 2021 the Group surveyed strategic clients in its key countries through its annual Customer Voice survey, first run in 2019.

The satisfaction rate of the 100 strategic clients surveyed was over 80% in both surveys.

The qualities highlighted during interviews revolve around expertise, listening, proactivity, partnership, engagement and professionalism.

The Group has decided to focus on delivering more breakthrough innovations as a priority for improvement.

This survey is set to be rerun annually across the entire Group.

Following pandemic-related lockdowns, 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.

Preferred partner

Sopra Steria has been selected, through its Aeroline vertical, as a preferred partner of Airbus for input into engineering activities with its design team, industrial department and customer services department. This vote of confidence from Airbus affirms Sopra Steria's ambition and commitment in relation to forward-looking engineering and the Group's associated major transformation programmes.

4.2.2. INCLUDING DIGITAL SUSTAINABILITY IN OUR VALUE PROPOSITION

Digital technology is a key driver of business transformation. Sopra Steria is supporting its clients as they transition to a net-zero emissions economy and work towards ethical practices and an inclusive and resilient economy. The Group has made this goal its third ESG priority, details of which are set out in section 1.2. in paragraph "Our three ESG priorities" (page 101). Its value propositions are broken down as follows:

- Optimising consumption and the environmental footprint of digital technology;
- Foster the emergence of new behaviours and uses in support of a carbon-free economy;
- Developing inclusive services accessible to all;
- Supporting ethical digital practices;

- Helping organisations become more resilient.

For each of these value propositions, the opportunity is, where relevant, built into the operational business process.

Optimising consumption and the environmental footprint of digital technology

- **Developing environmentally sustainable digital technology**
  - Sopra Steria accelerated its adoption of digital environmental sustainability, notably by selecting the infrastructure and technologies most closely aligned with clients' and the Group's environmental sustainability goals;
  - The Group's trajectory toward achieving net-zero emissions by 2028 will benefit all the services delivered to its clients;
  - United Nations Climate Neutral Now programme: investing in carbon capture projects to neutralise emissions arising from the Group's offices, data centres and business travel; greenhouse gas emissions arising from purchases of goods and services (including IT and telecoms) and those arising from commuting and homeworking to be included in this programme by 2028.
- **Assessing the environmental impact of new services and developing eco-designed solutions and services**
  - Sopra Steria uses and develops a range of methods, standards and tools to assess and reduce the environmental impact of its applications and services:
  - ACV screening: measuring the impact in the form of a simplified life cycle for all equipment and simulating optimisations;
  - G4IT: automated measurement of the environmental impact of information systems to help coordinate various continuous improvement workstreams, based on dedicated product category rules for digital services and the NegaOctet database;
  - Sustainability For You (S4U): measuring the impact of delivering a project (e.g. in terms of business travel);
  - Green IT Analysis CLI: Sopra Steria makes its contributions to this tool available on an open source basis. Green IT analysis is incorporated into DevOps project workflows, making it possible to estimate the environmental impact of a web path (using the ecoindex service) and carry out an initial audit of the quality of eco-design code (using the ecometer service);
  - Scaphandre and Power API: research and development projects looking at measuring impacts in real time using servers that interact with the stakeholder community.
- **Working with the stakeholder community and sector-specific organisations:** Collectif Conception Numérique Responsable (CNUMR), Institut du Numérique Responsable (INR), Boavizta (Calculator working group), Planet Tech'Care, Numeum (Green Taxonomy working group), Institute of Environmental Management and Assessment (IEMA), make.org *Grande Cause Environnement*, French Business Climate Pledge, We Mean Business, SBTi, United Nations Global Compact (Environment Working Group), NegaOctet Advisory Board appointed by ADEME, European Green Digital Coalition (EGDC) and Climate Pact.

> **Helping clients boost their positive impact**
>
> **Digital environmental sustainability training.** Through awareness-raising and training for project teams of a French ministry and helping embed digital environmental sustainability, Sopra Steria developed the skills needed to measure the environmental impact of a digital solution, identified areas for improvement and created key performance indicators.

> **Cloud migration.** Today, this type of migration 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. For a company in the logistics sector, Sopra Steria optimised and migrated processing applications to the cloud, thus helping this operator move closer to meeting its net-zero emissions goal.

Foster the emergence of new behaviours and uses in support of a carbon-free economy

- **Rethinking the future of urban mobility**

The Commute project, which is looking at collaborative mobility management in the area around Toulouse airport, is an opportunity to rethink the future of urban mobility. Toulouse is a major city that attracts many visitors, aggravating traffic congestion throughout the area: according to projections, the number of journeys per day could increase from 4 million in 2015 to 4.5 million in 2025, with 265,000 of these extra journeys in the area around the airport alone. Launched in 2018, this innovative collaborative initiative, backed by European funding, brings together public and private stakeholders from around the Toulouse area. Sopra Steria is contributing to the project by putting in place a digital data monitoring and analysis platform. The key aims are to improve traffic flows, reduce environmental impacts, help the area remain an attractive destination and improve quality of life for the local population.

- **Measuring and reducing resource consumption**

Sopra Steria has developed a digital solution for a leading European aerospace group designed to improve the process of requesting critical raw materials from its suppliers, improving order accuracy by moving from annual to monthly ordering. Measures put in place include life cycle analysis, impact measurement and an eco-design process.

Developing inclusive services accessible to all

- The Group is helping its clients adopt paperless processes and supporting major public sector bodies and industrial players as they roll out digital accessibility and seek to comply with the RGAA regulation (on accessibility for public authorities), making their services as widely accessible as possible.
- Sopra Steria is developing its employees' digital accessibility skills through a full suite of training modules. In France, nearly 8,600 employees have already completed an awareness-raising e-learning module.
- Lastly, a commitment to digital accessibility for all is an integral component of the Group's community engagement and associated actions, notably through the Sopra Steria-Institut de France Foundation. Further information can be found in section 4.6.3. in paragraph "Developing access to digital technology for all" (page 147).

Supporting ethical digital practices

- **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. Its mission is to tease out, share and disseminate best practice drawing on stakeholders' communities: business networks, schools, the Group's clients, institutions, foundations, and so on. The *Exploratoire* tackles tangible issues 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 virtual events, and experimental projects.

Digital ethics at the heart of design, evaluation and decision processes

While its fundamental principles (transparency, equity, sustainability, privacy, security, etc.) enjoy broad acceptance, the real question is how best to put them into practice and devise "ethical by design" digital systems that are fit for purpose and meet the criteria for responsible use of digital technology. The *Exploratoire* proposes three ways in which ethics can be built into decision, design and evaluation processes so that it becomes a new criterion in strategic corporate decision-making.

Experimenting with a data code of ethics in France's Occitania region

Under the banner of Sopra Steria Next's digital ethics *Exploratoire*, a working approach has been devised and is currently being trialled in the Occitania region. Regional authorities have already been engaging with ethical issues for the past several years, notably through participative public policy-making. They have also founded Occitanie Data, a public interest group that aims to engage a community of stakeholders committed to the secure use of data, one of whose deliverables is a code of ethics that can be applied to any project involving the use of data. The "ethical by design" approach to digital services, which will be trialled in keeping with this code of ethics, goes slightly further by providing a framework for dynamically questioning all identified ethical constituents at each step of the design process: impact on society and the common good, HR impact, equity, diversity and inclusion, privacy, transparency, security, environmental impact, participatory aspects and governance of ethics. Asking these kinds of questions at each stage in the design of a service – an approach based on "design thinking" – is what makes this approach so original and attractive.

- **Sopra Steria Next – via The *Exploratoire* – and the Human Technology Foundation have published a report entitled "Data altruism: Using data to help serve the public interest"**

  The advent of the modern digital economy has triggered an exponential acceleration in both the generation of data and the ability to make use of that data. The stated aim of data altruism is to help serve the public interest by asking for data that is little used or unused, and to re-establish a mechanism of exchange in a digital world hitherto dominated by extractivism (the extraction of large amounts of data, not all of which is used). Ahead of a forthcoming European regulation, the Sopra Steria Next *Exploratoire* and the Human Technology Foundation are keen to propose practical and legally feasible actions to show that the idea of data altruism can help identify ways of ethically sharing data.

Helping organisations become more resilient

- **Digital sovereignty**

The Group has been committed to digital sovereignty for a number of years now. Further information can be found in section 4.2.3. in paragraph "Commitments in support of digital sovereignty" (page 140).

- **Using artificial intelligence in pursuit of sustainability for a European manufacturer**

Sopra Steria adopts sustainable digital solutions powered by artificial intelligence in pursuit of three goals – cutting costs, increasing return on investment and reducing environmental impact. AI can lengthen the lifespan of this manufacturer's machines by optimising utilisation and maintenance.

4.2.3. 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 experts, startups and major technology partners, we work with our clients to build solutions that meet their requirements for sustainable performance.

Co-design to mobilise collective intelligence

Developing a collaborative approach fosters creativity. It affects 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.

A network of DigiLabs to inspire, create and deliver

Starting in 2014, Sopra Steria has developed a network of DigiLabs intended to foster innovation. The aim is to develop use cases to highlight and share innovation with the Group's clients and employees. The DigiLabs are also connected with stakeholder communities to help them anticipate clients' needs (innovation clusters, research centres, academia, start-up communities, etc.). They are also involved in trialling emerging technologies of interest to the Group (artificial intelligence; virtual, augmented and mixed reality; the IoT; blockchain; etc.).

The DigiLabs are structured as a network, enabling them to more easily share innovative experiments and best practice with the Group's clients irrespective of location.

The DigiLabs support innovative projects put forward for the Sopra Steria Innovation Awards, and in particular those connected to disability, such as the following:

- **MoveMe**: a Norwegian project that helps children with cerebral palsy communicate.
- **PepperBotyfy4Autism**: a French project that will be using artificial intelligence, robotics and home automation to help young adults with autism integrate into society.
- **Illumie**: a Norwegian project that uses computer vision to help visually impaired people move about in unknown environments.

Next: the DigiLab flagship

Next is a pioneering space dedicated to innovation. Located in the heart of Paris on premises spanning nearly a thousand square metres, the Next team helps our major clients untangle situations, explore new ideas, come up with responses that truly meet their expectations and commit to sustainable transformation. Drawing on a combination of brainstorming, innovative use cases, cross-fertilisation between sectors and work to anticipate new uses of technology that can drive performance, Next undertakes feasibility studies, programme and business model definition and new product and service design.

A strategy of partnering with leading market vendors

To help it respond to client needs and to support them with their digital transformation projects, Sopra Steria partners with some of the largest software vendors and cloud players in the market.

Based on close relationships of trust and a dedicated governance structure, coordinated at Group level by a Corporate Alliance Manager, these partnerships ensure that Sopra Steria staff have a high level of expertise in market-leading solutions and technologies.

The Group has developed three types of partnerships with:

- Strategic partners;
- Key players in cloud computing;
- Major technology players.

This partnership-based strategy enables the Group to offer its clients skills and expertise to help deliver their projects. It is based on an approach that combines co-innovation, industrialisation and transformation underpinned by end-to-end capabilities, from consulting to digital services, and software vending.

Developing environmentally sustainable digital

These partners are committed to a strategy of developing sustainable digital. Sopra Steria draws on their solutions to implement architectures and applications for its clients that meet the demands of a carbon-free economy. One of the challenges in meeting this goal relates to the ability to measure the carbon footprint of activities ranging from digital services to infrastructure. Examples of solutions used include Microsoft's CO_2 calculator and SAP's Carbon Footprint Management system.

Sopra Steria Ventures: Building an innovative European digital community

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 works with over 300 start-ups, involving them in its projects and entering into industrial partnerships with around 100 of them.

Through Sopra Steria Ventures, the Group contributes to building an innovative European digital community:

- By making direct or indirect equity investments in around 30 start-ups through partnerships with investment funds ACE Capital, Truffle and Spring Invest, based on investment cases in targeted areas (cybersecurity, FinTech and InsurTech, retail and supply chain, etc.);
- By forming joint ventures to create innovative businesses with its clients and other investors.

These partnerships enable the Group to respond innovatively to business challenges in its key industry sectors by drawing on emerging technologies to deepen its expertise. They also support solutions produced by the Group's specialised software vendors: Sopra Banking Software, Sopra HR Software and Sopra Real Estate Solutions.

Through Sopra Steria Ventures, the Group is affirming its stance on digital sovereignty in France and Europe by supporting only European start-ups.

A civic project combating climate change

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, a platform promoting engagement and cooperation.

Mobilising civil society with make.org

The *Grande Cause Environnement* aims to involve businesses, foundations, non-profit organisations, institutions, media, schools, universities and citizens in a broad consultation on the fight against climate change and to move from ideas to action within three years by delivering tangible projects with a genuine impact on French society.

A Sopra Steria consultant shared his organisational expertise with the project for nine months and ten or so employees took part in workshops to devise action plans. Sopra Steria also encourages its employees to take part in implementing projects, particularly through a skills sponsorship programme.

Feedback from the Commute project, developed with Sopra Steria to promote soft mobility and reduce pollution from private vehicles in the area surrounding Toulouse airport, will inform the development of solutions as part of the "Mobility for All" initiative.

Key figures:

- Over 500,000 citizens consulted, including nearly 3,000 Sopra Steria employees;
- Consensus around action in seven areas: waste, energy and resources, nature and biodiversity, food and agriculture, transport, education and fiscal policy;
- 13,600 proposals and 2.3 million votes;
- 11 projects selected and kicked off by partners of the *Grande Cause Environnement*.

Artificial intelligence: Supporting research and academic institutions to drive innovation in our clients' projects

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. As part of a consortium of ten industrial and technological partners, Sopra Steria will be building a secure platform for validating critical systems.

Safe AI

Sopra Steria is a sponsor to the project of the Université de Technologie de Compiègne (UTC) Foundation for Innovation to create a Chair on "Safer and more Robust Learning for Safer Artificial Intelligence". This Chair is largely dedicated to promoting AI that is safe, and more precisely safe and robust.

In addition to safety and robustness, the concept of safe AI encompasses transparency, ethics and explainability.

The fruit of these various workstreams will be applicable in all the Group's sectors and verticals and will help bring findings from academic research to bear in solving clients' problems. It will also help promote an atmosphere of confidence and trust.

Commitments in support of digital sovereignty

Building trust in digital technology helps address the challenges of digital sovereignty. This encompasses a range of complex questions 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. Alongside state and institutional actors, the Group is committed to initiatives aimed at strengthening digital sovereignty, building a cybersecurity community in France and Europe and helping public and private sector organisations better manage their data.

Sopra Steria is a founding member and member of the Board of Directors of Campus Cyber, a cybersecurity hub established at the initiative of the French President and the French national agency for information systems security (ANSSI). This initiative aims to promote France's excellence in cybersecurity by bringing together experts and national and international stakeholders from the sector and developing synergies around innovative projects.

The Group also plays a very active role within Pôle Excellence Cyber, a non-profit organisation founded by the French Ministry of the Armed Forces and the Brittany region that brings together stakeholders from all over the country involved in research, training and industry to help develop France's cybersecurity sector and promote it internationally.

Sopra Steria is also an active member of the European Cyber Security Organisation (ECSO), which it joined in 2020. ECSO exists to bring together public and private sector players from across the European cybersecurity industry and act as preferred point of contact in its dealings with the European Commission.

In 2021, Sopra Steria joined the Franco-German Gaia-X initiative (European Association for Data and Cloud) to participate in a project to define secure cloud architectures and standards aligned with European values of openness, transparency and trust, alongside other businesses and institutions, and to help create data spaces in various sectors of the economy (banking, energy, transport, healthcare, industry, etc.).

The Group also sponsors two research chairs in France:

- "Cybersecurity and digital sovereignty" with the national defence institute IHEDN, whose work covers issues relating to data management and mapping the datasphere as well as legal issues;
- Through its sponsorship of the "Digital, Governance and Sovereignty" academic chair at Sciences Po, the Group is working in three main areas: new criteria for defining sovereignty at a time when digital technology appears to be transcending borders and legislative constraints; legal regulation of digital issues, notably in connection with the US Cloud Act and tax-related matters; and the role of digital technology in shaping opinion, notably as regards the use of social media as a political tool.

4.3. Suppliers and partners

Aligning the supply chain with corporate responsibility priorities

4.3.1. 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 4.7., "Duty of vigilance and vigilance plan" (pages 148 to 149).

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. Sopra Steria measures the environmental footprint of its supply chain and is pursuing actions to shrink it in keeping with its commitment to the Science Based Targets initiative.

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.

The Group earned a score of A in CDP's 2021 Supplier Engagement Leader rating for its leadership and performance in engaging its suppliers on climate change.

Suppliers' charter

Since 2019, the Group suppliers' charter has been expanded to cover the entire Group.

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.

- Efforts to have suppliers sign the Group suppliers' charter were stepped up in France in 2021. The charter has now been signed by 1,427 suppliers, equating to 66% of eligible suppliers accounting for annual expenditure of over €5k.
- A total of 2,771 suppliers have signed up across the Group, equating to 57% of eligible suppliers.
- The charter was revised in 2021 to include all third parties (excluding clients).

EcoVadis assessment

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 responsible purchasing. 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.

Since 2015, the Group has been committed to evaluating its suppliers and assessing its target suppliers with over 26 employees, representing annual expenditure of over €150K. In 2021, 79% of suppliers already assessed were reassessed.

Across the whole Group, a total of 425 suppliers were awarded positive EcoVadis assessments in 2021, covering more than €500 million of expenditure (more than 100% of target 2021 expenditure). The assessment response rate is 77.43% (including suppliers in the process of being assessed).

- The average score for Sopra Steria suppliers who had completed the assessment was 56.7 out of 100, nearly 13 points higher than the average score for all suppliers assessed via the EcoVadis platform.
- The average improvement across all suppliers reassessed in 2021 was 3.7 points.
- No suppliers assessed or reassessed in 2021 scored less than Sopra Steria's alert threshold of 24/100.
- 84% of suppliers assessed or reassessed achieved a score of at least 45 out of 100 (compared with only 47% of all businesses assessed by EcoVadis).
- 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 2021.

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 2.7.2, "Disability policy" (pages 115 to 116).
- 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

A supply chain committed to Science Based Targets initiative

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. These points are set out in section 3.1.3, "Achieving net-zero emissions by 2028" (pages 121 to 122) and in section 3.4., "Optimising resource consumption and reducing greenhouse gas emissions" (pages 125-132).

- Purchases of renewable electricity directly from suppliers, purchases of International Renewable Energy Certificates (I-RECs) and Guarantees of Origin (GOs). Further information can be found in section 3.4.1. in table "Resource consumption - Direct activities" (page 126).
- Purchases of certified paper from sustainable sources. Further information can be found in section 3.4.2. in table "Resource consumption - Indirect activities" (page 130).

4.3.2. MAIN OBJECTIVES FOR 2022

- Continue rolling out EcoVadis to entities not yet covered.
- Carry out EcoVadis assessments of target suppliers accounting for annual expenditure of €700 million in 2022, equating to 67% of total target expenditure in 2021.
- Mobilising suppliers to help them improve their ratings in EcoVadis' 2022 assessment, particularly those that did not meet Sopra Steria's standards in the 2021 assessment.
- Continuing efforts to roll out at scale the Group suppliers' charter signed by suppliers and partners.
- Contribute to the Group's key environmental programmes: Science Based Targets initiative and net-zero emissions.

4.4. Ethics and compliance

4.4.1. VALUES AND ETHICS

As the Sopra Steria Group grows, it is committed not only to strictly complying with legislation and regulations in the countries in which it operates but also to applying ethical principles rooted in the Group's culture and values (see "Integrated presentation of Sopra Steria" of this Universal Registration Document on page 5). These include, in particular, professional excellence, respect for others and a proactive approach.

A Code of Ethics and core values supported at the highest levels of the Group

The Sopra Steria Group's code of ethics constitutes the reference framework within the Group operates. Sopra Steria's status as a signatory to the United Nations Global Compact, in the Global Compact Advanced reporting category, reflects its ethical principles, which adhere 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.

With a foreword 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. Managers who sit on the Group Management Committee and entity-level (country and subsidiary) management committees sign an annual digital declaration renewing their commitment to abide by and enforce the code of ethics within their scope of responsibility.

Sopra Steria regularly raises awareness among the relevant personnel to ensure that they buy into and abide by the Group's values and fundamentals and the principles laid down in the code of ethics. This awareness-raising takes place principally through induction seminars, professional development sessions and events sharing the Group's fundamentals, organised in particular by Sopra Steria Academy, the Group's in-house training organisation.

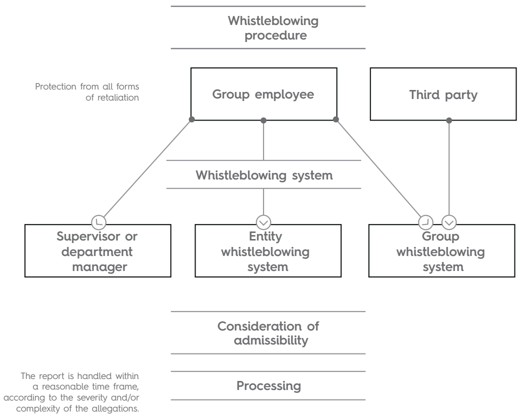
Furthermore, Sopra Steria expects all those with whom it has a business relationship to abide by the spirit of its code of ethics, irrespective of legislation and regulations in the countries in which they operate.

The code of ethics is publicly available from the Ethics and Compliance page of Sopra Steria's corporate website at www.soprasteria.com.

Core rules and Group procedures

The code of ethics is supplemented by an anti-corruption code of conduct, a code of conduct for stock market transactions, a suppliers' charter and a common core of rules and procedures. (See Chapter 2, "Risk factors and internal control", of this Universal Registration Document on pages 37 to 50.) As part of the compliance programme, work was undertaken at Group level in 2021 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. For example, ten or so rules relating to compliance issues were either added to or further clarified within the Group Rules, which constitute the operating fundamentals applicable to all Group entities.

Whistleblowing procedure



The whistleblowing procedure can be used to flag up serious situations and risks relating to legal or regulatory requirements, ethical principles or internal policies, notably in the following areas: corruption and influence peddling, fraud, insider trading, breaches of competition law and infringements of the duty of care (human rights and fundamental freedoms, health and safety, environment).

Employees may bring any concerns they have to the attention of their line manager, their line manager's manager, their entity's Compliance Officer, the Compliance Officer of the functional division to which their entity belongs or the Group Compliance Officer, as they see fit. As an alternative to these usual communication channels, they may choose to use Sopra Steria's whistleblowing procedure. An e-mail address is provided within each entity, managed by a designated individual approved by the Group's Internal Control Department, which is responsible for the whistleblowing procedure.

Concerns can also be raised directly with the Group's Internal Control Department by writing to the following e-mail address: ethics@soprasteria.com. This reporting channel is also open to all external stakeholders, including in particular the Group's clients, suppliers, subcontractors and business partners. It is also available on the Ethics and Compliance page of the Group's website at www.soprasteria.com.

Data security, integrity and confidentiality are assured. Sopra Steria guarantees that all information exchanged, including the identity of the whistleblower and any other relevant persons, will remain confidential. Anonymous whistleblowing is possible but not recommended. Anonymous reports can be dealt with if sufficient detail is provided and the gravity of the situation can be established. Sopra Steria can better protect whistleblowers against reprisals of any kind if they disclose their identity. Under the Group's whistleblowing procedure, reports received are assessed for admissibility before a decision is made as to whether to conduct an internal investigation. Reports are handled within a reasonable time frame, according to the severity and/or complexity of the allegations.

Records of reports received under the whistleblowing procedure are kept in accordance with applicable legislation and/or regulations.

4.4.2. 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, risks and potential whistleblowing.

- 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 & Compliance Officers. They are 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 Executive Management, Finance Department, Internal Audit Department and Internal Control Department to review compliance issues and programme progress and implementation.

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 45 to 49).

4.4.3. BUSINESS ETHICS AND COMPLIANCE

Preventing corruption and influence peddling

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 stakeholders. To this end, the Group applies a **zero-tolerance policy** with respect to corruption and influence peddling.

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: for example, Executive Management reiterated its commitment to all Group employees on International Anti-Corruption Day, which took place on 9 December;
- **A Group-wide organisational structure in charge of managing,** monitoring and controlling the framework, through a network of Internal Control & Compliance Officers, who have responsibility for compliance and risk management issues within each entity;
- **A specific mapping exercise to identify risks of corruption and influence peddling**, updated every two years or as soon as is necessary following a major Group-level event;
- **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 first- and second-level controls, in order to respond to situations identified as potentially exposed to risk. For example: policies on hospitality and gifts and procedures covering conflicts of interest, client events and export activities;
- **A strict procedure for assessing third parties**, including clients, suppliers and subcontractors. In this regard, the Group implements its purchasing procedure and suppliers' charter to ensure that all new regulations, and more specifically those connected with the "Sapin II" Act and the duty of vigilance, are covered. Specific procedures are also in place to assess export clients, beneficiaries of donations, sponsorship and patronage, and acquisition targets;
- **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:
  - **A mandatory e-learning course for all employees**: this course, renewed in 2021, is available in five languages. It is easily accessible via the website of Sopra Steria's training organisation. This tailored course, designed in-house, consists of eight interactive modules (Legal framework, code of conduct and key contact points; Invitations and gifts; Conflicts of interest; Public agents; Commercial intermediaries and international sanctions; Donations, sponsorship and patronage; Facilitation payments; Whistleblowing procedure) and ends with a mandatory knowledge assessment quiz that employees must pass to successfully complete the course. At 31 December 2021, 92% of Group employees had completed this e-learning module.
  - **Dedicated training** for populations considered the most exposed: managers, sales staff, buyers, etc.
- **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 procedure** as set out in section 4.4.1., "Whistleblowing procedure" (page 142).

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.

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.

Data protection

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 under the responsibility of the head of the Group's Legal Department, an Executive Committee member, who 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 to 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.

Protecting and securing client data

The Group has put in place a policy and robust system across all its entities and operations, supported by appropriate governance, procedures and controls that are reviewed annually. This point is presented in Section 1, "Risk factors", of Chapter 2 of this Universal Registration Document (pages 38 to 44).

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.

Other regulations

Fair competition

Sopra Steria is committed to managing its business in strict compliance with legislation and regulations relating to competition in all countries in which the Group operates. Employees are informed that if they have any questions or doubts about a competition-related topic, they must consult with their entity's legal department. The Group Rules include instructions in this area.

Inside information and rules on insider trading

As a company listed on the Euronext Paris exchange, Sopra Steria has a code of conduct for stock market transactions that sets out rules and protective measures relating to stock market transactions and the use or disclosure of inside information as defined in the European Market Abuse Regulation (Regulation 596/2014, known as MAR), i.e. any specific information that has not been made public and which, if made public, would be liable to significantly influence the share price.

Anti-money laundering

Sopra Steria undertakes not to engage or participate in any practice that constitutes the laundering of assets, revenue or capital. Financial transactions are entered into in strict compliance with anti-money laundering legislation and regulations. The Group is thus committed to exercising special care in assessing third parties in countries considered high-risk. Moreover, a project was kicked off in 2021 to automate and reinforce procedures for verifying third-party bank details.

International sanctions and export controls

Sopra Steria undertakes to refrain from any activity that would contravene applicable national and international laws, regulations or standards in relation to economic sanctions imposing export controls, embargoes or other restrictions on trade. These topics are covered in the anti-corruption e-learning course. All third parties located in countries considered high risk are covered by compliance assessment procedures before any business relationship is entered into.

4.5. Human rights, international labour standards, environment and anti-corruption commitments

As an expression of its values, Sopra Steria is a signatory of the United Nations Global Compact, in the "Global Compact Advanced" reporting category. Through this commitment, Sopra Steria supports the Global Compact's 10 principles in the areas of human rights, international labour standards, the environment and anti-corruption. The Group also undertakes to promote these principles within its sphere of influence and to continue with its own efforts along these lines.

Frame of reference	The 10 principles of the UN Global Compact	Sopra Steria's commitments
Human rights		
The Global Compact draws on the Universal Declaration of Human Rights. Human rights are the inalienable rights of all people, regardless of nationality, place of residence, sex, ethnic or national origin, colour, religion, language or any other criterion.	1. Support and respect the protection of internationally proclaimed human rights 2. Make sure we are not complicit in human rights abuses	See section 2. "Social responsibility: a committed and responsible Group" (pages 107 to 119): "Diversity and equal opportunity", "Health, safety and working conditions" and "Labour relations". See section 4."Governance that meets stakeholders' expectations" (pages 135 to 149): "Suppliers and partners", "Helping our clients with innovation and digital sustainability sustainable", "Preventing corruption and influence peddling", "Data protection", "Group's community commitment", "Duty of vigilance and vigilance plan".
International labour standards		
The Global Compact refers to the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work (1998).	3. Uphold the freedom of association and the effective recognition of the right to collective bargaining 4. Uphold the elimination of all forms of forced and compulsory labour 5. Uphold the effective abolition of child labour 6. Uphold the elimination of discrimination in respect of employment and occupation	See section 2 "Social responsibility: a committed and responsible Group" (pages 107 to 119): "Maintaining and developing skills", "Labour relations", "Diversity and equal opportunity", "Health and safety", "Health, safety and working conditions".
Environment		
The Global Compact draws on some of the principles of the Rio Declaration on Environment and Development (1992) such as the precautionary principle, and in Section 30 of the Rio Summit's Agenda 21 report setting out the role of businesses in sustainable development.	7. Support a precautionary approach to environmental challenges 8. Undertake initiatives to promote greater environmental responsibility 9. Encourage the development and diffusion of environmentally friendly technologies	See section 3. "Environmental responsibility: Carbon-neutral trajectory - Net-zero emissions by 2028" (pages 120 to 134).
Fight against corruption		
This principle refers to the United Nations Convention against Corruption.	10. Work against corruption in all its forms, including extortion and bribery	See section 4.4.3. paragraph "Preventing corruption and influence peddling" (page 143)

4.6. Group's community commitment

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 for water rights.

The unprecedented situation caused by the coronavirus crisis raised awareness of the importance of digital technology at work, in social life and as a tool for building and maintaining relationships with isolated and vulnerable individuals. However, it also exacerbated inequalities affecting those least able to access digital technology. Faced with the recurrence of this digital divide, the Group's longstanding commitment to an ethical and inclusive digital society is more relevant today than ever before. Thanks to this commitment, which relies on the engagement of many employees who volunteer their skills and time, Group entities in many countries have been able to put in place projects that can be run remotely, drawing on employees' skills: fundraising campaigns, volunteering with non-profit organisations, participating in challenges and hackathons, etc.

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 celebrated 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.

4.6.1. KEY EVENTS

In 2021:

- 174 projects supported;
- Over 800 volunteers;
- 42 participating clients/partners;
- 626 non-profits and schools supported;
- Over 52,000 children supported in 55 schools in India and 851 students in India awarded higher education scholarships through the Sopra Steria Scholarships Programme;
- 20th anniversary of the Sopra Steria-Institut de France Foundation and publication of a white paper titled "Digital technology and human fragility", in partnership with Agence Nouvelle des Solidarités Actives;
- Signature of the Manifesto of Coalition Française des Fondations pour le Climat, at the initiative of Centre Français des Fonds et Fondations;
- Partnership with Entreprise des Possibles, a collective of businesses working to combat poverty and exclusion in Lyon.

4.6.2. A PROACTIVE POLICY INVOLVING THE ENTIRE ORGANISATION, EMPLOYEES AND COMMUNITIES

To implement this policy, which involves the participation of more than 800 employees in all countries, Sopra Steria is supported by:

- A network of 25 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;
- Employee engagement platforms in France, the United Kingdom, Morocco and Tunisia;
- United Nations International Volunteer Day, on which awareness-raising campaigns are run in all countries to promote community initiatives, inspire employees and thank them for their commitment.

4.6.3. 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. Despite school closures in 2021, the distribution of tablet computers with pre-loaded course materials enabled students to continue their studies remotely with the support of volunteers. Following on from actions initiated by the Group in 2020, donation campaigns were kicked off in the United Kingdom and Belgium in partnership with MSF to support India in its fight against coronavirus.

- Over 52,000 children and young people at 55 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 since 2006 to fund higher education for students from schools supported by the Group. This programme, funded by entities in most of the countries in which the Group operates, continued in 2021 despite delays arising from the public health crisis.

In other countries where the Group operates, various projects were launched or continued to run despite the crisis:

- A partnership with the Sat'Egidio community in Italy, which combats poverty and exclusion, working with Sopra Steria employees to develop an app that can be used by volunteers to provide schooling for children from impoverished families;
- Initiatives to raise awareness among young people of the risks associated with internet use, including the Safe for Fun programme in Belgium, with employee volunteers working either in schools or remotely through videos;
- Many other initiatives supported by employee volunteers supplementing these educational initiatives in the countries where the Group operates.

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 during the public health crisis.

In France, the Sopra Steria-Institut de France Foundation celebrated 20 years of digital solidarity at a virtual event attended by Cédric O, France's Secretary of State for Digital Transition. The "Digital technology and human fragility" white paper, produced in partnership with Agence Nouvelle des Solidarités Actives to coincide with the Foundation's 20th anniversary, lists inspiring practices and recommended ways forward. The 2021 *Prix Entreprendre pour Demain* awards, which recognise students and young entrepreneurs, were announced during the programme. The winning projects from 2020 also moved forward with the help of their sponsors. Following the FarmIA connected agriculture project at Télécom Sud Paris, Sopra Steria will be involved in the school's Digital Technology and Environment teaching chair for three years starting in 2022. The Opopop project to reduce the amount of packaging used in e-commerce was incubated at Planetic Lab and achieved growth of 30% a month in 2021. In 2022, the company plans to sign up major e-tailers for a pilot and complete a new funding round.

In 2021, the Foundation supported 17 digital community projects with a social or environmental dimension sponsored by employees. For example, non-profit organisation Adiléos, which runs a digital services portal for marginalised or disadvantaged people and their social workers, finalised its accommodation assistance service and launched a new mobile application to facilitate contact between recipients and their social workers.

In Spain, the partnership with the Balia Foundation was extended. This partnership aims to boost the employability of young women and young people in insecure jobs through training and mentoring provided by Sopra Steria volunteers. A new "Women and ICT" programme was launched to help equip socially excluded women with digital skills.

In Norway, Sopra Steria continues, with the help of volunteers, to provide computing classes for female immigrants and coding classes for children from disadvantaged suburbs.

Employee engagement platforms

During the coronavirus crisis in 2020, the Group set up digital platforms to support and manage employee engagement in this area in France and the United Kingdom. Sopra Banking Software launched two new platforms in 2021, in Morocco and Tunisia. In France, over 1,200 employees registered with the Vendredi platform and undertook volunteering and skills sponsorship projects with 56 non-profit organisations, with an engagement rate of 10%. In the United Kingdom, nearly 1,500 employees have taken part in fundraising and volunteering activities for hundreds of causes since the Benevity platform was launched in September 2020.

Prix Entreprendre pour Demain

The Sopra Steria-Institut de France Foundation's *Prix Entreprendre pour Demain* (Entrepreneurship for tomorrow awards) recognise young people working to develop digital solutions that address social and environmental issues. Winners receive financial and operational support to bring their projects to fruition, with the help of Group mentors. In 2021, the "Digital technology and human fragility" award was sponsored by Frédéric Bardeau, co-founder and chairman of Simplon, a social enterprise that offers free technical training in digital skills. The "Student" award went to the team Clic&Moi, which offers simple, personalised, low-cost digital training while promoting strong and unique intergenerational bonds. H'ability, which won the 2021 "Young Entrepreneur" award, is a fun and immersive virtual reality solution specially designed for the functional rehabilitation of people with hemiplegia.

Tech for Good partnerships

In 2021, the Tech for Good programme, which was launched in the United Kingdom in 2019, continued to work with local communities in the field of digital inclusion and education, with the help of Sopra Steria. Partnerships with non-profit organisations like Career Ready Mentoring, Apps for Good and Micro-Tyco Innovate (WildHearts Group) offer employees opportunities to share their skills through long-term tutoring, expertise in mobile apps that serve the public interest, and career guidance and support. For example, a programme has been put in place with Career Ready Mentoring to provide volunteer tutoring in disadvantaged schools in England and Scotland followed by summer internships at Sopra Steria.

Water rights

Sopra Steria has for several years been supporting international organisations working in particular to protect the oceans through financial sponsorship and skills. The main organisations supported are:

- Fondation de la Mer: the partnership that began in 2020 continued, supporting educational initiatives and encouraging young people to take action to protect the ocean. Projects are also available to employees in France via the Vendredi platform;
- Join for Water: this integrated water management programme launched in Uganda in 2019 runs employee awareness-raising campaigns including the distribution of reusable flasks;
- In Germany, Sopra Steria supports Fleetenkieker e.V, a non-profit organisation that works to protect the environment and water, particularly in Hamburg, using boats to clean up the waters of the Alster river;
- A programme to install drinking water towers at a number of schools in India has been underway for several years.

4.7. Duty of vigilance and vigilance plan

This section provides a summary description of Sopra Steria's vigilance plan. As laid down in the Act of 27 March 2017 on the duty of care, it sets out reasonable vigilance measures aimed at identifying risks and preventing serious violations in respect of human rights and fundamental freedoms, health and safety, and the environment. These risks and serious violations include those resulting from the following:

- 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;
- Activities of subcontractors or suppliers with which Sopra Steria Group 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: Corporate Responsibility and Sustainable Development, Human Resources, Purchasing, Industrial and Legal. This plan was presented and subsequently signed off by the Group Executive Committee. It was also presented to the Works Council when the initiative was launched. In addition, prior to preparing the plan, the results of the Group's risk mapping exercise are aligned with the materiality matrix of corporate responsibility issues. The vigilance plan is reviewed each year, in light of possible developments in risks and the effectiveness of mitigation measures put in place. 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.

The vigilance plan consists of four parts:

- A mapping of risks to identify, analyse and prioritise the risks relating to the duty of vigilance;
- Risk mitigation and prevention plans;
- A 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.

4.7.1. 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 Group's main corporate responsibility challenges. The methodology used for the mapping of risks relating to the duty of vigilance is similar to that used for the Group's general risk mapping exercise.

The risk areas listed below 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 suppliers and subcontractors:

- Human rights and fundamental freedoms: diversity and equal opportunity, 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 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 for the Group and its supply chain;
- Environment: GHG emissions, treatment of polluting waste, air and soil pollution, depletion of raw materials, soil erosion and degradation, degradation of ecosystems and biodiversity in the supply chain.

4.7.2. 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 indicates the corresponding sections of the Corporate Responsibility Report that describe the risk mitigation and prevention plans put in place.

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 and 4 (pages 107 and 135).
	Health and safety	The relevant information is set out in section 2.8, "Health, safety and working conditions" (pages 118 to 119).
	Environment	The relevant information is set out in section 3, "Environmental responsibility: Carbon-neutral trajectory - Net-zero emissions by 2028" (pages 120 - 134).
Risks relating to the business activities of the Group's suppliers	Responsible purchasing	The relevant information is set out in section 4.3., "Suppliers and partners" (pages 140 to 141).

Sopra Steria's policies, actions and results in respect of the workforce and human rights, business ethics, the environment and responsible purchasing are assessed annually by EcoVadis. Since this label was created in 2020, Sopra Steria has achieved the highest possible rating of Platinum. The Group has also been among the top 1% for the past three years.

4.7.3. WHISTLEBLOWING PROCEDURE

Sopra Steria has put in place a whistleblowing procedure for receiving reports in connection with its duty of care. This procedure is set out in section 4.4.1. "Whistleblowing procedure" (page 142).

4.7.4. SYSTEM TO MONITOR THE MEASURES IMPLEMENTED AND ASSESS THEIR 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.

5. Methodological note

The Corporate Responsibility Report, presented in the 2021 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, the 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 and with TCFD 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, guided in our thinking by the general principles of the GRI or Global Reporting Initiative (2016-2021 standards), in a continuous improvement approach, 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 "Cross-reference tables for the Management Report" section of this Universal Registration Document (pages 323 to 324).

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.

Definitions of workforce 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;
- Lost time injury frequency rate: Calculated in business days, using the following formula: (Number of workplace accidents with work stoppage × 200,000)/Total number of hours worked by total workforce in the year;
- Total recordable injuries frequency rate: Calculated in business days, using the following formula: (Number of workplace accidents with or without work stoppage × 200,000)/Total number of hours worked by total workforce in the year;
- 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, Luminosity Limited, Sopra Steria Financial Services, EGGS Design, Labs and EVA Group);

- As regards the scope of workforce indicators:
  - Employees of companies acquired in 2021, including in particular Luminosity Limited and Sopra Steria Financial Services, EGGS Design, Labs and Eva Group, are taken into account when calculating indicators,
  - 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" indicator will be calculated. The scope will be specified for each indicator;
- As regards the scope of environmental indicators (CDSB REQ-07/TCFD):
  - Employees of companies acquired in the period up to November 2021 inclusive were taken into account when calculating indicators, including in particular Luminosity Limited, Sopra Steria Financial Services and Labs. Employees of companies acquired in December 2021 (EGGS Design and Eva Group) were not taken into account,
  - The scope of 2021 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):
  - 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): Corporate responsibility reporting covers the calendar year from 1 January to 31 December 2021. 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 2021 Universal Registration Document (CDSB REQ-10/TCFD).
- 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 (CDSB REQ-11/TCFD). This report on 2021 data uses the structure set out in the CDSB framework to provide the required information in a fully compliant manner.
- 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 (CDSB REQ-12/TCFD) 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 163 to 167).

6. SDG/GRI/TCFD-CDSB cross-reference table

Universal Registration Document			SDGs[1]	GRI[2]	TCFD-CDSB[3] *(Climate Change Reporting Framework)*
Chapter/ Section	**Chapter/Section heading**	**Page**			
1.	**Chapter 1 – Business overview and strategies**				
2.	**Chapter 2 – Risk factors and internal control**				REQ-03
4.	**Chapter 4 – Corporate responsibility**	97		GRI 102-20 GRI 102-50 GRI 102-56	
	Message from the Chief Executive Officer (page 98)			**GRI 102-14**	
1.	**Sopra Steria's Corporate Responsibility Strategy (page 99)**				
1.1.	Materiality matrix	99		GRI 102-15	
1.2.	Seven key commitments aligned with the United Nations Sustainable Development Goals (SDGs)	100			
1.2.1.	ESG roadmap dashboard	102			
1.2.2.	Change in non-financial ratings, 2020-2021	104			
1.2.3.	ESG commitment: 2021 highlights	104			REQ-05
1.3.	Corporate Responsibility governance structure supporting the Group's strategy	105		GRI 102-18	REQ-01
1.3.1.	Group Corporate Responsibility and Sustainable Development (CR&SD) Department	105			REQ-01
1.3.2.	Corporate Responsibility governance structure	105			REQ-01
1.3.3.	Corporate Responsibility Advisory Board	106			
2.	**Social responsibility: a committed and responsible Group (page 107)**				
2.1	Governance	107			
2.2.	Responsible employment priorities	107			
2.3.	Employment policy for professional excellence	108			
2.4.	Regional impact	109	9, 17		
2.5.	Attracting and retaining more talent	109	3, 8, 17	GRI 404-1 GRI 404-3	
2.6.	Maintaining and developing skills	112	4, 8		
2.7.	Diversity and equal opportunity	113	5, 8, 10, 17		
2.7.1.	Gender equality policy	114			
2.7.2.	Disability policy	115			
2.7.3.	Intergenerational policy	116			
2.7.4.	Policy promoting diversity and access to employment for young people	117			
2.7.5.	LGBT+ policy	117			
2.8.	Health, safety and working conditions	118			
2.9.	Labour relations	119	3, 8		

(1) SDGs: For more information, see page 319.
(2) GRI: Indicators from the GRI standards (2016-2021).
(3) TCFD-CDSB REQ: For more information, see the Glossary on page 319.

Universal Registration Document			SDGs(1)	GRI(2)	TCFD-CDSB(3) *(Climate Change Reporting Framework)*
Chapter/ Section	**Chapter/Section heading**	**Page**			
3.	**Environmental Responsibility: Carbon-neutral trajectory – Net-zero emissions by 2028 (page 120)**				
3.1.	Environmental strategy	120	17	GRI 102-14 GRI 102-15 GRI 302-1 GRI 302-2 GRI 302-4 GRI 302-5 GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-5 GRI 413-1	REQ-01 REQ-02
3.1.1.	Key milestones in the Group's environmental strategy	120			REQ-02
3.1.2.	Adoption of TCFD and CDSB recommendations and scenario analysis	120			REQ-11
3.1.3.	Achieving net-zero emissions by 2028	121			REQ-02
3.2.	Environmental policy	122			REQ-02
3.2.1.	Seven priority areas of action	122			
3.2.2.	Summary of greenhouse gas emissions by scope	123			
3.3.	Incorporating climate risks and opportunities into the Group's strategy	124	9, 11, 12, 13, 15	GRI 102-15 GRI 201-2 GRI 308-2	REQ-03 REQ-04 REQ-05
3.3.1.	Identification process	124			
3.3.2.	Climate change risks & opportunities	124			
3.3.3.	Physical risks	124			
3.3.4.	Transition risk	125			
3.3.5.	Opportunities for the Group	125			
3.4.	Optimising resource consumption and reducing greenhouse gas emissions	125			
3.4.1.	Direct activities	125		GRI 302-1 GRI 302-2 GRI 302-3 GRI 303-4 GRI 303-5 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5	REQ-04 REQ-05
3.4.2.	Indirect activities	129		GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5 GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5 GRI 307-1	REQ-04 REQ-05
3.5.	Green taxonomy (Regulation (EU) 2020/852 of 18 June 2020)	132			
3.5.1.	Actions undertaken in 2021 to implement the Taxonomy Regulation	132			
3.5.2.	Activities of marginal importance relative to the Taxonomy	133			
3.6.	Outlook	134		GRI 302-4 GRI 302-5 GRI 305-4 GRI 305-5 GRI 305-6	REQ-06

(1) SDGs: For more information, see page 319.
(2) GRI: Indicators from the GRI standards (2016-2021).
(3) TCFD-CDSB REQ: For more information, see the Glossary on page 319.

Universal Registration Document			SDGs[1]	GRI[2]	TCFD-CDSB[3] *(Climate Change Reporting Framework)*
Chapter/ Section	**Chapter/Section heading**	**Page**			
4.	**Engaging our stakeholders to meet their needs better (page 135)**				
4.1.	Creating value for our stakeholders	135	3, 8, 9, 11, 17	GRI 102-12 GRI 102-13 GRI 102-40	
4.2.	Helping our clients with innovation and digital sustainability	136			
4.2.1.	Customer satisfaction	136			
4.2.2.	Including digital sustainability in our value proposition	136	4, 11, 12, 13, 16		
4.2.3.	Innovation and strategic partnerships	138	8, 9, 11, 16, 17		
4.3.	Suppliers and partners	140	1, 5, 10, 12, 13, 17	GRI 308-1 GRI 412-1 GRI 414-1	
4.3.1.	Responsible purchasing policy	140			
4.3.2.	Main objectives for 2022	141			
4.4.	Ethics and compliance	141			
4.4.1.	Values and ethics	141			
4.4.2.	Governance and organisation	142	1, 8, 13, 16	GRI 205-1	
4.4.3.	Business ethics and compliance	143	4, 16	GRI 205-2	
4.5.	Human rights, international labour standards, environment and anti-corruption commitments	146	4, 16		
4.6.	Group's community commitment	147	1, 2, 3, 4, 5, 6, 7, 8, 10, 11	GRI 203-1	
4.6.1.	Key events	147		GRI 413-1	
4.6.2.	A proactive policy involving the entire organisation, employees and communities	147			
4.6.3.	A framework for Group action to promote initiatives with a strong, lasting impact	147			
4.7.	Duty of vigilance and vigilance plan	148	8, 11, 12, 13, 16	GRI 308-1 GRI 412-1 GRI 414-1	
4.7.1.	Risk mapping exercise	149			
4.7.2.	Risk mitigation and prevention plans	149			
4.7.3.	Whistleblowing procedure	149			
4.7.4.	System to monitor the measures implemented and assess their effectiveness	149			
5.	**Methodological note (page 150)**			**REQ 07-08-09-10-11-12**	

(1) SDGs: For more information, see page 319.
(2) GRI: Indicators from the GRI standards (2016-2021).
(3) TCFD-CDSB REQ: For more information, see the Glossary on page 319.

7. Social and environmental indicators

Information marked with the ✔ symbol has been audited by the independent third party to provide a reasonable assurance opinion. The figures presented are rounded, which may result in slight discrepancies in some totals.

Summary of social indicators

EMPLOYMENT

WORKFORCE BY GEOGRAPHIC AREA (INCLUDING ACQUISITIONS) ✔

Scope/Topic	2018	2019	2020	2021
Group	**44,114**	**46,245**	**45,960**	**47,437**
France	19,013	19,499	19,759	19,831
International (excluding France)	24,849	26,476	26,201	27,606
of which United Kingdom	6,407	6,305	6,646	6,919
of which India	5,348	5,726	4,982	5,440
of which Spain	4,060	4,189	3,999	4,032
of which Germany	2,842	3,363	3,304	3,447
of which Norway		1,792	1,999	2,445
of which Italy		1,009	976	994
of which Morocco		308	279	277
Managers (*"cadres"*)	**40,001**	**40,014**	**40,581**	**44,501**

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	2018	2019	2020	2021
Group	**42,614**	**44,230**	**43,898**	**45,852**
France	18,439	18,849	18,464	19,319
International (excluding France)	24,175	25,381	25,434	26,533
of which United Kingdom	5,903	6,057	6,374	6,467
of which India	5,347	5,724	4,981	5,438
of which Spain	4,005	4,128	3,951	3,978
of which Germany	2,655	2,733	3,011	3,217
of which Norway		1,790	1,996	2,331
of which Italy		944	942	909
of which Morocco		299	267	275

WORKFORCE BY TYPE OF EMPLOYMENT CONTRACT ✔

Scope/Topic	2018	2019	2020	2021
Permanent contracts				
Group	**95.7%**	**96.1%**	**96.7%**	**97.0%**
France	95.6%	95.3%	96.9%	96.8%
International (excluding France)	95.7%	96.7%	96.6%	97.2%
of which United Kingdom	94.1%	95.2%	92.6%	96.3%
of which India	99.0%	99.0%	99.7%	99.3%
of which Spain	93.8%	97.3%	98.4%	97.7%
of which Germany	94.8%	94.4%	95.3%	94.6%
of which Norway		99.6%	99.8%	99.9%
of which Italy		94.0%	96.7%	91.6%
of which Morocco		99.7%	95.7%	100.0%
Temporary contracts				
Group	**3.6%**	**3.3%**	**2.9%**	**2.5%**
France	4.1%	4.6%	3.0%	3.0%
International (excluding France)	3.3%	2.4%	2.9%	2.1%
of which United Kingdom	5.9%	4.7%	7.4%	3.7%
of which India	1.0%	1.1%	0.3%	0.7%
of which Spain	5.8%	2.5%	1.6%	1.9%
of which Germany	1.7%	1.3%	1.8%	2.9%
of which Norway		0.5%	0.2%	0.1%
of which Italy		0.7%	1.1%	1.2%
of which Morocco		0.3%	0.0%	0.0%

Scope/Topic	2018	2019	2020	2021
Internships				
Group	**0.7%**	**0.6%**	**0.4%**	**0.5%**
France	0.3%	0.2%	0.1%	0.2%
International (excluding France)	1.0%	0.9%	0.6%	0.8%
of which United Kingdom	0%	0.1%	0.0%	0.0%
of which India	0%	0.0%	0.0%	0.0%
of which Spain	0.4%	0.2%	0.1%	0.4%
of which Germany	3.6%	4.3%	2.8%	2.5%
of which Norway		0.0%	0.0%	0.0%
of which Italy		5.4%	2.2%	7.1%
of which Morocco		0.0%	4.3%	0.0%

AVERAGE LENGTH OF SERVICE FOR EMPLOYEES ON PERMANENT CONTRACTS

Scope/Topic	2018	2019	2020	2021
Group	**7.1**	**7.1**	**7.7**	**7.5**
France	8.0	8.0	8.6	8.8
International (excluding France)	6.4	6.4	7.0	6.7
of which United Kingdom	10.7	10.3	10.3	9.5
of which India	4.3	4.4	5.2	4.5
of which Spain	5.0	5.0	5.7	6.0
of which Germany	7.3	7.5	8.4	8.2
of which Norway		4.1	4.1	4.0
of which Italy		6.0	6.3	7.0
of which Morocco		4.1	5.2	5.2

AVERAGE AGE OF EMPLOYEES ON PERMANENT CONTRACTS

Scope/Topic	2018	2019	2020	2021
Group	**37.8**	**37.8**	**38.7**	**38.8**
France	37.5	37.8	38.5	38.9
International (excluding France)	38.0	37.8	38.8	38.8
of which United Kingdom	44.2	43.6	43.9	44.2
of which India	31.3	31.4	32.4	31.9
of which Spain	37.4	37.5	38.4	39.0
of which Germany	41.7	41.6	42.8	42.5
of which Norway		38.0	38.1	38.0
of which Italy		38.0	38.6	40.0
of which Morocco		32.0	33.7	33.4

NEW STAFF ON ALL TYPES OF EMPLOYMENT CONTRACT ✔

Scope/Topic	2018	2019	2020	2021
Group	**11,662**	**10,844**	**6,133**	**10,636**
France	4,356	4,112	2,045	3,019
International (excluding France)	7,306	6,732	4,088	7,617
of which United Kingdom	1,083	1,155	1,293	1,764
of which India	1,636	1,695	490	2,255
of which Spain	1,414	1,229	632	978
of which Germany	770	651	366	702
of which Norway		499	517	739
of which Italy		219	132	214
of which Morocco		93		57

NEW STAFF ON PERMANENT CONTRACTS ✔

Scope/Topic	2018	2019	2020	2021
Group	**9,225**	**8,047**	**4,166**	**8,453**
France	3,135	2,570	1,189	1,951
International (excluding France)	6,090	5,477	2,977	6,502
of which United Kingdom	784	942	723	1,481
of which India	1,533	1,620	480	2,214
of which Spain	1,193	1,084	566	841
of which Germany	623	488	298	569
of which Norway		428	459	670
of which Italy		107	56	85
of which Morocco		61	12	29

TURNOVER RATE FOR EMPLOYEES ON PERMANENT CONTRACTS

Scope/Topic	2018	2019	2020	2021
Group	**16.9%**	**17.7%**	**13.6%**	**16.0%**
Women			13.5%	15.4%
Men			13.6%	16.4%

Scope/Topic	2018	2019	2020	2021
Group	**16.9%**	**17.7%**	**13.6%**	**16.0%**
France	16.2%	15.9%	10.1%	13.1%
International (excluding France)	17.4%	18.9%	16.1%	18.2%
of which United Kingdom	19.4%	21.7%	15.2%	12.6%
of which India	21.6%	19.4%	23.2%	29.1%
of which Spain	16.6%	20.5%	15.3%	19.3%
of which Germany	12.4%	14.7%	11.9%	13.8%
of which Norway		12.8%	12.4%	13.0%
of which Italy		13.0%	14.4%	16.2%
of which Morocco		25.5%	17.3%	16.4%

TRAINING

AVERAGE TRAINING HOURS PER EMPLOYEE (MANDATORY AND NON-MANDATORY) ✔

Scope/Topic	2018	2019	2020	2021
Total	**N/A***	**N/A***	**N/A***	**27**
Women	N/A*	N/A*	N/A*	27
Men	N/A*	N/A*	N/A*	27

* *N/A: not available.*

NUMBER OF HOURS TRAINING PROVIDED DURING THE YEAR ✔

Scope/Topic	2018	2019	2020	2021
Total	**1,244,583**	**1,263,354**	**1,207,065**	**1,219,922**
France	596,557	619,219	559,853	573,169
India	180,105	115,630	209,113	192,772
Spain	136,201	94,114	88,485	99,616
Germany	36,972	103,282	54,524	57,132
Norway	115,820	140,874	123,006	114,997
Morocco	19,651	14,723	17,187	11,810
Belgium		10,476		13,043
Poland		10,308		19,865
Tunisia		59,743		20,060
UK		83,117	79,571	53,163

AVERAGE NUMBER OF TRAINING HOURS PER PERSON (AVERAGE FTE) ✔

Scope/Topic	2018	2019	2020	2021
Total		**29.0**	**27.3**	**27.1**
France	4.6	4.2	30.1	29.9
India	4.8	20.9	38.5	37.5
Spain	4.9	22.9	21.7	25.3
Germany	2.0	38.3	17.5	18.4
Norway	10	82.6	65.1	53.7
Morocco	9.3	50.0	58.8	43.4
Belgium		14.1		17.9
Poland		11.4		19.9
Tunisia		14.8		31.3
United Kingdom		1.9	12.6	8.3

DIVERSITY

Gender equality

FEMALE STAFF

Scope/Topic	2018	2019	2020	2021
Group	**31.6%**	**32.0%**	**32.5%**	**32.4%**
France	28.4%	29.4%	29.6%	29.1%
International (excluding France)	34.0%	34.0%	34.6%	34.8%
of which United Kingdom	44.9%	43.7%	44.5%	45.0%
of which India	34.3%	33.1%	31.7%	30.2%
of which Spain	27.7%	28.6%	29.0%	29.7%
of which Germany	24.1%	25.2%	27.6%	28.7%
of which Norway		27.3%	27.0%	29.3%
of which Italy		28.5%	29.7%	29.7%
of which Morocco		35.1%	34.4%	38.2%

FEMALE NEW HIRES ✔

Scope/Topic	2018	2019	2020	2021
Group	**32.8%**	**33.1%**	**34%**	**33%**
France	29.7%	30.9%	27.5%	25.9%
International (excluding France)	34.7%	34.4%	37.3%	35.7%
of which United Kingdom	48.2%	44.2%	53.2%	52.7%
of which India	38.4%	35.4%	29.4%	29.0%
of which Spain	23.5%	21.9%	25.2%	24.6%
of which Germany	29.9%	34.4%	32.0%	34.8%
of which Norway		29.9%	27.1%	34.5%
of which Italy		30.1%	28.0%	26.6%
of which Morocco		41.9%	42.1%	40.4%

Disability

PERCENTAGE OF EMPLOYEES WITH A DISABILITY ✔

Scope/Topic	2018	2019	2020*	2021*
France: direct employment rate	2.16%	2.43%	2.48%	2.96%
France: indirect employment rate	0.56%	0.63%	Not included	Not included
France: employment rate	2.72%	3.06%	2.48%*	2.96%*

* *In 2020, the reported proportion of 2.21% was recalculated to reflect the entry into force of new calculation rules issued by AGEFIPH in 2020 and not available at the time the 2020 report was published. Furthermore, the indirect employment rate (sheltered employers) is no longer counted when calculating the total employment rate from 2020 onwards, in accordance with the new regulations.*

Intergenerational policy

PROPORTION OF YOUNG PEOPLE AND OLDER EMPLOYEES (INCLUDING INTERNS) ✔

Workforce by age bracket

Scope/Topic	2018	2019	2020	2021
Group				
Under 25	9%	10.0%	7.0%	7.9%
Over 55	8%	8.7%	9.9%	10.4%
France				
Under 25	10%	10.4%	6.9%	7.6%
Over 55	8%	8.8%	10.1%	10.6%
International (excluding France)				
Under 25	9%	9.6%	7.1%	8.2%
Over 55	9%	8.6%	9.7%	10.2%
Of which United Kingdom				
Under 25	7%	8.0%	7.4%	6.0%
Over 55	20%	20.1%	20.2%	22.2%
Of which India				
Under 25	17%	17.3%	12.3%	18.3%
Over 55	0.3%	0.3%	0.3%	0.4%
Of which Spain				
Under 25	6%	5.4%	3.3%	4.5%
Over 55	3%	3.4%	4.1%	4.7%
Of which Germany				

Scope/Topic	2018	2019	2020	2021
Under 25	4%	5.0%	3.3%	3.9%
Over 55	15%	15.0%	18.1%	17.6%
Of which Norway				
Under 25		2.5%	3.3%	2.7%
Over 55		6.8%	7.0%	7.1%
Of which Italy				
Under 25		11.0%	9.8%	7.7%
Over 55		6.6%	7.9%	9.7%
Of which Morocco				
Under 25		14.4%	10.0%	8.7%
Over 55		0.7%	0.4%	0.4%

PROPORTION OF OLDER EMPLOYEES IN FRANCE (ALL CONTRACTS, EXCLUDING ACQUISITIONS)

Scope/Topic	2018	2019	2020	2021
Number of employees aged (45 and older)	4,919	5,186	5,491	5,929
Proportion of employees aged (45 and older relative to the total workforce at 31/12)	26%	27.2%	29.3%	30.2%
Number of employees aged (55 and older)	1,499	1,680	1,883	2,082
Proportion of employees aged (55 and older relative to the total workforce at 31/12)	8%	8.8%	10.10%	10.6%

HEALTH, SAFETY AND WORKING CONDITIONS

ORGANISATION OF WORK AND WORKING HOURS/PART-TIME WORK – EMPLOYEES ON PERMANENT CONTRACTS FROM 1 JANUARY TO 31 DECEMBER

Scope/Topic	2018	2019	2020	2021
Group	**6.1%**	**5.9%**	**6.1%**	**6.4%**
France	6.0%	5.9%	6.3%	6.6%
International (excluding France)	6.2%	5.9%	5.9%	6.3%
of which United Kingdom	14.1%	12.8%	12.1%	14.0%
of which India	0.2%	0.1%	0.0%	0.1%
of which Spain	5.9%	6.3%	5.5%	4.9%
of which Germany	9.0%	8.8%	10.4%	10.1%

SCOPE GROUP

Indicators	2018	2019	2020	2021
Absence rate (%)	N/A*	N/A*	N/A*	2.7
Lost time injury frequency rate (LTIFR)	N/A*	N/A*	N/A*	0.12
Total recordable injury frequency rate (TRIFR)	N/A*	N/A*	N/A*	0.21

** N/A: Not available.*

SCOPE FRANCE

Indicators	2018	2019	2020	2021
Absence rate (%)	2.5%	2.6%	2.5%	2.7
Occupational illness (number)	0	0	2	2
Frequency rate of workplace accidents in France	1.91	2.47	1.26	0.89
Severity rate of workplace accidents in France	0.056	0.023	0.013	0.013

LABOUR RELATIONS

Scope/Topic	2018	2019	2020	2021
Number of agreements signed during the year	**36**	**49**	**112**	**31**
France	21	24	38	11
Germany	14	24	16	19
Belgium	0	0	0	1
United Kingdom	0	0	2	0
Italy	1	0	0	0
Spain	0	1	0	0
Number of collective bargaining agreements in force	**241**	**291**	**652**	**357**
France	91	129	164	169
Germany	126	134	137	162
Belgium	11	11	11	12
Italy	1	5	0	0
United Kingdom	11	11	13	13
Spain	1	1	1	1

Summary of environmental indicators

In 2021, the scope of the indicators calculated concerns all entities over which the Group has operational control (thus including the sites of the NHS SBS, SSCL and SFT joint ventures) and includes the employees of the acquisitions completed to and including November 2021, in particular the Luminosity Limited, Sopra Steria Financial Services and Labs acquisitions. The employees of acquisitions completed in December 2021, EGGS Design and Eva Group are not included. Joint ventures are only included from 2017 onwards.

In 2020, the scope of the indicators calculated covers all the entities over which the Group has operational control (thus including the sites of the NHS SBS, SSCL and SFT joint ventures), and includes the new acquisitions Sodifrance, Anteo (Consulting, E-Business Solutions), Holocare, cxpartners.

In 2019, the scope of the indicators calculated covers all the entities over which the Group has operational control (thus including the sites of the NHS SBS and SSCL joint ventures), but does not take into account SAB and Sopra Financial Technology Gmbh.

*France includes French Polynesia. United Kingdom includes Ireland. Africa and Middle East includes Lebanon, Senegal, Cameroon, Ivory Coast, Morocco, Tunisia and the United Arab Emirates.

RESOURCE CONSUMPTION

		Energy consumption ✔			Proportion of electricity consumption (offices and on-site data centres) provided by renewables ✔	Waste electrical and electronic equipment (WEEE) ✔				
		Offices + miscellaneous ✔	On-site data centres ✔	Off-site data centres ✔						
		Total	Total	Total	Total	Total	Proportion reused	Proportion valorised by heat or raw material recovery	Proportion incinerated without heat recovery	Proportion sent to landfill
Country	**Year**	*MWh*	*MWh*	*MWh*	%	*kg*	%	%	%	%
	2021	25,071	3,823	9,616	98.5%	31,791	51.3	48	0.4	0.3
	2020	26,519	3,974	9,390	90%	30,354	71	28.3	0.6	0.1
	2019	31,708	2,718	10,390	86%	19,724	44.3	50.6	2.8	2.3
France*	2015	28,092	3,161	7,813	1%	20,939	N/A	N/A	N/A	N/A
	2021	16,029	2,759	561	100%	11,745	40.7	59.4	0	0
	2020	14,676	3,689	930	100%	16,013	15.7	81.6	2.8	0
	2019	17,953	4,087	865	100%	19,426	27.3	68.8	4	0
United Kingdom*	2015	9,987	7,651	6,943	70%	25,674	N/A	N/A	N/A	N/A
	2021	11,900	25	5,284	100%	15,904	28	71.4	0.6	0
	2020	11,683	23	5,630	N/A	18,262	24.2	70.2	2.6	3
	2019	13,522	22	5,366	N/A	26,468	48	49.7	0.8	1.5
Total: Rest of Europe	2015	10,219	2,055	5,467	N/A	6,452	N/A	N/A	N/A	N/A
	2021	5,638	1,859	0	100%	3,101	98.7	0.5	0	0.8
	2020	6,738	2,028	0	N/A	27	0	80	20	0
	2019	9,943	2,236	0	N/A	17,328	0	99.3	0.7	0
Total: Rest of the World	2015	13,326	1,784	0	N/A	107,181	N/A	N/A	N/A	N/A
	2021	58,638	8,467	15,461	99.2%	62,541	45.7	53.7	0.3	0.2
	2020	59,615	9,714	15,949	95%	64,657	44	53	2	1
	2019	73,126	9,063	16,621	90%	82,947	32.3	64.7	2	1.1
Total: Group	2015	61,625	14,651	20,223	20%	160,246	N/A	N/A	N/A	N/A

Country	Year	Paper and cardboard waste[(1)] ✔ Total	Proportion valorised by heat or raw material recovery	Proportion incinerated without heat recovery	Proportion sent to landfill	Purchases of certified paper from sustainable sources ✔ Total	% of paper from sustainable sources	Quantity purchased per employee	Water ✔ Total
		kg	*%*	*%*	*%*	*kg*	*%*	*kg/employee*	*m³*
France*	**2021**	65,024	100	0	0	8,019	72	0.41	37,090
	2020	53,782	100	0	0	23,454	69	1.19	62,235
	2019	109,168	84.8	15.2	0	55,268	48	2.89	74,874
	2015	96,269	N/A	N/A	N/A	N/A	N/A	N/A	55,760
United Kingdom*	**2021**	222,508	100	0	0	7,592	34	1.1	37,789
	2020	63,730	100	0	0	6,270	57	0.94	31,603
	2019	173,509	100	0	0	11,173	79	3.11	57,841
	2015	146,900	N/A	N/A	N/A	N/A	N/A	N/A	21,272
Total: Rest of Europe	**2021**	48,417	100	0	0	6,592	84	0.49	18,972
	2020	73,014	99.1	0.9	0	7,701	86	5.32	35,811
	2019	119,940	99.9	0.1	0	21,437	79	13.96	43,560
	2015	58,062	N/A	N/A	N/A	N/A	N/A	N/A	27,315
Total: Rest of the World	**2021**	1,506	49.3	0	50.7	1,345	70	0.21	28,074
	2020	3,893	100	0	0	1,705	72	0.3	34,602
	2019	12,506	100	0	0	8,995	71	1.45	70,710
	2015	27,217	N/A	N/A	N/A	N/A	N/A	N/A	140,133
Total: Group	**2021**	337,455	99.8	0	0.2	23,548	63	0.51	121,926
	2020	194,418	99.7	0.3	0	39,132	71	0.88	164,250
	2019	415,122	96	4	0	96,873	60	2.35	246,985
	2015	328,448	N/A	N/A	N/A	N/A	N/A	N/A	244,480

REDUCING GHG EMISSIONS

SCOPE 1 AND 2

Country	Year	Scope 1 ✔ Diesel, gas, biodiesel (offices and on-site data centres) ✔		Scope 1 ✔ Fugitive emissions ✔		Scope 2 ✔ Grid electricity, district heating (offices and on-site data centres) ✔	
		tCO_2e	%	*tCO_2e*	%	*tCO_2e*	%
France*	**2021**	259.4	0.2%	105.7	0.1%	261.8	0.2%
	2020	281	3.9%	96.6	1.3%	624	8.6%
	2019	374	2.2%	194	1.1%	765	4.5%
	2015	284	9.7%	N/A	N/A	2,195	74.7%
United Kingdom*	**2021**	1,724.2	1.9%	197.9	0.2%	0	0%
	2020	1,468	45.9%	72.7	2.3%	0	0%
	2019	1,696	26.6%	33	0.5%	0	0%
	2015	1,067	32.9%	N/A	N/A	1,844	56.9%
Total: Rest of Europe	**2021**	360.3	0.5%	32.3	0%	364.8	0.5%
	2020	339	5.1%	30.3	0.5%	500	7.6%
	2019	425	3%	39.1	0.3%	888	6.3%
	2015	233	9.4%	N/A	N/A	1,805	72.9%
Total: Rest of the World	**2021**	182.1	1.6%	788.4	6.9%	0	0%
	2020	226.2	4.6%	1,202.9	24.7%	0	0%
	2019	169	1.6%	1,780.6	16.8%	72	0.7%
	2015	653	6.2%	N/A	N/A	9,880	93.8%
Total: Group	**2021**	2,526.1	0.9%	1,124.3	0.4%	626.6	0.2%
	2020	2,315	1%	1,402.5	0.6%	1,124	0.5%
	2019	2,664	0.8%	2,048	0.6%	1,724	0.5%
	2015	2,237	4.4%	N/A	N/A	15,724	30.7%

(1) These data account for the change in methodology in the UK. Under the former methodology, paper and cardboard waste would have amounted to 150,663 kg in 2021.

SCOPE 3

Country	Year	Scope 3													
		3-1 Residual emissions from purchases (excluding business travel, offices, on- and off-site data centres and fugitive emissions)[1]		3-3 Energy-related emissions not included in Scopes 1 and 2 ✔		3-5 Waste treatment ✔		3-6 Business travel[2] ✔		3-7 Employee commuting and homeworking[3] ✔		3-8 Off-site data centres ✔		3-13 Tenants ✔	
		tCO_2e	%	*tCO_2e*	%	*tCO_2e*	%	*tCO_2e*	%	*tCO_2e*	%	*tCO_2e*	%	*tCO_2e*	%
	2021	112,393	89.4%	580.8	0.5%	11.8	0.0%	3,195.2	2.5%	8,934	7.1%	0	0%	0	0%
	2020	N/A	N/A	609.6	8.4%	18.7	0.3%	4,813.7	66.4%	N/A	N/A	500	6.9%	303	4.2%
	2019	N/A	N/A	859.8	5%	23.1	0.1%	14,138	82.8%	N/A	N/A	553	3.2%	160	0.9%
France*	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	458	15.6%	N/A	N/A
	2021	85,144	92.2%	1,022.1	1.1%	15.2	0.0%	418.9	0.5%	3,730	4%	58	0.1%	0	0%
	2020	N/A	N/A	741.2	23.2%	10.3	0.3%	782.1	24.5%	N/A	N/A	119	3.7%	3	0.1%
	2019	N/A	N/A	959.2	15%	19.8	0.3%	3,527.8	55.3%	N/A	N/A	128	2%	10	0.2%
United Kingdom*	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	332	10.2%	N/A	N/A
	2021	56,030	83.3%	740.7	1.1%	6.4	0.0%	3,081	4.6%	6,534	9.7%	83	0.1%	10	0.0%
	2020	N/A	N/A	554.8	8.4%	11.7	0.2%	4,646.2	70.3%	N/A	N/A	514	7.8%	15	0.2%
	2019	N/A	N/A	685.7	4.8%	15	0.1%	11,377.9	80.4%	N/A	N/A	699	4.9%	18	0.1%
Total: Rest of Europe	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	437	17.7%	N/A	N/A
	2021	5,445	47.6%	2,095	18.3%	8.4	0.1%	262	2.3%	2,518	22%	0	0%	141	1.2%
	2020	N/A	N/A	1,927.3	39.6%	9.5	0.2%	1,317	27%	N/A	N/A	0	0%	188	3.9%
	2019	N/A	N/A	2,959	28%	19.9	0.2%	5,266.3	49.8%	N/A	N/A	0	0%	306	2.9%
Total: Rest of the World	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0%	N/A	N/A
	2021	259,011	87.3%	4,438.6	1.5%	41.9	0.0%	6,957.1	2.3%	21,716	7.3%	141	0.0%	151	0.1%
	2020	189,406	80.6%	3,832.9	1.6%	50.2	0.0%	11,559	4.9%	23,714	10.1%	1,132	0.5%	509	0.2%
	2019	221,311	65.8%	5,463.7	1.6%	77.8	0.0%	34,310	10.2%	66,778	19.9%	1,250	0.4%	494	0.1%
Total: Group	2015	N/A	N/A	N/A	N/A	N/A	N/A	32,005	62.5%	N/A	N/A	1,227	2.4%	N/A	N/A

TOTAL: SCOPES 1, 2 AND 3

Country	Year	Total: Scopes 1, 2 and 3		Emissions per employee
		tCO_2e	*% compared to other countries*	**tCO_2e / employee**
	2021	125,742	42.4%	6.41
	2020	7,246	3.1%	0.37
	2019	17,067	5.1%	0.89
France*	2015	2,937	5.7%	0.17
	2021	92,310	31.1%	13.33
	2020	3,196	1.4%	0.48
	2019	6,374	1.9%	1.01
United Kingdom*	2015	3,243	6.3%	0.8
	2021	67,241	22.7%	4.91
	2020	6,611	2.8%	0.51
	2019	14,148	4.2%	1.11
Total: Rest of Europe	2015	2,475	4.8%	0.29
	2021	11,439	3.9%	1.67
	2020	4,871	2.1%	0.76
	2019	10,573	3.1%	1.51
Total: Rest of the World	2015	10,533	20.6%	1.95
	2021	296,733	100%	6.30
	2020	235,044	100%	5.13
	2019	336,121	100%	7.44
Total: Group	2015	51,193	100%	1.47

(1) By applying the methodology and scope updated in 2021 to previous data, the amounts would be: 242,305 tCO_2e in 2020 and 270,835 tCO_2e in 2019.

(2) Data taking into account emission reductions due to green business travel in Germany. Excluding the emissions reduction from green travel gives the following values: 7,402 tCO_2e in 2021, 12,698 tCO_2e in 2020, 37,164 tCO_2e in 2019, 38,176 tCO_2e in 2018, 38,133 tCO_2e in 2017 and 36,555 tCO_{2e} in 2016.

(3) Emissions arising from employee commuting in 2019 and 2020 were estimated and taken into account for our CDP response. The method was further developed to calculate 2021 emissions and audited.

8. Report by the independent third party of 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 have conducted work in order to formulate a reasoned opinion expressing limited assurance about the historical information (observed or extrapolated) provided in the consolidated statement of non-financial performance, as well as at the Company's request and outside the scope of accreditation, reasonable assurance about a selection of information, prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the financial year ended 31 December 2021 (hereinafter the "Information" and the "Statement"), presented in the Group's Management Report, pursuant to the provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de Commerce).

CONCLUSION

Based on the procedures implemented, as described in the section "Nature and scope of work" and the information collected, we did not identify any material misstatement that would cause us to conclude that the consolidated 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 50% of the workforce and between 37% and 89% 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.

PREPARATION OF THE STATEMENT OF NON-FINANCIAL PERFORMANCE

As there is no generally accepted and commonly used reference framework or established practices for assessing and measuring the Information, different but acceptable measurement techniques can be used that may affect comparisons between entities and over time.

The Information should therefore be read and understood in reference to the Guidelines, the significant elements of which are set out in the Statement.

INHERENT LIMITATIONS TO PREPARING INFORMATION

Information may be subject to uncertainties relating to the level of scientific or economic knowledge and the quality of external data used. Some information is sensitive to choices of methodology, assumptions and/or estimates used to prepare this information and set out in the Statement.

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for:

- selecting or drawing up appropriate criteria for the preparation of the Information;
- 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 and the information laid down in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- as well as implementing the internal controls it deems necessary to prepare Information that is free of material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's Guidelines, as mentioned above.

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 historical information (recognised or extrapolated) 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.

As it is our duty to formulate an independent conclusion on the Information as prepared by management, we are not authorised to be involved in preparing this Information, as this could compromise our independence.

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[1] has been prepared, in all material respects, in accordance with the Guidelines.

- It is not our responsibility to issue an opinion on whether:
- the entity complies with other applicable legal and regulatory provisions, notably as regards the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan, anti-corruption measures and the prevention of tax evasion;
- the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy) is accurate;
- products and services comply with applicable regulations. (Commentaire: VF: supprimer le point en trop)

REGULATORY REQUIREMENTS AND APPLICABLE PROFESSIONAL STANDARDS

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 in lieu of a verification programme and with the revised International Standard on Assurance Engagements (ISAE) 3000.

INDEPENDENCE AND QUALITY CONTROL

Our independence is enshrined in the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors. 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 of the CNCC for this type of engagement.

MEANS AND RESOURCES

Our work was carried out by a team of 7 people between October 2021 and February 2022 and required a total of 10 weeks.

To help us with our work, we have called on our specialists in sustainable development and social responsibility. We conducted around ten interviews with individuals responsible for preparing the Statement, notably representing the Human Resources and Sustainable Development departments.

NATURE AND SCOPE OF WORK

We have planned and performed our work taking account of the risk of material misstatement with regard to Information.

- We believe that the procedures we have undertaken, to the best of our professional judgement, provide a sufficient basis for our limited assurance conclusion:
- we familiarised ourselves with the business of all entities 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 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 (Commentaire: VF: imprécision apparente corrigée ici), 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; and
  - corroborate the qualitative information (actions and results) we considered most important, presented in Annex 1. For risks relating to difficulties in attracting, developing and retaining talent and/or loss of key roles, 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;

(1) *List of information reviewed on a reasonable assurance basis.*

- 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 we considered most important (presented in Annex 1), 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 or other selection methods 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 and covered between 37% and 100% 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 all entities in the consolidated group.

The procedures implemented within the framework of a limited assurance audit are less extensive than those required for a reasonable assurance audit performed in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC, the French national institute of statutory auditors); a higher level of assurance would have required more extensive verifications.

Paris La Défense, 3 March 2022

Independent third party

Mazars SAS

Jérôme NEYRET
Partner

Edwige REY
CSR & Sustainable Development Partner

ANNEX 1: INFORMATION CONSIDERED MOST IMPORTANT

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	Audited Entity/Country
▪ Workforce by geographic area (including acquisitions) ✔ ▪ FTE (full-time equivalent) (excluding interns) ✔ ▪ Headcount by contract type ✔ ▪ New hires – All types of contracts ✔ ▪ New hires – Permanent contracts only ✔ ▪ Female new hires ✔ ▪ Proportion of younger and older employees (including interns) ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **Germany** (Sopra HR Software GmbH, Sopra Banking Software GmbH, Sopra Steria SE, ISS Software GmbH, CIMPA GmbH, it-economics GmbH, Sopra Financial Technology GmbH, Fidor Solutions AG) **Tunisia** (Sopra HR Software S.A.R.L., Sopra Banking Software Tunisia, SAB Tunisie)
▪ Number of training hours ✔ ▪ Number of training hours per employee (mandatory and non-mandatory) ✔ ▪ Average number of training hours per person (average FTE) ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **Germany** (Sopra HR Software GmbH, Sopra Banking Software GmbH, Sopra Steria SE, ISS Software GmbH, CIMPA GmbH, it-economics GmbH, Sopra Financial Technology GmbH, Fidor Solutions AG) **Tunisia** (Sopra HR Software S.A.R.L., Sopra Banking Software Tunisia, SAB Tunisie)
▪ Percentage of employees with a disability ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS)
▪ 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 – Energy consumption not included in Scopes 1 and 2 ✔ ▪ Greenhouse gas emissions – Energy consumption of the tenants - Scope 3 ✔ ▪ Greenhouse gas emissions – Scopes 1 & 2 per employee ✔ ▪ Greenhouse gas emissions – Scope 3 per employee	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **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) **Tunisia** (Sopra HR Software S.A.R.L., Sopra Banking Software Tunisia, SAB Tunisie) **Norway** (Sopra Steria AS) – only on- and off- site data centres
▪ Greenhouse gas emissions – Business travel ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **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) **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 WEEE generated per employee ✔ ▪ Proportion of waste electrical and electronic equipment given a second life ✔ ▪ Proportion of "hazardous waste" ✔ ▪ Greenhouse gas emissions – WEEE ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **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) **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.)

Information	Audited Entity/Country
■ Greenhouse gas emissions – Employee commuting and homeworking ✔	**France** (Sopra Steria Group S.A, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **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) **India** (Sopra Steria India, SBS Solutions India Private Limited)
■ Water consumption (offices and on-site data centres) ✔ ■ Water consumption per employee ✔ ■ Greenhouse gas emissions – Wastewater ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **Sweden** (Sopra Steria Sweden AB) **India** (Sopra Steria India, SBS Solutions India Private Limited)
■ Quantity of green paper purchased per employee ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **Belgium** (Sopra Banking Software Belgium, Sopra HR Software S.P.R.L., Sopra Steria Benelux SA/NV)/ **Netherlands** (Sopra Financial Solutions Netherlands B.V., Sopra Steria Benelux – NL Branch)/ **Luxembourg** (Sopra Banking Software Luxembourg, Sopra HR Software S.A.R.L., Sopra Steria PSF Luxembourg SA)
■ Quantity of paper and cardboard waste per employee ✔ ■ Percentage of paper and cardboard waste recycled ✔ ■ Greenhouse gas emissions – Paper and cardboard waste ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **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) **Belgium** (Sopra Banking Software Belgium, Sopra HR Software S.P.R.L., Sopra Steria Benelux SA/NV)/ **Netherlands** (Sopra Financial Solutions Netherlands B.V., Sopra Steria Benelux – NL Branch)/ **Luxembourg** (Sopra Banking Software Luxembourg, Sopra HR Software S.A.R.L., Sopra Steria PSF Luxembourg SA)
■ Direct fugitive greenhouse gas emissions (offices and on-site data centres) ✔	**France** (Sopra Steria Group SA, Sopra HR Software, Sopra Banking Software, Beamap, Sopra Steria I2S, CIMPA SAS, Galitt, 2MoRO SAS) **India** (Sopra Steria India, SBS Solutions India Private Limited)
■ Greenhouse gas emissions related to the supply chain (calculated per million euros)	**Sopra Steria Group**

5. 2021 Consolidated Financial Statements

Consolidated statement of net income

(in millions of euros)	Notes	Financial year 2021	Financial year 2020
Revenue	*4.1*	**4,682.8**	**4,262.9**
Staff costs	*5.1*	-2,911.7	-2,677.7
External expenses and purchases	*4.2.1*	-1,181.3	-1,062.0
Taxes and duties		-40.3	-38.8
Depreciation, amortisation, provisions and impairment		-172.5	-189.0
Other current operating income and expenses	*4.2.2*	2.2	4.8
Operating profit on business activity		**379.2**	**300.2**
as % of revenue		*8.1%*	*7.0%*
Expenses related to stock options and related items	*5.4*	-6.7	-4.2
Amortisation of allocated intangible assets	*8.2*	-33.2	-34.8
Profit from recurring operations		**339.3**	**261.2**
as % of revenue		*7.2%*	*6.1%*
Other operating income and expenses	*4.2.3*	-35.8	-58.9
Operating profit		**303.4**	**202.3**
as % of revenue		*6.5%*	*4.7%*
Cost of net financial debt	*12.1.1*	-8.7	-9.9
Other financial income and expenses	*12.1.2*	-9.5	-15.4
Tax expense	*6.1*	-93.5	-60.4
Net profit from associates	*10.1*	1.8	2.3
Net profit from continuing operations		**193.5**	**118.9**
Net profit from discontinued operations		-	-
Consolidated net profit		**193.5**	**118.9**
as % of revenue		*4.1%*	*2.8%*
Non-controlling interests	*14.1.5*	5.9	12.2
NET PROFIT ATTRIBUTABLE TO THE GROUP		**187.7**	**106.8**
as % of revenue		*4.0%*	*2.5%*
EARNINGS PER SHARE *(IN EUROS)*	*Notes*		
Basic earnings per share	*14.2*	9.27	5.27
Diluted earnings per share	*14.2*	9.19	5.25

Consolidated statement of comprehensive income

(in millions of euros)	Notes	Financial year 2021	Financial year 2020
Consolidated net profit		**193.5**	**118.9**
Other comprehensive income:			
Actuarial gains and losses on pension plans	*5.3.1*	87.7	-58.3
Tax impact		-2.2	18.0
Related to associates	*10.2*	0.2	-0.1
Change in fair value of financial assets (non-consolidated securities)		3.7	-0.6
Subtotal of items recognised in equity and not reclassifiable to profit or loss		**89.5**	**-41.1**
Translation differences	*14.1.4*	51.2	-57.9
Change in net investment hedges		-18.6	14.8
Tax impact on net investment hedges		5.8	-4.9
Change in cash flow hedges		6.6	-3.8
Tax impact on cash flow hedges		-1.7	0.9
Related to associates		6.0	-6.6
Subtotal of items recognised in equity and reclassifiable to profit or loss		**49.3**	**-57.6**
Other comprehensive income, total net of tax		**138.8**	**-98.7**
COMPREHENSIVE INCOME		**332.4**	**20.3**
Non-controlling interests	*14.1.5*	12.4	6.6
Attributable to the Group		**320.0**	**13.7**

Consolidated statement of financial position

Assets *(in millions of euros)*	**Notes**	**31/12/2021**	**31/12/2020**
Goodwill	*8.1*	1,984.3	1,843.2
Intangible assets	*8.2*	177.1	232.9
Property, plant and equipment	*8.3*	129.6	132.5
Right-of-use assets	*9.1*	343.1	290.3
Equity-accounted investments	*10.2*	198.1	193.4
Other non-current assets	*7.1*	81.9	74.0
Retirement benefits and similar obligations	*5.3*	20.4	3.1
Deferred tax assets	*6.3*	151.2	156.7
Non-current assets		**3,085.8**	**2,926.1**
Trade receivables and related accounts	*7.2*	1,020.1	954.6
Other current assets	*7.3*	447.9	410.6
Cash and cash equivalents	*12.2*	217.2	245.5
Current assets		**1,685.1**	**1,610.7**
Assets held for sale		-	-
TOTAL ASSETS		**4,771.0**	**4,536.7**

Liabilities and equity *(in millions of euros)*	**Notes**	**31/12/2021**	**31/12/2020**
Share capital		20.5	20.5
Share premium		531.5	531.5
Consolidated reserves and other reserves		1,094.5	845.8
Equity attributable to the Group		**1,646.5**	**1,397.8**
Non-controlling interests		**49.0**	**47.6**
TOTAL EQUITY	**14.1**	**1,695.5**	**1,445.4**
Financial debt – Non-current portion	12.3	448.4	564.5
Lease liabilities – Non-current portion	9.2	289.2	226.2
Deferred tax liabilities	6.3	51.5	43.3
Retirement benefits and similar obligations	5.3	310.1	393.4
Non-current provisions	11.1	62.9	89.4
Other non-current liabilities	7.4	15.8	104.1
Non-current liabilities		**1,178.0**	**1,421.1**
Financial debt – Current portion	12.3	95.8	106.6
Lease liabilities – Current portion	9.2	75.6	91.3
Current provisions	11.1	43.6	26.6
Trade payables and related accounts		328.9	278.6
Other current liabilities	7.5	1,353.6	1,167.1
Current liabilities		**1,897.5**	**1,670.2**
Liabilities held for sale		-	-
TOTAL LIABILITIES		**3,075.5**	**3,091.3**
TOTAL LIABILITIES AND EQUITY		**4,771.0**	**4,536.7**

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 31/12/2019	**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**
Share capital transactions	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	6.9	-	6.9	0.3	7.2
Transactions in treasury shares	-	-	-15.4	-10.1	-	-25.5	-	-25.5
Ordinary dividends	-	-	-	-40.7	-	-40.7	-5.6	-46.3
Changes in scope	-	-	-	-0.7	-	-0.7	-	-0.7
Other movements	-	-	-	-10.2	-1.0	-11.3	-5.6	-16.9
Shareholder transactions	**-**	**-**	**-15.4**	**-54.9**	**-1.0**	**-71.3**	**-10.9**	**-82.3**
Net profit for the period	-	-	-	187.7	-	187.7	5.9	193.5
Other comprehensive income	-	-	-	-	132.3	132.3	6.5	138.8
Comprehensive income for the period	**-**	**-**	**-**	**187.7**	**132.3**	**320.0**	**12.4**	**332.4**
AT 31/12/2021	**20.5**	**531.5**	**-51.6**	**1,209.1**	**-63.0**	**1,646.5**	**49.0**	**1,695.5**

Consolidated cash flow statement

(in millions of euros)	Notes	Financial year 2021	Financial year 2020
Consolidated net profit (including non-controlling interests)		**193.5**	**118.9**
Net increase in depreciation, amortisation and provisions		206.7	236.7
Unrealised gains and losses related to changes in fair value		-4.8	5.6
Expenses and income related to stock options and related items	*5.4*	5.9	4.3
Gains and losses on disposal		-5.7	0.5
Share of net profit/(loss) of equity-accounted companies	*10.1*	-1.8	-2.3
Cost of net financial debt (including cost related to lease liabilities)	*12.1*	15.0	17.5
Tax expense	*6.1*	93.5	60.4
Cash from operations before change in working capital requirement (A)		**502.3**	**441.6**
Tax paid (B)		-77.3	-82.9
Change in operating working capital requirement (C)	*13.2*	38.2	43.0
Net cash from operating activities (D) = (A+B+C)		**463.3**	**401.7**
Purchase of property, plant and equipment and intangible assets	*13.1*	-54.6	-53.6
Proceeds from sale of property, plant and equipment and intangible assets		0.2	0.4
Purchase of non-current financial assets		-3.3	-2.6
Proceeds from sale of non-current financial assets		1.5	0.0
Cash impact of changes in scope		-89.2	-76.1
Dividends received (equity-accounted companies, non-consolidated securities)		2.8	0.0
Proceeds from/(Payments on) loans and advances granted		0.3	0.6
Net interest received		-0.1	-0.0
Net cash from/(used in) investing activities (E)		**-142.4**	**-131.4**
Proceeds from shareholders for capital increases		-0.0	-0.0
Purchase and sale of treasury shares		-16.2	-10.9
Dividends paid to shareholders of the parent company	*14.1.3*	-40.7	-0.0
Dividends paid to the minority interests of consolidated companies		-5.6	-4.3
Proceeds from/(Payments on) borrowings	*13.1*	-139.7	-53.7
Lease payments		-105.8	-109.4
Net interest paid (excluding interest on lease liabilities)		-7.9	-9.4
Additional contributions related to defined-benefit pension plans	*13.1*	-29.8	-25.5
Other cash flows relating to financing activities		-4.1	0.1
Net cash from/(used in) financing activities (F)		**-349.9**	**-213.1**
Impact of changes in foreign exchange rates (G)		0.9	-4.8
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)		**-28.1**	**52.3**
Opening cash position		245.0	192.6
Closing cash position	*12.2*	216.9	245.0

Notes to the consolidated financial statements

The Group's consolidated financial statements for the year ended 31 December 2021 were approved by the Board of Directors at its meeting held on 23 February 2022.

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 2021 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 following new standards and amendments to existing standards adopted by the European Union are required for accounting periods beginning on or after 1 January 2021:

- amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform:* Since the Group no longer has any instruments using these types of rates, it has not identified any impact of this amendment;
- amendment to IFRS 16 *Covid-19-Related Rent Concessions* relating to introducing 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. The Group did not identify any situations in which this amendment would be applicable.

In addition, in financial year 2021 the IFRS Interpretations Committee published the following key final decisions, the application of which is mandatory for reporting periods beginning on or after 1 January 2021:

- accounting for configuration or customisation costs related to setting up an application in a "Software as a Service" (SaaS) arrangement under IAS 38 *Intangible Assets*: This decision has no impact on the Group's financial statements;
- attributing benefit to periods of service as part of a defined-benefit pension plan under IAS 19 *Employee Benefits*: This decision has a non-material impact on the valuation and accounting recognition of Group companies' retirement benefit obligations;
- accounting by the lessee of non-refundable VAT charged on lease payments under IFRS 16 *Leases*: This decision has no impact on the financial statements, since the Group has taken into account the conclusions reached in this decision since the standard's initial application.

1.2.2. Standards and interpretations published by the IASB but not applied early

New standards and amendments to existing standards adopted by the European Union, the application of which is mandatory after 31 December 2021 and which were not applied early by the Group, mainly consist of the amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* on onerous contracts and the costs to be taken into account when recognising a provision for an onerous contract.

1.3. Impact of the Covid-19 crisis on the consolidated financial statements for the period

When the Covid-19 pandemic emerged in the first half of 2020, it caused major operational difficulties in terms of business continuity, organisational adaptation, personal health and safety, and compliance with public health measures. It 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. Details are provided in Chapter 5, Note 1.3, "Impact of the Covid-19 crisis on the consolidated financial statements" of the 2020 Universal Registration Document.

This situation was not repeated and did not continue in 2021.

For reference, the Group recognised the entire impact of operations not running at full capacity due to the crisis within operating profit on business activity in financial year 2020. 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 the Group implemented 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), in addition to the measures that had already been decided prior to the crisis.

The consequences of the crisis also led to the recognition of impairment losses. The impact of these asset impairment charges was recognised within *Other operating income and expenses*, part of *Operating profit* (see Note 4.2), 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 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).

1.4. Impact of environmental risks on the consolidated financial statements

The Group deems that, at this point in time, climate change does not have an impact on its financial statements, particularly in light of the nature of its business activities. In addition, its transition towards meeting the target of net-zero emissions by 2028 did not have a material impact on its accounts in 2021.

1.5. 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 (see Note 8.1);
- measurement of the recoverable amount of investments in associates 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 measurement of right-of-use assets and lease liabilities (see Note 9);
- measurement of deferred tax assets (Note 6.3);
- amounts payable to non-controlling interests (see Note 7.4);
- provisions for contingencies (see Note 11.1).

1.6. Format of the financial statements and foreign currency translation

1.6.1. 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.

1.6.2. 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 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 2021	Financial year 2020	31/12/2021	31/12/2020
Norwegian krone	10.1633	10.7228	9.9888	10.4703
Swedish krona	10.1465	10.4848	10.2503	10.0343
Tunisian dinar	3.2895	3.2015	3.2666	3.2898
Moroccan dirham	10.6330	10.8224	10.5238	10.8947
US dollar	1.1827	1.1422	1.1326	1.2271
Singapore dollar	1.5891	1.5742	1.5279	1.6218
Swiss franc	1.0811	1.0705	1.0331	1.0802
Pound sterling	0.8596	0.8897	0.8403	0.8990
Brazilian real	6.3779	5.8943	6.3101	6.3735
Indian rupee	87.4392	84.6392	84.2292	89.6605
Polish zloty	4.5652	4.4430	4.5969	4.5597

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

The Lebanese economy is 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

In 2021, the Group made the following acquisitions:

- **Labs** – On 30 September 2021, the Group wholly acquired Labs, a Norway-based consultancy specialising in the digital user experience. The assets acquired and liabilities assumed are estimated to total €0.1 million, and provisional goodwill €5.0 million. It is part of the "Scandinavia" cash-generating unit;
- **EGGS Design** – On 2 December 2021, the Group wholly acquired EGGS Design, a Norway- and Denmark-based consultancy specialising in digital service design. The assets acquired and liabilities assumed are estimated to total -€0.2 million, and provisional goodwill €16.0 million. It is part of the "Scandinavia" cash-generating unit;

- **EVA Group** – On 21 December 2021, the Group wholly acquired EVA Group, a French cybersecurity firm. This company and its subsidiaries are part of the "France" cash-generating unit.

The inventory of assets acquired and liabilities assumed is in progress.

The allocation of goodwill is provisional and breaks down as follows:

(in millions of euros)	**EVA Group**
Total assets acquired	19.0
Total liabilities assumed	-24.3
Total net assets acquired/(net liabilities assumed)	**-5.2**
Minority interests	-
Purchase price	**65.7**
GOODWILL	**70.9**

- **Other acquisitions** – On 1 October 2021, Sopra Banking Software wholly acquired Luminosity Ltd in Ireland. The assets acquired and liabilities assumed, and the resulting goodwill, are not material.

In 2020, the Group made the following acquisitions:

- **Sodifrance** – On 16 September 2020, Sopra Steria Group acquired a controlling interest representing 94.03% of the share capital of Sodifrance, in which it raised its interest to 100% through a delisting offer. Sodifrance, a French digital services company with substantial expertise in the insurance and social security sector, has given Sopra Steria a leadership position in France in these areas.

  Sodifrance and its subsidiaries have been consolidated in Sopra Steria's financial statements since that date.

  Based on 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 allocation of goodwill is final and unchanged from the allocation presented at 31 December 2020.

- **Fidor Solutions** – On 31 December 2020, the Group acquired, via its Sopra Banking Software subsidiary, full ownership of Fidor Solutions' share capital. Fidor Solutions develops products and digital services that meet front- and middle-office needs for digital banking. This acquisition enables the Group to 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) corresponded to the price paid; as such, the acquisition did not generate any goodwill. At 31 December 2021, this allocation was final.

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

During the first half of 2021, the Group acquired the shares held by minority shareholders in Tecfit (the holding company of Galitt), with these shareholders exercising their put option for a value of €6.3 million.

There were no other material changes in the scope of consolidation during the financial year.

No other material changes in scope took place in 2020.

NOTE 3 SEGMENT INFORMATION

3.1. Results by reporting unit

a. France

(in millions of euros)	Financial year 2021		Financial year 2020	
Revenue	1,824.9		1,655.6	
Operating profit on business activity	156.3	8.6%	111.9	6.8%
Profit from recurring operations	152.9	8.4%	104.8	6.3%
Operating profit	137.8	7.6%	84.9	5.1%

b. United Kingdom

(in millions of euros)	Financial year 2021		Financial year 2020	
Revenue	823.1		699.8	
Operating profit on business activity	75.1	9.1%	56.0	8.0%
Profit from recurring operations	63.1	7.7%	44.1	6.3%
Operating profit	67.2	8.2%	27.7	4.0%

c. Other Europe

(in millions of euros)	Financial year 2021		Financial year 2020	
Revenue	1,343.2		1,249.0	
Operating profit on business activity	104.1	7.8%	101.0	8.1%
Profit from recurring operations	95.5	7.1%	96.5	7.7%
Operating profit	76.4	5.7%	82.4	6.6%

d. Sopra Banking Software

(in millions of euros)	Financial year 2021		Financial year 2020	
Revenue	434.1		421.6	
Operating profit on business activity	17.5	4.0%	10.5	2.5%
Profit from recurring operations	2.8	0.7%	-4.1	-1.0%
Operating profit	-2.1	-0.5%	-10.6	-2.5%

e. Other Solutions

(in millions of euros)	Financial year 2021		Financial year 2020	
Revenue	257.5		236.9	
Operating profit on business activity	26.1	10.1%	20.8	8.8%
Profit from recurring operations	24.9	9.7%	19.9	8.4%
Operating profit	24.1	9.4%	17.9	7.5%

f. Group

(in millions of euros)	Financial year 2021		Financial year 2020	
Revenue	4,682.8		4,262.9	
Operating profit on business activity	379.2	8.1%	300.2	7.0%
Profit from recurring operations	339.3	7.2%	261.2	6.1%
Operating profit	303.4	6.5%	202.3	4.7%

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 2020	2,033.7	2,229.2	4,262.9
Financial year 2021	**2,207.2**	**2,475.5**	**4,682.8**

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	900.7	721.4	360.1	2.1	1,984.3
Intangible assets	77.9	51.8	47.3	0.1	177.1
Property, plant and equipment	64.5	17.7	34.9	12.6	129.6

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 2021		Financial year 2020	
France	1,824.9	39.0%	1,655.6	38.8%
United Kingdom	823.1	17.6%	699.8	16.4%
Other Europe	1,343.2	28.7%	1,249.0	29.3%
Sopra Banking Software	434.1	9.3%	421.6	9.9%
Other Solutions	257.5	5.5%	236.9	5.6%
TOTAL REVENUE	**4,682.8**	**100.0%**	**4,262.9**	**100.0%**

Revenue mainly comprises revenue from services recognised on a percentage-of-completion basis, around 98.6% 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 2021 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 €936.2 million at 31 December 2021. 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. Implementation, 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 2021		Financial year 2020	
Project subcontracting purchases	-712.9	60.3%	-630.3	59.3%
Purchases held in inventory of equipment and supplies	-17.3	1.5%	-17.1	1.6%
Goods purchases and changes in inventory	-88.1	7.5%	-79.0	7.4%
Leases	-50.6	4.3%	-40.5	3.8%
Maintenance and repairs	-86.6	7.3%	-77.6	7.3%
Subcontracting	-12.5	1.1%	-12.9	1.2%
Remuneration of intermediaries and fees	-64.6	5.5%	-73.5	6.9%
Advertising and public relations	-16.4	1.4%	-13.1	1.2%
Travel and entertainment	-40.5	3.4%	-55.6	5.2%
Telecommunications	-30.0	2.5%	-26.0	2.4%
Other expenses	-61.9	5.2%	-36.5	3.4%
TOTAL	**-1,181.3**	**100%**	**-1,062.0**	**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 €2.2 million (income of €4.8 million in 2020) mainly comprised net foreign exchange gains of €4.7 million (€3.3 million in 2020), 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 2021	Financial year 2020
Expenses arising from business combinations (fees, commissions, etc.)	-0.6	-3.1
Net restructuring and reorganisation costs	-35.5	-44.6
▪ Integration and reorganisation of activities	-0.7	-6.6
▪ Separation costs	-34.8	-38.0
Asset impairment	-12.0	-3.6
Other operating expenses	-1.9	-7.5
Total other operating expenses	**-49.9**	**-58.9**
Other operating income	14.1	-
Total other operating income	**14.1**	**-**
TOTAL	**-35.8**	**-58.9**

In 2021, *Other operating expenses* mainly consisted of resource adaptation expenses in France, Germany, the United Kingdom and at Sopra Banking Software (€15.8 million, €5.8 million, €4.1 million and €8.1 million, respectively). They also include a €5.7 million impairment loss on a data centre resulting from a business combination and €6.3 million of goodwill impairment on a German cash-generating unit included in the Other Europe grouping. *Other operating expenses* do not include any costs relating to the Covid-19 pandemic.

Other operating income consisted of €6.2 million in reversals for provisions for tax risks other than income tax and €8.2 million in income from the liquidation of companies in the United Kingdom.

In 2020, *Other operating income and expenses* consisted of: (i) the expenses and income usually recognised within this line item and comparable to those recorded in 2021; and (ii) costs related to the Covid-19 pandemic for €15.6 million.

The amount of item (i) primarily comprised €37.1 million in business reorganisation and restructuring costs, mainly incurred in the United Kingdom, France and Germany (€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 the cost of reorganising premises and activities. It also included the negative €5.3 million impact of the 21 October 2020 cyberattack, and the positive €4.7 million impact of a reversal of a provision for tax risks other than income tax.

It was supplemented by certain costs generated by the coronavirus crisis. The Group decided to implement certain restructuring measures for €4.3 million, mainly in India, Sweden and Spain. 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 staff concerned it implemented upskilling plans to eventually reassign them to positions outside the scope of their initial training and less affected by the crisis. The cost of these initiatives came to €3.3 million, mainly incurred in France.

The additional logistics and payroll costs described in Note 1.3 arising from the pandemic came to €3.2 million and €2.4 million, respectively. These are included in *Other operating expenses*.

Finally, asset impairment charges totalled €3.6 million, including €2.5 million due to the pandemic (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 2021	Financial year 2020
Wages and salaries	-2,190.2	-2,027.1
Social security contributions	-686.9	-636.6
Net expense for post-employment and similar benefit obligations	-34.5	-14.0
TOTAL	**-2,911.7**	**-2,677.7**

In 2020, 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 from *Staff costs* and came to €10.8 million. In addition, the Group's management decided to supplement the payments made by certain governments as part of furlough schemes in order to maintain the level of pay received by the employees concerned. The cost of this decision amounted to €4.6 million.

The Group did not make use of any furlough schemes in 2021.

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 2021	Financial year 2020
France	19,842	19,759
International	27,595	26,201
TOTAL	**47,437**	**45,960**

Average workforce	Financial year 2021	Financial year 2020
France	19,737	19,549
International	26,595	26,667
TOTAL	**46,332**	**46,216**

5.3. Retirement benefits and similar obligations

Retirement benefits and similar obligations break down as follows:

(in millions of euros)	31/12/2021	31/12/2020
Post-employment benefit assets	-20.4	-3.1
Post-employment benefit liabilities	298.5	383.2
Net post-employment benefits	**278.1**	**380.1**
Other long-term employee benefits	11.6	10.2
TOTAL	**289.7**	**390.4**

5.3.1. Post-employment benefits

Post-employment benefits mainly concern the Group's obligations towards its employees to provide retirement bonuses in France (54.7% of the Group's total obligations) and defined-benefit pension plans in the United Kingdom (23.4% of the Group's total obligations) and Germany (20.6%). 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 2021 they totalled €278.1 million (€380.1 million at 31 December 2020).

In the United Kingdom, the Group has three post-employment defined-benefit plans, one of which is divided into three sections as a result of three prior plans being merged into one in 2020. One plan and two sections are closed to all new employees and the vesting of future benefits has ceased. The obligations under each plan and each section are asset-funded. 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. The most recent assessment was completed in 2020. The creation of a single plan through the merger of three prior plans simplified the administration of these post-employment benefit plans. However, this merger made it necessary to carry out a new assessment within 12 months, which was scheduled for 31 December 2020. This assessment made it possible to establish an agreement on the level of contributions to be paid. Discussions with trustees are still ongoing. They should be finalised 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 4.4%, 51.2% and 44.4%, respectively, of total obligations.

Projected benefit outflows by the funds, which had a total of €1,969.8 million in assets at 31 December 2021, are as follows, in millions of pounds sterling, over the next ten years:

- less than two years: £94.4 million;
- two to five years: £155.8 million;
- five to ten years: £294.5 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 €1,904.6 million at 31 December 2021.

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 2021, over 12 months, contributions paid totalled €27.4 million, including €23.7 million to fund the deficit (€29.7 million including other related disbursements). Following the merging of the plans, the amount of contributions to be paid in 2022 to fund the deficit is still being determined with the corporate trustees and will need to be finalised before end-March 2022.

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 (€49.0 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 2021

(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	1.81%	0.88% to 1.19%	0.68% to 0.98%	0.57% to 10.00%	
Inflation rate	2.52%	N/A	N/A	N/A	
Rate of salary increase	3.32%	2.00% to 2.50%	2.00% to 2.50%	3.00% to 10.00%	
Retirement age	65	65	60 to 65	Variable	
Amounts recognised in the balance sheet					
Present value of the obligation at 31/12/2021	1,969.8	153.6	60.6	11.2	2,195.2
Fair value of plan assets at 31/12/2021	1,904.6	1.4	3.2	7.8	1,917.1
Net liabilities on the balance sheet at 31/12/2021	**65.1**	**152.2**	**57.4**	**3.3**	**278.1**
Net liability cost components					
Current service cost	4.8	11.6	0.5	0.2	17.1
Past service cost	-	-	-	-	-
Losses/(gains) on plan settlements	-	-	-	-	-
Interest on obligation	26.8	0.7	0.2	-	27.8
Interest on plan assets	-24.8	-	-0.1	-	-24.9
Total expenses recognised in the income statement	**6.8**	**12.2**	**0.6**	**0.3**	**19.9**
Effect of net liability remeasurements	-62.8	-17.6	-6.4	-0.8	-87.7
■ Return on plan assets (excluding amounts included in interest income)	-91.8	-	-	-0.3	-92.1
■ Experience adjustments	28.9	-2.8	-0.3	-0.1	25.7
■ Impact of changes in demographic assumptions	10.6	-4.1	-	-	6.5
■ Impact of changes in financial assumptions	-10.5	-10.7	-6.1	-0.5	-27.8
Total expenses recognised directly in equity	**-62.8**	**-17.6**	**-6.4**	**-0.8**	**-87.7**
Changes in net liabilities					
Net liability at 1 January 2021	**147.5**	**163.1**	**65.3**	**4.3**	**380.1**
Changes in scope	-	0.6	-	-	0.6
Net expense recognised in the income statement	6.8	12.2	0.6	0.3	19.9
Net expense recognised in equity	-62.8	-17.6	-6.4	-0.8	-87.7
Contributions	-34.5	-	-	-	-34.5
■ Employer contributions	-34.5	-	-	-	-34.5
■ Employee contributions	-	-	-	-	-
Benefits provided	-	-4.7	-2.1	-0.4	-7.3
Exchange differences	8.2	-	-	-	8.2
Other movements	-	-1.3	-	-	-1.3
NET LIABILITY AT 31 DECEMBER 2021	**65.1**	**152.2**	**57.4**	**3.3**	**278.1**

For reference, net liabilities arising from the main post-employment benefit plans changed as follows 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%	N/A	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	Variable	
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	-	-	-	-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	-	-	-0.2	-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	-	-	-	-7.5
Other movements	-	-	-	-	-
NET LIABILITY AT 31 DECEMBER 2020	**147.5**	**163.1**	**65.3**	**4.3**	**380.1**

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. Changes in these assets and liabilities broke down as follows:

(in millions of euros)	31/12/2021	31/12/2020
Present value of the obligation at the beginning of the period	**1,851.3**	**1,779.2**
Changes in scope	-	-
Translation adjustments	129.2	-97.2
Current service cost	4.8	4.2
Past service cost	-	-
Interest	26.8	34.6
Employee contributions	-	-
Effect of obligation remeasurements	21.4	203.0
▪ Experience adjustments	28.9	-5.1
▪ Impact of changes in demographic assumptions	10.6	-2.9
▪ Impact of changes in financial assumptions	-18.1	211.0
Plan amendments	-	-
Transfers	-	-
Benefits provided	-63.8	-72.4
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**1,969.8**	**1,851.3**
Fair value of plan assets at the beginning of the period	**1,703.9**	**1,643.5**
Changes in scope	-	-
Translation adjustments	121.0	-89.7
Interest	24.8	32.2
Effects of plan asset remeasurements	84.2	160.9
▪ Return on plan assets (excluding amounts included in interest income)	91.8	168.3
▪ Impact of changes in financial assumptions	-7.6	-7.4
Employer contributions	34.5	29.5
Employee contributions	-	-
Transfers	-	-
Benefits provided	-63.8	-72.4
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**1,904.6**	**1,703.9**

The decrease in net liabilities was mainly the result of the increase in the discount rate and the improvement in the return on plan assets, which offset the adverse effect of higher inflation.

UK pension fund assets fall into four investment categories:

(in millions of euros)	31/12/2021	31/12/2020
Shares	285.0	319.8
Bonds/Private placements	1,068.0	1,043.8
Infrastructure and property assets	268.4	241.4
Other assets	283.2	98.9
TOTAL	**1,904.6**	**1,703.9**

Other assets mainly comprised cash and cash equivalents at 31 December 2021.

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 €89.1 million. A 0.25-point increase in the discount rate would reduce the benefit obligation by €84.0 million. A 10% reduction in the value of the assets would reduce their amount by €190.5 million, whereas a 10% increase would increase their amount by €190.5 million. These sensitivity estimates are made on the basis of all other things being equal.

At 31 December 2021, two plans were in a net asset position, totalling €20.4 million. These assets are deemed recoverable through a future decrease in contributions.

c. Change in pension assets and liabilities in France

In terms of sensitivity, a 0.50-point increase or decrease in the discount rate would decrease the benefit obligation by €9.2 million or increase it by €10.1 million, respectively.

The retirement bonus obligation in France breaks down as follows by maturity:

(in millions of euros)	**31/12/2021**	**31/12/2020**
Present value of theoretical benefits payable by the employer in :		
■ Less than 1 year	4.4	4.3
■ 1 to 5 years	19.7	18.2
■ 5 to 10 years	39.6	41.6
■ 10 to 20 years	63.9	69.2
■ More than 20 years	26.0	31.6
TOTAL OBLIGATION	**153.6**	**164.9**

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 2021, for €6.0 million (€4.3 million at 31/12/2020).

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 performance share and employee share ownership plans, which amounted to €6.7 million (€4.2 million in 2020), is charged to *Profit from recurring operations*.

In 2021, as in 2020, it mainly consisted of a charge corresponding to benefits granted to employees in respect of free performance share plans.

5.4.1. Free performance share plans

Expenses related to free share plans totalled €4.7 million (compared with €2.2 million in financial year 2020).

Information on the rules of the main free share plans is set out below:

	February 2018 plan	May 2021 plan
Date set up by General Management and/or the Board of Directors	16 February 2018	26 May 2021
Number of shares that may be granted	128,000	219,200
Performance measurement period	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2023
Vesting period	16 February 2018 to 31 March 2021 inclusive	26 May 2021 to 30 June 2024 inclusive
Mandatory holding period following the grant of shares	None	None
Performance conditions stipulated in the plan	1) Consolidated revenue growth in financial years 2018, 2019 and 2020	1) Consolidated revenue growth in financial years 2021, 2022 and 2023
	2) Level of consolidated operating profit on business activity in financial years 2018, 2019 and 2020	2) Level of consolidated operating profit on business activity in financial years 2021, 2022 and 2023
	3) Level of consolidated free cash flow in financial years 2018, 2019 and 2020	3) Level of consolidated free cash flow in financial years 2021, 2022 and 2023
Additional grant condition		Proportion of women in senior management positions at the Group at 30 June 2023
Number of potential shares that could have been granted as at 1 January 2021	**67,680**	**219,200**
Number of shares granted in 2021	67,680	-
Number of shares cancelled in 2021	0	32,880
Number of shares vested at 31 December 2021	67,680	-
Number of potential shares that could have been granted as at 31 December 2021	**-**	**186,320**
Share price	153.80	149.50
Risk-free rate	-	-

	February 2018 plan	May 2021 plan
Dividends	2.2%	2.3%
Volatility	N/A	N/A
(EXPENSE)/INCOME RECOGNISED IN THE INCOME STATEMENT FOR THE FINANCIAL YEAR IN MILLIONS OF EUROS	**0.7**	**4.0**

At the Combined General Meeting of 26 May 2021, an overall limit of 10% of the number of shares making up Sopra Steria Group's share capital at the time of the buyback (i.e. 2,054,770 shares on the basis of the share capital at 31 December 2021) was set, in particular to be used in connection with all employee and company officer shareholding programmes (share purchase options, free shares and any forms of share allotment to employees or company officers, such as a 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 2021, 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 €1.2 million.

5.5. Compensation of senior management (related parties)

(in millions of euros)	31/12/2021	31/12/2020
Short-term employee benefits	2.5	3.2
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
Equity compensation benefits	0.2	0.2
TOTAL	**2.7**	**3.5**

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 2021	Financial year 2020
Current tax	-80.8	-57.9
Deferred tax	-12.7	-2.5
TOTAL	**-93.5**	**-60.4**

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 2021	Financial year 2020
Net profit	**193.5**	**118.9**
Adjustment for:		
▪ Net profit from associates	1.8	2.3
▪ Tax expense	-93.5	-60.4
Profit before tax	**285.2**	**177.1**
Statutory tax rate	**28.41%**	**32.02%**
Statutory tax expense	**-81.0**	**-56.7**
Permanent differences	0.5	-7.2
Change in uncapitalised loss carryforwards	-6.8	-5.1
Impact of tax credits	7.0	10.0
Tax rate differences	-2.9	10.1
Prior-year tax adjustments	1.1	-1.1
CVAE (net of tax)	-9.7	-15.7
Other tax	-1.7	5.4
ACTUAL TAX EXPENSE	**-93.5**	**-60.4**
Effective tax rate	*32.77%*	*34.09%*

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 27.5% corporate tax rate plus the 0.91% *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 2021, as in 2020, *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)	31/12/2020	Change through profit or loss	Change through OCI	Scope effect	Currency translation effect	Other	31/12/2021
Deferred tax arising from:							
Intangible assets	-21.1	3.7	-	0.9	-0.6	-	-17.1
Property, plant and equipment	3.6	-0.8	-	-	0.2	-	3.0
Non-current financial assets	1.1	-1.5	-	0.2	-	-	-0.2
Inventories, services in progress and outstanding invoices	-3.6	0.7	-	-	-	-	-2.9
Other current assets	-4.1	1.4	-	-	0.1	-	-2.5
Derivatives	0.8	0.1	-1.6	-	-	-	-0.7
▪ With impact on the income statement	0.4	0.1	-	-	-	-	0.4
▪ With impact on OCI	0.5	-	-1.6	-	-	-	-1.1
Financial debt	-0.4	0.1	-	-	-	-	-0.3
Retirement benefit obligations	86.7	-17.0	-2.2	0.1	1.7	-	69.4
▪ With impact on the income statement	7.3	-17.0	0.1	0.1	-2.6	-	-12.1
▪ With impact on OCI	79.4	-	-2.3	-	4.4	-	81.5
Provisions	2.7	1.1	-	-0.1	0.1	-	3.8
Assets and liabilities related to leased assets	4.2	1.9	-0.1	-	-	-	6.0
Other current liabilities	-4.9	2.5	-	-	0.1	-	-2.4
Tax loss carryforwards	48.3	-4.9	-	0.1	0.1	-	43.6
Net deferred tax asset/(liability)	**113.4**	**-12.6**	**-3.9**	**1.2**	**1.7**	**-**	**99.7**
Deferred tax included in assets held for sale	-	-	-	-	-	-	-
NET DEFERRED TAX ASSET/(LIABILITY) REPORTED IN THE BALANCE SHEET	**113.4**	**-12.6**	**-3.9**	**1.2**	**1.7**	**-**	**99.7**
Of which:							
Deferred tax recognised in profit or loss	33.5	-12.6	-	1.2	-2.7	-	19.3
Deferred tax recognised in equity (OCI)	79.9	-	-3.9	-	4.4	-	80.4
▪ Reclassifiable to profit or loss	0.5	-	-1.6	-	-	-	-1.1
▪ Not reclassifiable to profit or loss (retirement benefit obligations)	79.4	-	-2.3	-	4.4	-	81.5

6.3.2. Deferred tax assets not recognised by the Group

(in millions of euros)	31/12/2021	31/12/2020
Tax losses carried forward	42.2	41.3
Temporary differences	-	-
TOTAL	**42.2**	**41.3**

6.3.3. Change in tax loss carryforwards

(in millions of euros)	France	Scandinavia	Singapore	Morocco	Other countries	Total
31 December 2020	**270.8**	**37.2**	**7.4**	**8.4**	**37.1**	**360.9**
Changes in scope	0.2	-	-	-	-2.9	-2.7
Created	58.3	1.9	10.7	5.1	16.3	92.4
Used	-79.4	-2.2	-	-	-2.2	-83.8
Expired	-	-0.1	-	-	-3.5	-3.6
Translation adjustments	-	-0.5	0.9	0.4	1.5	2.2
Other movements	-19.0	-	-	-	1.3	-17.6
31 DECEMBER 2021	**231.0**	**36.3**	**19.1**	**13.9**	**47.5**	**347.8**
Deferred tax basis – Activated	146.3	-	-	13.3	8.3	168.0
Deferred tax basis – Non-activated	84.7	36.3	19.1	0.5	39.2	179.8
Deferred tax – Activated	37.8	-	-	4.0	1.8	43.6
Deferred tax – Non-activated	21.8	7.7	3.2	0.1	9.3	42.2

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, Germany, the United Kingdom 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)	31/12/2021	31/12/2020
Non-consolidated securities	25.2	19.4
Other loans and receivables	53.9	54.2
Derivatives	2.9	0.3
TOTAL	**81.9**	**74.0**

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 of its financial assets upon their initial recognition, and performs a reassessment at each interim and 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 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	-	-4.0
Revaluation	-0.6	-	-0.6
Translation adjustments and other movements	-	-	-
31 December 2020	**22.0**	**2.6**	**19.4**
Changes in scope	-4.8	-	-4.8
Increases	8.8	1.6	7.1
Decreases	-0.5	-0.3	-0.3
Revaluation	3.7	-	3.7
Translation adjustments and other movements	0.1	-	0.1
31 DECEMBER 2021	**29.2**	**4.0**	**25.2**

The most significant component of non-consolidated securities is the shares in CS Communication & Systèmes (€12.9 million at 31 December 2021, compared to €9.7 million at 31 December 2020).

7.1.2. Other loans and receivables

(in millions of euros)	31/12/2021	31/12/2020
Loans	0.1	0.1
R&D tax credit receivables	-	12.4
Other non-current receivables	37.6	24.0
Deposits and other non-current financial assets	19.6	21.0
Provisions for loans, deposits and other non-current financial assets	-3.4	-3.2
TOTAL	**53.9**	**54.2**

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 €32.7 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)	31/12/2021	31/12/2020
Trade receivables – Gross value	667.7	629.8
Impairment of trade receivables	-17.4	-22.2
Trade receivables – Net value	**650.3**	**607.6**
Customer contract assets	369.8	346.9
TOTAL	**1,020.1**	**954.6**

Net trade receivables, expressed in months of revenue, came to less than 2 months of revenue at 31 December 2021, a slight improvement with respect to 31 December 2020. 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 2021

			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	**667.7**	**530.6**	**87.2**	**19.7**	**5.3**	**24.9**

7.2.2. Changes in provisions for trade receivables

(in millions of euros)	31/12/2021	31/12/2020
Impairment of trade receivables at beginning of period	**22.2**	**21.1**
Changes in scope	-	0.6
Additions net of reversals	-4.4	0.3
Other movements	-0.6	0.3
Translation adjustments	0.2	-0.1
IMPAIRMENT OF TRADE RECEIVABLES AT END OF PERIOD	**17.4**	**22.2**

7.3. Other current assets

(in millions of euros)	31/12/2021	31/12/2020
Inventories and work in progress	44.7	43.8
Advances and payments on account	1.5	3.2
Staff and social security	5.2	5.6
Tax receivables (other than corporate income tax)	185.4	161.1
Corporate income tax	104.2	85.5
Loans, guarantees and other financial receivables maturing in less than one year	1.5	3.4
Other receivables	32.5	44.9
Impairment of other receivables	-1.1	-1.0
Prepaid expenses	68.5	62.8
Derivatives	5.4	1.2
TOTAL	**447.9**	**410.6**

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)	31/12/2021	31/12/2020
Put options granted	-	84.3
Other liabilities – Non-current portion	15.2	17.3
Derivatives	0.6	2.4
TOTAL	**15.8**	**104.1**

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, is now recognised within *Other current liabilities.* It amounted to €84.3 million at 31 December 2020.

In 2021, *Other non-current liabilities* included funding requirements for the Group's investments in corporate venture funds, for €9.8 million (€11.3 million at 31 December 2020).

At 31 December 2021, *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)	31/12/2021	31/12/2020
Liabilities on fixed assets – Portion due in less than one year	5.2	18.1
Advances and payments on account received for orders	27.9	22.3
Dividends payable	0.2	-
Employee-related liabilities	451.7	445.4
Tax liabilities	228.3	223.7
Corporate income tax	117.4	102.2
Customer contract liabilities	390.5	328.2
Other liabilities	131.4	23.4
Derivatives	0.9	3.8
TOTAL	**1,353.6**	**1,167.1**

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 2020 were converted into revenue during financial year 2021.

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 €9.8 million (€3.5 million at 31 December 2020). They also include the liability related to the put option granted by the Group to the Cabinet Office for the shares it holds in the SSCL joint venture, previously recognised within *Other non-current liabilities* (see Note 7.4), which totalled €107.8 million at 31 December 2021. In addition, in the first half of 2021, the minority shareholders in Tecfit (the holding company of Galitt) exercised their put option, and the Group paid €6.3 million to acquire their stakes.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

8.1. Goodwill

8.1.1. Statement of changes in goodwill

Movements in financial year 2021 were as follows:

(in millions of euros)	Gross value	Impairment	Carrying amount
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	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**
Acquisitions			
■ EVA Group	70.9	-	70.9
■ EGGS	16.0	-	16.0
■ Labs	5.0	-	5.0
■ Luminosity Ltd	2.1	-	2.1
Adjustments for business combinations	-	-	-
Removal from the scope of consolidation	-	-	-
Impairment	-	6.3	-6.3
Translation adjustments	55.3	1.9	53.4
31 DECEMBER 2021	**2,071.4**	**87.1**	**1,984.3**

The €53.4 million change in translation adjustments resulted from changes in the value of the euro against the following currencies:

(in millions of euros)	31/12/2021	31/12/2020
GBP	47.1	-38.2
NOK/SEK	4.5	-4.0
Other currencies	1.8	-0.1
TOTAL	**53.4**	**-42.3**

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)	31/12/2021	31/12/2020
France	629.6	558.7
United Kingdom	611.3	571.3
Other Europe [1]	351.8	330.9
Sopra Banking Software	375.5	366.1
Sopra HR Software	16.2	16.2
TOTAL	**1,984.3**	**1,843.2**

(1) "Other Europe" comprises the following CGUs, which are tested separately: Germany, Scandinavia, Spain, Italy, Switzerland, Belgium, Luxembourg 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 performed impairment tests at 31 December 2021 in line with standard practice. It began by reviewing its discount rate and perpetual growth rate parameters with respect to 31 December of the previous year. It did not include an additional risk premium related to Covid-19.

The tests were performed using the following parameters:

	Discount rate		Perpetual growth rate	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
France	7.7%	8.2%	2.0%	2.0%
United Kingdom	8.5%	8.4%	2.0%	2.0%
Other Europe	7.5% to 9.0%	8.2% to 9.0%	2.0%	2.0%
Sopra Banking Software	7.7%	8.2%	2.0%	2.0%
Sopra HR Software	7.7%	8.2%	2.0%	2.0%

The Group then applied these parameters to its cash flow projections. These tests did not result in any impairment losses being recognised other than against one CGU in Germany where goodwill of €6.3 million was reduced to zero.

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. Having applied reasonably likely assumptions as to a decrease in the operating margin, all other things being equal, the Group did not identify any potential impairment losses.

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.

These additional tests did not give rise to any impairment losses.

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	31/12/2021	31/12/2020
Enterprise software/Technology	91.7	62.0	29.7	42.4
Customer relationships	223.7	136.7	87.0	103.2
Favourable contracts	0.9	0.9	-	0.1
Brands	19.2	4.1	15.1	15.9
Software acquired and other intangible assets	328.7	283.4	45.3	71.4
TOTAL	**664.2**	**487.1**	**177.1**	**232.9**

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 and impairment	Carrying amount
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
Net increase in amortisation and impairment	-	67.1	-67.1
31 December 2020	**661.7**	**428.8**	**232.9**
Changes in scope	0.2	0.1	0.1
Allocated intangible assets	-	-	-
Acquisitions	5.1	-	5.1
Disposals – Scrapping	-50.5	-49.4	-1.0
Other movements	30.9	30.1	0.9
Translation adjustments	16.7	11.9	4.8
Net increase in amortisation and impairment	-	65.7	-65.7
31 DECEMBER 2021	**664.2**	**487.1**	**177.1**

No allocated intangible assets have been recognised at this stage in respect of new acquisitions during financial year 2021, described in Note 2.1.

In 2020, the acquisition of Sodifrance led to the recognition of €18.0 million in customer relationships.

Other movements mainly arose from an intangible asset, acquired as part of a business combination completed in 2020, being broken down into its gross value and amortisation.

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 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**
Changes in scope	-	0.6	0.3	0.9
Acquisitions	0.5	22.9	19.2	42.7
Disposals – Scrapping	-0.8	-9.7	-4.4	-14.9
Other movements	1.4	-2.0	3.2	2.6
Translation adjustments	1.4	2.3	4.4	8.1
31 DECEMBER 2021	**48.1**	**267.2**	**178.0**	**493.4**
Depreciation				
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**
Changes in scope	-	0.1	0.2	0.3
Charges	2.3	28.1	16.1	46.5
Disposals – Scrapping	-0.7	-9.0	-4.4	-14.1
Other movements	-	0.8	2.4	3.2
Translation adjustments	0.8	1.7	3.7	6.2
31 DECEMBER 2021	**29.4**	**188.0**	**146.3**	**363.8**
Net value				
31 December 2020	**18.7**	**86.8**	**26.9**	**132.5**
31 DECEMBER 2021	**18.7**	**79.2**	**31.7**	**129.6**

The Group's investments in property, plant and equipment (€42.7 million) mainly consisted of €22.5 million for fixtures and fittings and office equipment in France and abroad and €19.2 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 2019	**609.1**	**34.6**	**41.8**	**4.0**	**689.4**
Changes in scope	15.2	0.6	-	-	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**
Changes in scope	0.5	0.1	-	-	0.6
Acquisitions	133.6	8.5	1.3	0.7	144.0
Disposals – Scrapping	-99.7	-8.9	-7.9	-0.4	-117.0
Other movements	0.3	-0.3	-0.0	-0.4	-0.4
Translation adjustments	19.0	-0.4	0.3	0.3	19.1
31 DECEMBER 2021	**665.3**	**36.3**	**28.1**	**4.6**	**734.3**
Depreciation and impairment					
31 December 2019	**325.5**	**19.0**	**21.7**	**2.8**	**369.1**
Changes in scope	8.4	0.3	-	-	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	-	-	0.2
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**
Changes in scope	0.2	-	-	-	0.2
Charges	75.6	9.4	7.2	0.8	93.1
Disposals – Scrapping	-89.1	-8.7	-7.9	-0.4	-106.1
Other movements	0.4	-0.5	-	-0.4	-0.6
Translation adjustments	8.6	-1.9	0.1	0.1	6.9
31 DECEMBER 2021	**346.5**	**21.5**	**20.0**	**3.2**	**391.2**
Net value					
31 December 2020	**260.7**	**14.3**	**13.8**	**1.5**	**290.3**
31 DECEMBER 2021	**318.8**	**14.8**	**8.0**	**1.5**	**343.1**

The Group significantly reorganised its premises in 2021, mainly in France, resulting in an increase in lease right-of-use assets coinciding with the termination of leases of the same type.

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 considers 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

				Breakdown of non-current portion				
(in millions of euros)	Carrying amount	Current	Non current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
LEASE LIABILITIES	**364.8**	**75.6**	**289.2**	**60.1**	**55.5**	**43.9**	**35.8**	**94.0**

NOTE 10 EQUITY-ACCOUNTED INVESTMENTS

10.1. Net profit from associates

(in millions of euros)	31/12/2021	% held at 31/12/2021	31/12/2020	% held at 31/12/2020
Share of net profit of Axway Software	3.1	31.96%	2.7	32.38%
Share of net profit of Holocare	-1.1	66.67%	-0.5	66.67%
Share of net profit of Celescan	-0.2	50.00%	-	-
TOTAL	**1.8**		**2.3**	

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 2019	**195.0**	**-**	**195.0**
Changes in scope	-	-	-
Reversal of impairment	-	-	-
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**
Reversal of impairment	-	-	-
Share capital transactions	0.7	-	0.7
Dividends paid	-2.8	-	-2.8
Net profit	3.1	-	3.1
Translation adjustments	6.0	-	6.0
Changes in shareholding	-1.5	-	-1.5
Disposal	-	-	-
Other movements	-1.6	-	-1.6
31 DECEMBER 2021	**195.9**	**-**	**195.9**

At 31 December 2021, Sopra Steria Group held a 31.96% stake, versus 32.38% at 31 December 2020. 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 2021, no events or developments occurred that changed this situation.

Their recoverable amount is estimated as follows:

(in millions of euros)	**31/12/2021**	**31/12/2020**
Market value (Category 1)(*)	186.0	186.7
Market value less costs to sell	182.2	182.9
Value in use	246.4	234.2
DCF calculation parameters:		
■ Discount rate	7.8%	8.6%
■ Perpetual growth rate	2.3%	2.2%
RECOVERABLE AMOUNT	**246.4**	**234.2**

(*) 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 2021.

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)	31/12/2021	31/12/2020
Non-current assets	424.6	421.7
Current assets	158.3	137.8
Equity	372.2	355.5
Non-current liabilities excluding equity	100.9	82.6
Current liabilities	109.8	121.4
Revenue	285.5	297.2
Net profit	9.6	8.5

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)	01/01/2021	Changes in scope	Charges	Reversals (used)	Reversals (not used)	Other	Translation adjustments	31/12/2021	Non-current portion	Current portion
Disputes	9.5	-	1.5	-4.2	-	3.5	-	10.3	10.3	-
Losses on contracts	1.9	-	8.9	-1.3	-	-	0.3	9.9	0.3	9.5
Tax risks other than income tax	37.0	-	1.0	-14.9	-6.3	2.2	-	19.1	18.3	0.8
Restructuring	8.2	-	7.9	-8.4	-0.1	-	-	7.6	2.5	5.2
Cost of renovating premises	12.6	-	1.8	-0.5	-0.5	-	0.6	14.1	8.2	5.9
Other contingencies	46.8	-	17.0	-12.4	-5.0	-1.8	1.0	45.5	23.4	22.1
TOTAL	**116.0**	**0**	**38.1**	**-41.7**	**-11.9**	**4.0**	**2.0**	**106.5**	**62.9**	**43.6**

Provisions for disputes mainly cover disputes before employment tribunals and end-of-contract bonuses for employees (€3.1 million at 31 December 2021, versus €4.6 million at 31 December 2020). The remainder mainly corresponds to customer disputes, primarily in France, for €5.0 million and €2.3 million in contractual disputes.

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 (€4.3 million) and France (€2.8 million).

Other provisions for contingencies mainly cover risks relating to clients and projects (€36.7 million, including €13.4 million in the United Kingdom, €5.1 million in Germany and €16.0 million for Sopra Banking Software from the acquisition of Fidor Solutions), contractual risks (€2.8 million) and employee-related risks (€5.0 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.

At 31 December 2021, 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 2021	Financial year 2020
Interest income	1.1	1.4
Income from cash and cash equivalents	**1.1**	**1.4**
Interest expenses	-9.2	-10.4
Gains and losses on hedges of gross financial debt	-0.6	-0.9
Cost of gross financial debt	**-9.9**	**-11.3**
COST OF NET FINANCIAL DEBT	**-8.7**	**-9.9**

The *Cost of gross financial debt* (€9.9 million) was down by €1.4 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 €646 million in 2021, versus €691 million in 2020. The average cost of borrowing after hedging was 1.53% in 2021 (1.64% in 2020). This decrease in the average cost of borrowing mainly resulted 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 2021	Financial year 2020
Foreign exchange gains and losses	**2.7**	**0.5**
Other financial income	**0.7**	**0.6**
Net interest expense on lease liabilities	-6.3	-7.6
Net interest expense on retirement benefit obligations	-2.8	-4.2
Expense on unwinding of discounted non-current liabilities	-0.7	-0.9
Change in the value of derivatives	-1.1	0.7
Gain or loss on disposal of financial assets	0.3	-
Other financial expenses	-2.2	-4.4
Total other financial expenses	**-12.8**	**-16.4**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**-9.5**	**-15.4**

Other financial expenses resulted from €3.3 million in impairment losses against securities in 2020, compared with only €1.2 million in 2021.

12.2. Cash and cash equivalents

(in millions of euros)	31/12/2021	31/12/2020
Short-term investment securities	25.3	39.4
Cash and cash equivalents	191.9	206.1
Cash and cash equivalents	**217.2**	**245.5**
Current bank overdrafts	-0.2	-0.6
NET CASH IN THE CASH FLOW STATEMENT	**216.9**	**245.0**

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 €217.2 million in cash and cash equivalents (excluding current bank overdrafts) at 31 December 2021, €136.6 million was held by the parent company and €80.6 million by the subsidiaries. Among the subsidiaries, entities in India contributed €28.5 million to net cash and cash equivalents at 31 December 2021 (versus €41.5 million at 31 December 2020).

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	31/12/2021	31/12/2020
Bonds	2.3	249.5	251.8	251.7
Bank borrowings	8.3	138.9	147.2	197.0
Other sundry financial debt	85.0	60.0	145.0	221.8
Current bank overdrafts	0.2	-	0.2	0.6
Financial debt	**95.8**	**448.4**	**544.3**	**671.2**
Short-term investment securities	-25.3	-	-25.3	-39.4
Cash and cash equivalents	-191.9	-	-191.9	-206.1
NET FINANCIAL DEBT	**-121.3**	**448.4**	**327.1**	**425.6**

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 facility. In 2018, following the exercise of the second one-year extension option, the expiry date was postponed to 6 July 2023. At 31 December 2021, the outstanding amount drawn on the loan was from the single euro-denominated amortising tranche (€88 million after contractual amortisation for the period). The sterling-denominated tranche was fully repaid in 2021 (resulting in an outflow of £38.4 million over the period). The €900 million multi-currency revolving credit facility is undrawn. 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 2021. The average amount outstanding under the NEU CP programme was €68.4 million in 2021, compared with €110.1 million in 2020.

The outstanding amount under the NEU CP programme at 31 December 2021 was €15.0 million (€65.0 million at 31 December 2020). 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. Maturities range from one to five years. At 31 December 2021, the outstanding amount under the NEU MTN programme was €130.0 million, with maturities of up to two years (€144.0 million at 31 December 2020). The net decrease in the amount of NEU MTN corresponded to €14 million in matured securities, which were renewed in the form of NEU CP. There were no new NEU MTN issues in 2021. The NEU MTNs are included in *Other sundry financial debt.*

12.4. Derivatives reported in the balance sheet

	31/12/2021		Breakdown by class of financial instrument					
(in millions of euros)	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	81.9	81.9	-	25.2	53.9	-	2.9	-
Trade receivables and related accounts	1,020.1	1,020.1	-	-	1,020.1	-	-	-
Other current assets	447.9	447.9	-	-	338.3	-	5.4	104.2
Cash and cash equivalents	217.2	217.2	217.2	-	-	-	-	-
FINANCIAL ASSETS	**1,767.1**	**1,767.1**	**217.2**	**25.2**	**1,412.2**	**-**	**8.3**	**104.2**
Financial debt – Long-term portion	448.4	448.4	-	-	-	448.4	-	-
Other non-current liabilities	15.8	15.8	-	-	15.2	-	0.6	-
Financial debt – Short-term portion	95.8	95.8	-	-	-	95.8	-	-
Trade payables and related accounts	328.9	328.9	-	-	328.9	-	-	-
Other current liabilities	1,353.6	1,353.6	-	-	1,235.3	-	0.9	117.4
FINANCIAL LIABILITIES	**2,242.6**	**2,242.6**	**-**	**-**	**1,579.4**	**544.3**	**1.6**	**117.4**

Items measured at fair value through profit or loss, and derivative hedging instruments, are valued by reference to quoted interbank interest rates 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:

	31/12/2021	Breakdown by category of instrument				
(in millions of euros)	**Profit or loss impact**	**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	1.1	-	1.1	-	-	-
Total interest expense	-9.2	-	-	-	-9.2	-
Remeasurement	-0.6	-	-	-	-	-0.6
NET GAINS OR LOSSES	**-8.7**	**-**	**1.1**	**-**	**-9.2**	**-0.6**

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.

As part of its efforts to diversify its borrowings, the Group launched a €300 million NEU MTN programme in December 2017 to supplement its €700 million NEU CP programme. In 2021, positive cash flow over the period increased the Group's surplus cash positions, leading it to limit its issues of NEU CP to renewals of matured securities and to suspend its issues of NEU MTN.

In addition, fixed-rate bilateral credit lines were in place for a total of €110 million, with maturities in 2024. At 31 December 2021, bilateral credit lines were drawn down in the amount of €60 million.

At 31 December 2021, the Group had lines of credit totalling €1,511 million, 26% 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 financing sources break down as shown below:

	Amount authorised at 31/12/2021		Drawdown at 31/12/2021		Drawdown rate	Repayment terms	Interest rate at 31/12/2021
	€m	£m	€m	£m			
Available credit facilities							
Bond	250.0	-	250.0	-	100%	At maturity €130m 07/2026 €120m 07/2027	1.87%
Syndicated loan							
■ Tranche A	88.0	-	88.0	-	100%	Amortising until 2023	0.90%
■ Tranche B				-		Repaid in 2021	
Multi-currency revolving credit facility	900.0		-	-	0%	2023	
Bilateral credit facilities	110.0		60.0		55%	2024	0.50%
Other	0.1	-	0.1	-	100%	2022	0.00%
Overdraft	162.6	-	1.2	-	1%	N/A	0.57%
Total credit facilities authorised per currency	**1,510.7**	**-**	**399.3**	**-**			
TOTAL CREDIT FACILITIES AUTHORISED *(€ EQUIVALENT)*	**1510.7**		**399.3**		**26%**		**1.45%**
Other types of financing used							
NEU CP & NEU MTN	N/A	N/A	145.0		N/A	2019 to 2023	0.01%
Other			-		N/A		N/A
Total financing per currency			**544.3**	**-**			
TOTAL FINANCING *(€ EQUIVALENT)*			**544.3**				**1.06%**

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 2021, the net financial debt/pro forma EBITDA ratio covenant was met, with the ratio coming in at 0.73 compared with a covenant of 3.0. It is calculated as follows:

(in millions of euros)	31/12/2021	31/12/2020
Short-term borrowings (<1 year)	95.8	106.6
Long-term borrowings (>1 year)	448.4	564.5
Cash and cash equivalents	-217.2	-245.5
Other financial guarantees	-	-
Net financial debt (including financial guarantees)	**327.1**	**425.6**
Pro forma EBITDA	**447.8**	**379.4**
NET FINANCIAL NET/PRO FORMA EBITDA RATIO	**0.73**	**1.12**

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 2021, 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 51.22. It is calculated as follows:

(in millions of euros)	31/12/2021	31/12/2020
Pro forma EBITDA	**447.8**	**379.4**
Cost of net financial debt	**8.7**	**9.9**
PRO FORMA EBITDA/COST OF NET FINANCIAL DEBT RATIO	**51.22**	**38.27**

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 2021, 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	251.8	274.2	4.6	4.6	4.6	4.6	134.6	121.3
Bank borrowings	147.2	151.9	10.5	81.3	60.0	-	-	-
NEU CP & MTN	145.0	145.6	85.4	60.2	-	-	-	-
Other sundry financial debt	-	-	-	-	-	-	-	-
Current bank overdrafts	0.2	0.2	0.2	-	-	-	-	-
Financial debt	**544.3**	**571.9**	**100.7**	**146.2**	**64.6**	**4.6**	**134.6**	**121.3**
Short-term investment securities	-25.3	-25.3	-25.3	-	-	-	-	-
Cash and cash equivalents	-191.9	-191.9	-191.9	-	-	-	-	-
CONSOLIDATED NET FINANCIAL DEBT	**327.1**	**354.7**	**-116.5**	**146.2**	**64.6**	**4.6**	**134.6**	**121.3**

At 31 December 2021, 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	250.0	-	-	250.0
Bank borrowings	140.0	-	-	140.0
Short-term bank borrowings (<1 year)	8.0	-	-	8.0
NEU CP (commercial paper) & MTN	145.0	-	-	145.0
Other sundry financial debt	1.2	-	-	1.2
Bank overdrafts (cash liabilities)	0.1	-	-	0.1
GROSS FINANCIAL DEBT	**544.3**	**-**	**-**	**544.3**

At 31 December 2021, 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	25.3	2.7	27.9
NET POSITION	**25.3**	**2.7**	**27.9**

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 2021, 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 €0.1 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							
	31/12/2021					Maturity		
(in millions of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	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	0.6	-	0.3	-	150.0	-	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	-	-	-	-	-	-	-	-
TOTAL INTEREST RATE HEDGES	**0.6**	**-**	**0.3**	**-**	**150.0**	**-**	**150.0**	**-**

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			
	31/12/2020	Changes in fair value	Changes in scope	Other changes	31/12/2021	Equity impact	Profit or loss impact		
(in millions of euros)							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	-0.7	1.0	-	-	0.3	1.2	-0.2	-	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-0.1	0.1	-	-	-	-	-	-	0.1
TOTAL PRE-TAX IMPACT	**-0.8**	**1.1**	**-**	**-**	**0.3**	**1.2**	**-0.2**	**-**	**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 2021 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	-0.4	-	0.8	-
Options eligible for hedge accounting in foreign currency	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-	-	-	-
TOTAL	**-0.4**	**-**	**0.8**	**-**
Total impact	*-0.4*		*0.8*	

The total amount of gross borrowings subject to interest rate risk was €198.1 million. Interest rate hedges in force at 31 December 2021 reduced this exposure to €48.1 million.

The Group's residual exposure to interest rate risk is as follows:

(in millions of euros)	*Rate*	**31/12/2021**	**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	27.9	27.9	-	-	-	-	-
Cash and cash equivalents	Floating rate	189.3	189.3	-	-	-	-	-
	Fixed rate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**217.2**	**217.2**	**-**	**-**	**-**	**-**	**-**
Financial assets	**Total financial assets**	**217.2**	**217.2**	**-**	**-**	**-**	**-**	**-**
Bonds	Fixed rate	-250.0	-	-	-	-	-130.0	-120.0
	Floating rate	-88.0	-8.0	-80.0	-	-	-	-
Bank borrowings	Fixed rate	-60.0	-	-	-60.0	-	-	-
NEU CP (commercial paper) & MTN	Floating rate	-110.0	-85.0	-25.0	-	-	-	-
	Fixed rate	-35.0		-35.0	-	-	-	-
	Fixed rate	-1.2	-1.1	-0.1	-	-	-	-
Other financial debt	Floating rate	-	-	-	-	-	-	-
	Fixed rate	-	-	-	-	-	-	-
Current bank overdrafts	Floating rate	-0.1	-0.1	-	-	-	-	-
	Fixed rate	**-346.2**	**-1.1**	**-35.1**	**-60.0**	**-**	**-130.0**	**-120.0**
	Floating rate	**-198.1**	**-93.1**	**-105.0**	**-**	**-**	**-**	**-**
Financial liabilities (gross exposure before hedging)	**Total financial liabilities**	**-544.3**	**-94.1**	**-140.1**	**-60.0**	**-**	**-130.0**	**-120.0**
NET EXPOSURE BEFORE HEDGING	**FIXED RATE**	**-346.2**	**-1.1**	**-35.1**	**-60.0**	**-**	**-130.0**	**-120.0**
	FLOATING RATE	**19.1**	**124.1**	**-105.0**	**-**	**-**	**-**	**-**
	Fixed-rate payer swaps in euros	-	-	-	-	-	-	-
	Fixed-rate payer swaps in foreign currency	-	-	-	-	-	-	-
Interest rate hedging instruments	Fixed-rate payer options	150.0	-	75.0	75.0	-	-	-
GROSS EXPOSURE AFTER HEDGING	**FIXED RATE**	**-496.2**	**-1.1**	**-110.1**	**-135.0**	**-**	**-130.0**	**-**
	FLOATING RATE	**-48.1**	**-93.1**	**-30.0**	**75.0**	**-**	**-**	**-**
	FIXED RATE	**-496.2**	**-1.1**	**-110.1**	**-135.0**	**-**	**-130.0**	**-**
NET EXPOSURE AFTER HEDGING	**FLOATING RATE**	**169.1**	**124.1**	**-30.0**	**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 net financial debt, which includes a multi-currency notional cash pooling arrangement with borrowing positions in pounds sterling, provides a natural (if only partial) hedge against currency translation risk on net assets, recognised directly in the balance sheet.

The balance sheet value of the Group's foreign currency hedging instruments, and applicable notional amounts hedged, are as follows:

	Fair value							
	31/12/2021					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
Fair value hedges								
Foreign currency forwards	-	3.8	-	0.1	74.8	74.8	-	-
Foreign currency options	-	-	-	-	-	-	-	-
Cash flow hedges								
Foreign currency forwards	2.2	1.5	0.2	0.5	113.2	56.9	56.3	-
Foreign currency options	-	0.1	0.1	0.2	14.5	11.2	3.3	-
Instruments not designated for hedging*	**-**	**-**	**-**	**0.1**	**5.9**	**5.9**	**-**	**-**
TOTAL FOREIGN CURRENCY HEDGES	**2.3**	**5.4**	**0.3**	**0.9**	**208.4**	**148.8**	**59.6**	**-**

* *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:

	Balance sheet amounts					Changes in fair value			
							Profit or loss impact		
(in millions of euros)	31/12/2020	Changes in fair value	Changes in scope	Other changes	31/12/2021	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Fair value hedges									
Foreign currency forwards	-1.3	5.0	-	-	3.7	-	-	5.0	-
Foreign currency options	-	-	-	-	-	-	-	-	-
Cash flow hedges									
Foreign currency forwards	-2.3	5.4	-	-	3.1	5.4	-	-	-
Foreign currency options	0.3	-	-	-0.6	-0.3	-	-	-	-
Instruments not designated for hedging	**-0.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PRE-TAX IMPACT	**-3.4**	**10.4**	**-**	**-0.6**	**6.5**	**5.4**	**-**	**5.0**	**-**

Exposure to foreign exchange risk is as follows:

COMMERCIAL TRANSACTIONS

(in millions of euros)	GBP	NOK	EUR	INR	TND	USD	SEK	Other	Total
Assets	33.7	-	58.4	-	1.4	8.2	-	4.3	106.1
Liabilities	2.6	-	22.0	-	7.6	5.3	0.1	18.8	56.4
Foreign currency commitments	-	-	-	-	-	-	-	-	-
Net position before hedging	**31.1**	**-**	**36.4**	**-**	**-6.2**	**2.9**	**-0.1**	**-14.5**	**49.7**
Hedging instruments	**67.6**	**14.0**	**63.9**	**-**	**-10.1**	**-**	**-**	**-35.7**	**99.7**
NET POSITION AFTER HEDGING	**-36.5**	**-14.0**	**-27.6**	**-**	**3.9**	**2.9**	**-0.1**	**21.3**	**-50.0**

FINANCING INCLUDING CURRENT ACCOUNT

(in millions of euros)	GBP	NOK	EUR	INR	TND	USD	SEK	Other	Total
Assets	264.0	68.5	-	28.4	1.6	1.4	0.1	37.5	401.4
Liabilities	-	-	-	-	-	9.3	18.1	8.6	36.0
Foreign currency commitments	-	-	-	-	-	-	-	-	-
Net position before hedging	**264.0**	**68.5**	**-**	**28.4**	**1.6**	**-7.9**	**-18.0**	**28.9**	**365.4**
Hedging instruments*	**323.5**	**-**	**-**	**-**	**-**	**-**	**-19.0**	**-**	**304.4**
NET POSITION AFTER HEDGING	**-59.5**	**68.5**	**-**	**28.4**	**1.6**	**-7.9**	**1.0**	**28.9**	**61.0**

* *Net investment hedge in foreign currency.*

TOTAL (MARKET POSITIONS + FINANCING)

(in millions of euros)	GBP	NOK	EUR	INR	TND	USD	SEK	Other	Total
Assets	297.7	68.5	58.4	28.4	3.1	9.6	0.1	41.8	507.5
Liabilities	2.6	-	22.0	-	7.6	14.6	18.2	27.4	92.4
Foreign currency commitments	-	-	-	-	-	-	-	-	-
Net position before hedging	**295.1**	**68.5**	**36.4**	**28.4**	**-4.5**	**-5.0**	**-18.1**	**14.4**	**415.1**
Hedging instruments	**391.1**	**14.0**	**63.9**	**-**	**-10.1**	**-**	**-19.0**	**-35.7**	**404.1**
NET POSITION AFTER HEDGING	**-96.0**	**54.4**	**-27.6**	**28.4**	**5.6**	**-5.0**	**1.0**	**50.1**	**11.0**

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**	**-**	**-0.3**	**0.1**	**-**	**0.1**	**0.2**
EQUITY IMPACT	**-4.8**	**2.7**	**-1.5**	**1.4**	**0.5**	**-0.4**	**0.1**	**2.4**	**0.4**

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 2021, the value of treasury shares was €51.6 million.

Given the limited number of treasury shares it holds (1.59% 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)	31/12/2020	Proceeds from/ (Payments on)	Changes in scope	Translation adjustments	Other movements	31/12/2021
Bonds excluding accrued interest	250.0	-	-	-	-	250.0
Bank borrowings excluding accrued interest	198.8	-62.8	9.5	2.7	-	148.1
Other sundry financial debt excluding current accounts and accrued interest	221.8	-76.8	-	0.3	-0.3	145.0
Financial debt in the cash flow statement	**670.6**	**-139.7**	**9.5**	**3.0**	**-0.3**	**543.1**
Current accounts	-	-4.1	3.6	0.3	0.3	-
Accrued interest on financial debt	-	0.9	-	-	-	0.9
Financial debt excluding current bank overdrafts	**670.6**	**-142.9**	**13.1**	**3.2**	**-**	**544.0**
Current bank overdrafts	-0.6	-12.5	0.1	12.8	-	-0.2
Short-term investment securities	39.4	-16.1	-	1.9	-	25.2
Cash and cash equivalents	206.1	-9.8	9.4	-13.8	-	191.9
Net cash in the cash flow statement	**245.0**	**-38.5**	**9.5**	**0.9**	**-**	**216.9**
NET FINANCIAL DEBT	**425.6**	**-104.4**	**3.6**	**2.3**	**-**	**327.1**
Change in net financial debt			**-98.5**			

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 173, 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 2021	Financial year 2020
Operating profit on business activity	**379.2**	**300.2**
Depreciation, amortisation and provisions (excluding allocated intangible assets)	173.2	187.4
EBITDA	**552.3**	**487.6**
Non-cash items	-5.2	7.3
Tax paid	-77.3	-82.9
Impairment of current assets	4.3	-0.6
Change in current operating WCR	23.2	72.5
Non-recurring costs, including reorganisation and restructuring costs	-36.6	-82.2
Net cash flow from operating activities	**460.7**	**401.7**
Purchase of property, plant and equipment and intangible assets	-54.6	-53.6
Proceeds from sale of property, plant and equipment and intangible assets	0.2	0.4
Net change from investing activities involving property, plant and equipment and intangible assets	**-54.4**	**-53.2**
Lease payments	-105.8	-109.4
Net interest (excluding interest on lease liabilities)	-6.3	-10.0
Additional contributions related to defined-benefit pension plans	-29.8	-25.5
Free cash flow	**264.4**	**203.5**
Impact of changes in scope	-102.3	-97.5
Impact of payments relating to non-current financial assets	-4.4	-3.5
Impact of receipts relating to non-current financial assets	2.9	1.5
Dividends paid	-46.3	-4.3
Dividends received	2.8	-
Capital increases	-	-
Purchase and sale of treasury shares	-16.2	-10.9
Other cash flows relating to investing activities	-	-
Net cash flow	**100.8**	**88.8**
Impact of changes in foreign exchange rates	-2.3	-0.4
Impact of changes in accounting policies (IFRS 16)	-	-
CHANGE IN NET FINANCIAL DEBT	**98.5**	**88.4**
Cash and cash equivalents – Beginning of period	245.0	192.6
Non-current financial debt – Beginning of period	-564.5	-494.4
Current financial debt – Beginning of period	-106.0	-212.2
Net financial debt – Beginning of period	**-425.6**	**-513.9**
Cash and cash equivalents – End of period	216.9	245.0
Non-current financial debt – End of period	-448.4	-564.5
Current financial debt – End of period	-95.6	-106.1
Net financial debt – End of period	**-327.1**	**-425.6**
CHANGE IN NET FINANCIAL DEBT	**98.5**	**88.3**

Free cash flow came to €264.4 million (€203.5 million in 2020). 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 was mainly due to a significant improvement in *Operating profit on business activity* and *EBITDA* following a sharp decline in non-recurring costs.

Outflows related to acquisitions of companies, recognised within *Impact of changes in scope*, were stable, totalling €102.3 million. Those that took place in 2021 (primarily EVA Group, EGGS Design and Labs) are described in Note 2.1. They also included the exercise of the put option for Tecfit shares (see Note 2.2). They break down as follows:

(in millions of euros)	Financial year 2021	Financial year 2020
Cost of acquisitions paid (excluding earn-outs)	-98.7	-103.4
Net debt/(Net cash) of acquired companies	-3.5	5.9
Earn-outs	-	-
Disposal price for shares sold in consolidated equity investments	-	-
Cash transferred out/Deconsolidated entities	-	-
TOTAL	**-102.3**	**-97.5**

In 2020, they mainly included the acquisitions of Sodifrance and Fidor Solutions, and the exercise of the put option for SAB shares.

As a result of these effects, net financial debt at 31 December 2021 decreased to €327.1 million, compared with €425.6 million at 31 December 2020.

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)	31/12/2021	31/12/2020	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	40.5	36.7	3.8	2.5	1.2	0.3	-10.2	-11.1
■ Other loans and receivables	37.6	36.4	1.2	-	1.2	0.3	-10.2	-11.1
■ Other non-current financial assets	2.9	0.3	2.5	2.5	-	-	-	-
Non-current assets	**40.5**	**36.7**	**3.8**	**2.5**	**1.2**	**0.3**	**-10.2**	**-11.1**
Trade receivables and related accounts	1,020.1	954.6	65.5	-	65.5	13.9	22.6	-29.0
■ Trade receivables	650.3	607.6	42.7	-	42.7	7.2	13.1	-22.4
■ Accrued income	369.8	346.9	22.9	-	22.9	6.7	9.5	-6.7
Other current receivables	447.9	410.6	37.3	20.4	16.9	4.6	-5.5	-17.8
Current assets	**1,468.0**	**1,365.1**	**102.9**	**20.4**	**82.4**	**18.5**	**17.1**	**-46.8**
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-
TOTAL ASSETS	**1,508.4**	**1,401.8**	**106.6**	**23.0**	**83.6**	**18.8**	**6.9**	**-57.9**
Retirement benefits and similar obligations – Liabilities	-11.6	-10.2	-1.3	-	-1.3	-0.4	-2.6	-1.6
Other long-term employee benefits	-11.6	-10.2	-1.3	-	-1.3	-0.4	-2.6	-1.6
Other non-current liabilities	-15.8	-104.1	88.3	3.7	84.6	-4.2	88.2	-0.6
Non-current liabilities	**-27.4**	**-114.3**	**86.9**	**3.7**	**83.3**	**-4.5**	**85.6**	**-2.2**
Trade payables	-328.9	-278.6	-50.3	-	-50.3	-3.8	-3.8	42.7
Advances and payments on account received for orders	-27.9	-22.3	-5.6	-	-5.6	-0.1	-1.5	4.1
Deferred income on client projects	-390.5	-328.2	-62.4	-	-62.4	-6.8	0.9	56.5
Other current liabilities	-935.2	-816.6	-118.6	0.4	-119.0	-10.2	-113.7	-4.9
Current liabilities	**-1,682.5**	**-1,445.7**	**-236.8**	**0.4**	**-237.2**	**-20.8**	**-118.1**	**98.4**
Liabilities related to non-current assets classified as held for sale	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**-1,709.9**	**-1,560.0**	**-149.9**	**4.1**	**-154.0**	**-25.3**	**-32.5**	**96.2**
TOTAL WCR	**-201.5**	**-158.2**	**-43.2**	**27.1**	**-70.3**	**-6.5**	**-25.6**	**38.2**

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 173 was affected by movements related to financing activities. Payments on borrowings mainly concerned payments on the medium-term loan, including the repayment of the pound sterling tranche of the syndicated 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 172.

14.1.1. Changes in share capital

At 31 December 2021, Sopra Steria Group had a share capital of €20,547,701, the same as at 31 December 2020. 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 2021, the value of treasury shares recognised as a deduction from consolidated equity was €51.6 million, consisting of 334,152 shares, including 254,178 shares held by UK trusts falling within the consolidation scope and 79,974 shares acquired by Sopra Steria Group, 4,805 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 €9.8 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

At Sopra Steria Group's General Meeting of 26 May 2021, the shareholders resolved to distribute an ordinary dividend of €41.1 million in respect of financial year 2020, equating to €2.0 per share. The dividend was paid on 3 June 2021 for a total of €40.7 million, net of the dividend on treasury shares.

No dividends were paid in 2020 in respect of 2019.

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 2021, accumulated translation reserves by currency were as follows:

(in millions of euros)	**31/12/2021**	**31/12/2020**
Swiss franc	10.4	8.1
Pound sterling	-60.6	-83.2
Indian rupee	-2.5	-8.2
Norwegian krone	-18.6	-23.6
Polish zloty	-0.6	-0.6
Singapore dollar	-0.1	0.1
Tunisian dinar	-3.6	-3.6
US dollar	-0.1	0.4
Other currencies	7.3	1.8
ACCUMULATED TRANSLATION RESERVES (ATTRIBUTABLE TO THE GROUP)	**-68.4**	**-108.9**

The "Other currencies" category mainly includes the accumulated translation reserves of associates, and chiefly Axway Software, in the amount of €7.9 million (€1.7 million at 31 December 2020).

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 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.

Due to the accounting treatment of the put option granted in respect of SSCL 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 (€35.7 million), and the share of the German banking network Sparda's cooperative banks in Sopra Financial Technology GmbH (€13.3 million).

In the income statement, amounts attributable to non-controlling interests mainly comprised €7.0 million for SSCL, €4.0 million for NHS SBS and -€5.2 million for Sopra Financial Technology GmbH.

Summary financial information for SSCL, NHS SBS and Sopra Financial Technology GmbH is as follows:

	31/12/2021		
(in millions of euros)	**SSCL**	**NHS SBS**	**SFT**
Non-current assets	11.1	25.7	103.1
Current assets	219.1	83.4	22.4
Non-current liabilities	2.7	17.4	48.5
Current liabilities	99.0	20.3	47.8
Revenue	330.9	104.8	173.6
Net profit	28.2	8.1	-16.9

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 2021	Financial year 2020
Net profit attributable to the Group in millions of euros (a)	187.7	106.8
Weighted average number of ordinary shares outstanding (b)	20,547,701	20,547,701
Weighted average number of treasury shares (c)	307,582	294,209
Weighted average number of shares outstanding excluding treasury shares (d) = (b) - (c)	20,240,119	20,253,492
BASIC EARNINGS PER SHARE IN EUROS (A/D)	**9.27**	**5.27**

	Financial year 2021	Financial year 2020
Net profit attributable to the Group in millions of euros (a)	187.7	106.8
Weighted average number of shares outstanding excluding treasury shares (d)	20,240,119	20,253,492
Dilutive effect of instruments that give rise to potential ordinary shares (e)	186,320	68,951
Theoretical weighted average number of equity instruments (f) = (d) + (e)	20,426,439	20,322,443
DILUTED EARNINGS PER SHARE IN EUROS (A/F)	**9.19**	**5.25**

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

(en millions d'euros)	31/12/2021	31/12/2020
Transactions between Sopra Steria Group and the Axway Software Group		
Sales of goods and services	0.2	0.1
Purchases of goods and services	-2.9	-3.2
Operating receivables	-	-
Operating payables	-1.1	-1.0
Financial income	-	-
Financial receivables (current account)	-	-
Transactions between Sopra Steria Group subsidiaries and the Axway Software group		
Sales of goods and services	7.3	7.6
Purchases of goods and services	-2.9	-4.3
Operating receivables	1.1	1.5
Operating payables	-1.2	-2.3
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	-1.3	-1.2
Operating receivables	-	0.1
Operating payables	-0.4	-0.4
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)	31/12/2021	31/12/2020
Bank guarantees for project completion	16.9	18.6
Other guarantees	4.2	8.1
TOTAL	**21.1**	**26.7**

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 €16.9 million at 31 December 2021 (€18.6 million at 31 December 2020). 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 2021. They amounted to €66.4 million at 31 December 2021 (€90.4 million at 31 December 2020).

16.2. Commitments received

(in millions of euros)	31/12/2021	31/12/2020
Unused credit facilities	950.0	950.0
Unused current bank overdrafts	161.4	161.0
Other commitments received	0.9	4.5
TOTAL	**1,112.3**	**1,115.4**

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

The Board of Directors decided on 12 January 2022 to implement a new We Share employee share ownership plan by adopting the same features as the previous plans, given their success. The plan involves the transfer of existing shares.

On 22 February 2022, the Group signed an agreement with its partner banks consisting of a €1,100 million non-amortising multi-currency credit facility tied to the achievement of environmental goals. This agreement replaced the existing revolving multi-currency credit facility. It has an initial term of five years and may optionally be extended for two periods of one year each. Furthermore, the current syndicated loan, amortising until 2023, was repaid in full.

No other subsequent events occurred after the end of financial year 2021.

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
Tecfit	France	100.00%	100.00%	FC
Galitt	France	100.00%	100.00%	FC
Soft-Maint Tunisie	Tunisia	100.00%	100.00%	FC
Sopra Steria Réassurance	Luxembourg	100.00%	100.00%	FC
Eva Partners	France	100.00%	100.00%	FC
EVA Group	France	100.00%	100.00%	FC
BSSI Conseil et Audit	France	100.00%	100.00%	FC
EVA CCII	France	100.00%	100.00%	FC
Expert Eyes	France	100.00%	100.00%	FC
Wage Portal Label	France	100.00%	100.00%	FC
BSSI North America Inc.	United States	100.00%	100.00%	FC
EVA Group Asia Pacific Pte	Singapore	100.00%	100.00%	FC
EVA Group HK Ltd	Hong Kong	100.00%	100.00%	FC
Eva Group Canada	Canada	100.00%	100.00%	FC
Eva Maroc	Morocco	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
OSI Group Holdings Limited	United Kingdom	100.00%	100.00%	FC
FI Group Limited	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 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
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

Company	Country	% control	% held	Consolidation method
Zansa Ltd	United Kingdom	100.00%	100.00%	FC
cxpartners	United Kingdom	100.00%	100.00%	FC
Sopra Steria Financial Services Ltd	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
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
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
Eggs Garage AS Norway	Norway	100.00%	100.00%	FC
Eggs Design AS Norway	Norway	100.00%	100.00%	FC
Eggs Design ApS Denmark	Denmark	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
Sopra Banking Software Netherlands BV	Netherlands	100.00%	100.00%	FC
Sopra Banking Software GmbH	Germany	100.00%	100.00%	FC

Company	Country	% control	% held	Consolidation method
Sopra Banking Software 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 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
SAB Med (branch of 445)	France	100.00%	98.00%	FC
SAB Tunisie (branch of 445)	France	100.00%	99.99%	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
Sopra Banking Software Ireland Limited	Ireland	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
Celescan Ltd	United Kingdom	50.00%	50.00%	EM
Axway	France	31.96%	31.96%	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

(in millions of euros excl. VAT)	Mazars network 2021	Mazars network 2020	Nexia network 2021	Nexia network 2020
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	1.6	0.7	0.7
Subtotal	**2.1**	**2.1**	**1.0**	**1.0**
Services other than the certification of the accounts*				
Sopra Steria Group	0.2	0.1	-	-
Fully consolidated subsidiaries	0.3	0.1	-	0.1
Subtotal	**0.4**	**0.2**	**0.1**	**0.1**
TOTAL STATUTORY AUDITORS' FEES	**2.5**	**2.3**	**1.0**	**1.1**

* *These services mainly relate to services performed in connection with the acquisition of entities (due diligence).*

Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2021

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 2021.

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 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 of the Statutory Auditors relating to the audit of the consolidated 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 2021 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 financial year have been prepared and audited under specific conditions. This crisis and the exceptional measures taken in the context of the public health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. 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 2021 totalled €4.7 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 2021, the net value of goodwill in the Group's consolidated financial statements was €1,984.3 million, equal to 41.6% 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.

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;
- checking the calculation of goodwill recognised over the period;
- assessing the reasonable nature of assumptions used to determine future cash flows, 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, 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 2021, the net value of equity-accounted investments in the Group's consolidated financial statements was €198.1 million, equal to 4.3% of total assets. These equity interests mainly correspond to the Group's stake in Axway Software for €195.9 million.

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

Retirement benefits and similar obligations 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 2021 was €289.7 million.

The net liability in respect of post-employment benefits 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 €1,917.1 million, the net liability at 31 December 2021 totalled €278.1 million. The most significant plan assets concern the United Kingdom and Belgium.

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 concerning the procedures performed by the Statutory Auditor relating to the parent company and consolidated financial statements presented in the European Single Electronic Format, that the presentation of the consolidated 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 this format as defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018. With regard to the consolidated financial statements, our work includes verifying that the tagging of these financial statements complies with the format defined in the aforementioned regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated 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 consolidated financial statements that will ultimately be included by your Company in the Annual Financial Report filed with the AMF correspond to 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 ACA Nexia by the shareholders at the General Meeting of 24 June 2004.

As at 31 December 2021, Mazars was in its 22nd consecutive year as Statutory Auditor and ACA Nexia in its 18th consecutive year as Statutory Auditor, respectively 22 years and 18 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 within 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.[1]

Paris et Courbevoie, 3 March 2022

The Statutory Auditors

French original signed by

ACA Nexia	**Mazars**	
Olivier Juramie	Alain Chavance	Jérôme Neyret

(1) This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French. It is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required under European regulations and French law, such as information about the appointment of the Statutory Auditors and the verification of 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.

6. 2021 Parent Company Financial Statements

Income statement

(in thousands of euros)	Notes	2021	2020
Net revenue	*4.1.1*	1,717,658	1,512,781
Other operating income		82,154	61,500
Operating income		**1,799,812**	**1,574,281**
Purchases consumed		638,632	550,186
Staff costs		963,011	901,396
Other operating expenses		20,071	3,319
Taxes and duties		30,588	36,709
Depreciation, amortisation, provisions and impairment		41,397	24,239
Operating expenses		**1,693,698**	**1,515,849**
Operating profit		**106,114**	**58,432**
Financial income and expenses	*4.3*	59,098	60,667
Pre-tax profit on ordinary activities		**165,212**	**119,099**
Exceptional income and expenses	*4.4*	-9,825	5,455
Employee profit-sharing and incentives	*4.2.1*	-13,987	-3,112
Corporate income tax	*4.5*	15,468	20,835
NET PROFIT		**156,867**	**142,276**

Balance sheet

ASSETS

(in thousands of euros)	Notes	Gross value	Depreciation, amortisation and impairment	2021	2020
Intangible assets	*5.1.1*	317,230	116,444	200,785	120,379
Property, plant and equipment	*5.1.2*	168,912	112,631	56,281	52,063
Financial investments	*5.1.3*	1,952,070	22,995	1,929,074	1,980,824
Non-current assets		**2,438,212**	**252,071**	**2,186,141**	**2,153,266**
Inventories and work in progress	*5.2.1*	2,677		2,677	3,086
Trade receivables and related accounts	*5.2.2*	352,623	45	352,578	331,994
Other receivables, prepayments and accrued income	*5.2.3*	535,049		535,049	469,840
Cash and cash equivalents		151,242		151,242	165,014
Current assets		**1,041,591**	**45**	**1,041,546**	**969,934**
Debt issuance costs	*5.2.5*	475		475	565
Foreign currency translation losses	*5.2.5*	1,213		1,213	127
TOTAL ASSETS		**3,481,491**	**252,117**	**3,229,375**	**3,123,893**

LIABILITIES AND EQUITY

(in thousands of euros)	Notes	2021	2020
Share capital		20,548	20,548
Share premium		531,477	531,477
Reserves		686,763	585,567
Profit for the year		156,867	142,276
Regulated provisions			-
Equity	*5.3*	**1,395,655**	**1,279,867**
Provisions	*5.4*	**141,156**	**121,432**
Financial debt	*5.5.1*	815,704	872,608
Trade payables and related accounts	*5.5.3*	139,604	121,233
Tax and social security payables	*5.5.4*	280,931	286,753
Other liabilities, accruals and deferred income	*5.5.5*	455,032	435,253
Liabilities		**1,691,271**	**1,715,847**
Foreign currency translation gains	*5.5.7*	1,293	6,746
TOTAL LIABILITIES AND EQUITY		**3,229,375**	**3,123,892**

Cash flow statement

(in thousands of euros)	Notes	2021	2020
Profit for the year		**156,867**	**142,276**
Non-monetary items with no cash impact			
■ Depreciation and amortisation of property, plant and equipment, intangible assets and financial investments	*5.1*	29,684	17,061
■ Gains and losses on disposal of assets		1,017	-
Changes in working capital requirements			
■ Change in provisions and other non-monetary items		3,257	-6,706
■ Change in inventories		410	796
■ Change in trade receivables		6,340	80,816
■ Change in other receivables (excluding receivables on disposals of assets)		-7,785	-65,433
■ Change in trade payables (excluding payables on purchases of assets)		11,514	-24,080
■ Change in other payables		-39,639	-25,894
Net cash from operating activities		**161,665**	**118,836**
Purchase of property, plant and equipment and intangible assets	*5.1.1 and 5.1.2*	-18,959	-6,252
Change in trade payables on fixed assets		1,893	-708
Proceeds from sale of property, plant and equipment and intangible assets		40	-
Purchase of long-term investment securities	*5.1.3*	-15,834	-63,671
Change in payables on securities	*5.5.5*	-1,550	1,965
Proceeds from sale of equity interests		642	3,917
Change in other financial investments		-7,436	-4,614
Net cash from/(used in) investing activities		**-41,204**	**-69,363**
Issuance of long-term borrowings	*5.5.1*	-	110,018
Repayment of long-term borrowings	*5.5.1*	-71,341	-90,635
Increase/(Decrease) in short-term borrowings	*5.5.1*	-50,000	-55,000
Changes in share capital	*5.3.1*		-
Dividends paid	*5.3.1*	-41,079	-
Change in Group current accounts and cash accounts related to the notional cash pool		26,315	-38,202
Change in long-term financial receivables	*5.1.3*	-	37,668
Net cash from/(used in) financing activities		**-136,105**	**-36,151**
Net change in cash (excluding cash accounts related to the notional cash pool)		**-15,644**	**13,322**
Opening cash position (excluding cash accounts related to the notional cash pool)		145,780	132,458
Closing cash position (excluding cash accounts related to the notional cash pool)		130,136	145,780

1. Company description

Sopra Steria Group is the parent company of the Sopra Steria group.

Its registered office is located at PAE Les Glaisins, Annecy-Le-Vieux, 74940 ANNECY (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

When the Covid-19 pandemic emerged in the first half of 2020, it caused major operational difficulties in terms of business continuity, organisational adaptation, personal health and safety, and compliance with public health measures. It 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.

This situation was not repeated and did not continue in 2021.

For reference, 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 items, 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.

2.2. Restructuring operations carried out during the financial year

The Company absorbed the following entities via the transfer of all assets and liabilities:

- Strateg'e.Boss at 1 January 2021;
- HP2M at 31 March 2021;
- Tecfit at 31 December 2021;
- Beamap at 31 December 2021.

These operations formed part of efforts to rationalise the legal structure of the Group's French entities. Details on these operations, all of which were completed at the carrying amount, and their impact on the financial statements are provided in Note 5.1.

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 period to the next;
- accrual basis; and
- in accordance with general guidelines for the preparation and presentation of parent company financial statements.

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 SA (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:

	2021	2020
Services	22.8%	24.2%
Manufacturing	26.4%	25.0%
Finance	19.7%	17.4%
Public Sector	21.5%	23.4%
Telecoms & Media	7.2%	7.5%
Distribution	2.4%	2.5%
TOTAL	**100.0%**	**100.0%**

Of the €1,717,658 thousands of revenue generated in 2021, €124,464 thousand 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*.
- 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.

Implementation, 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 2021 amounted to €63,585 thousand.

They mainly consisted of transfers from one expense account to another, as well as intercompany rebilling of structure 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 2021, 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 €13,987 thousand.

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 that the condition of continued employment and performance conditions are met at the end of the vesting period. Performance conditions are measured based on changes over three years in operating profit on business activity, consolidated revenue and consolidated free cash flow, for 90% of the plan, and on achieving a target related to the proportion of women in senior management positions at Sopra Steria Group at 30 June 2023, for 10% of the plan.

In 2021, the 2018 LTI plan expired and the new 2021 LTI plan was set up on 26 May 2021, by decision of the Board of Directors.

	Sopra Steria plans	
	2018 LTI plan (1)	**2021 LTI plan** (1)
Date of General Meeting	22/06/2016	22/05/2021
Date granted by the Board of Directors	16/02/2018	26/05/2021
Total number of shares in awards granted, not subject to conditions	128,000	219,200
Number of shares granted to:		
■ Company officers	3,000	3,000
■ Top ten employee grantees	21,000	21,500
Vesting date		
■ France	31/03/2021	30/06/2024
■ Other countries	31/03/2021	30/06/2024
Number of potential shares that could have been granted as at 1 January 2021	67,680	219,200
Granted in 2021	-	-
Awards cancelled in 2021	-	32,880
Vested at 31/12/2021	67,680	-
SHARES REMAINING AT 31 DECEMBER 2021	**-**	**186,320**

(1) Plan with conditional grant depending on the recipient's continued employment, performance conditions as measured by changes over three years in operating profit on business activity, consolidated revenue and consolidated free cash flow, and for the 2021 plan on the achievement of a target relating to the proportion of women in senior management positions at Sopra Steria Group at 30 June 2023, for 10% of the plan.

- 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 conditions related to performance and/or continued employment, 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 financial year-end 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 18.30%;
- social security contribution rate: 45.0%;
- discount rate: 0.98%.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

(in thousands of euros)	31/12/2021	31/12/2020
Current service cost	6,678	5,780
Interest on obligation	395	690
Net actuarial losses recognised in respect of the financial year	534	
Past service cost	-	193
TOTAL RECOGNISED UNDER OPERATING EXPENSES	**7,607**	**6,662**
Net liability at the beginning of the period (with corridor)	77,663	73,170
Net expense recognised in the income statement	7,607	6,662
Benefits provided	-2,990	-2,169
Intercompany transfers and partial transfers of assets	5,626	-
NET LIABILITY AT THE END OF THE PERIOD	**87,905**	**77,663**

4.2.4. OTHER INFORMATION

a. Workforce

The average workforce in 2021 was 13,236 employees.

The workforce at 31 December 2021 totalled 13,588 employees.

b. Compensation of Directors and company officers

Directors' fees paid in 2021 in respect of financial year 2020 amounted to €500 thousand.

Compensation paid in 2021 to company officers totalled €1,114 thousand.

4.3. Net financial income

(in thousands of euros)	Notes	2021	2020
Dividends received from equity interests	*5.3.1.c*	85,664	53,842
Interest on bank borrowings and similar charges		-5,789	-6,757
Interest on employee profit-sharing		-	-
Discounting of the pension provision		-395	-690
Interest received and paid on Group current accounts		3,350	2,938
Positive and negative foreign exchange impact (incl. provision)		-8,506	11,685
Impairment of equity interests	*5.3.1.b*	-7,005	-3,944
Other financial income and expenses		-8,222	3,593
NET FINANCIAL INCOME		**59,097**	**60,667**

Foreign exchange gains and losses mainly arise from transactions carried out in pounds sterling, Norwegian kroner and US dollars. In 2021, this item was mainly affected by the revaluation of financial debt outstanding denominated in pounds sterling.

In light of the financial difficulties encountered by the Singapore subsidiary Sopra Steria Asia, the Company fully impaired its equity interest in that subsidiary (see Note 5.1.3.b) and recognised an additional expense in respect of that portion of the risk exceeding its investment (see Note 5.4).

4.4. Exceptional items

(in thousands of euros)	2021	2020
Scrapping of fixed assets	-114	-119
Gain or loss on disposal of fixed assets	-1,017	-
Gains or losses on treasury share transactions	256	-62
Tax risks	3,936	4,745
Reorganisation costs	-12,564	-8,108
Other	-322	8,998
EXCEPTIONAL ITEMS	**-9,825**	**5,455**

The main movements in exceptional items in 2021 were as follows:

- reorganisation costs: €12,564 thousand;
- reversal of a provision for the net risk of final tax adjustments on tax inspections relating to prior periods: €3,936 thousand;
- a capital loss on the disposal of Steria Medshore sales: -€1,057 thousand.

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 corporate 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, corporate income tax due for the year was €5,776 thousand.

4.5.2. TAX BREAKDOWN BETWEEN ORDINARY ACTIVITIES AND EXCEPTIONAL ITEMS

CORPORATE INCOME TAX BROKE DOWN AS FOLLOWS:

(in thousands of euros)	2021	2020
Tax on recurring operations	20,581	11,642
Tax on exceptional operations	-3,904	-174
Impact of tax consolidation	-15,661	-11,468
R&D tax credit	-16,642	-19,112
Other tax expenses	1,365	-669
Other tax credits	-1,207	-1,054
TOTAL	**-15,468**	**-20,835**

4.5.3. DEFERRED AND UNREALISED TAX ITEMS

(in thousands of euros)	2021	2020
I. Certain or contingent differences		
Temporary non-deductible expenses		
■ C3S social security tax	2,652	2,407
■ Provision for post-employment benefits	87,904	77,663
■ Provision for foreign exchange losses	26	10
■ Amortisation of intangible assets	1,714	1,286
■ Other	2,786	2,469
Temporary non-taxable income		
■ Capital gains on mergers/conversions	-6,467	-6,467
Deducted expenses (or taxed income) for tax purposes that have not been recognised		
■ Foreign currency translation losses	-1,213	-10
■ Foreign currency translation gains	1,293	6,629
TOTAL	**88,695**	**83,987**
II. Items to be applied		
Losses that may be carried forward for tax offset	-235,201	-173,544
III. Contingent tax items		
Capital gains on non-depreciable assets contributed on merger	-148,729	-148,729

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)*	Changes in scope	Acquisitions	Disposals	Gross value *(end of period)*
Research and development expenses	-	12,932	-	-	12,932
Concessions, patents and similar rights	47,569	141	-	-	47,710
Goodwill	172,926	81,412	-	-	254,338
Other intangible assets	2,250	-	-	-	2,250
TOTAL FIXED ASSETS	**222,745**	**94,485**	**-**	**-**	**317,230**

(in thousands of euros)	Amortisation and provisions *(beginning of period)*	Changes in scope	Charges	Reversals	Amortisation and provisions *(end of period)*
Research and development expenses	-	12,422	268	-	12,690
Concessions, patents and similar rights	46,027	94	865	-	46,987
Goodwill	55,054	-	-	-	55,054
Other intangible assets	1,286	-	428	-	1,714
TOTAL AMORTISATION AND PROVISIONS	**102,367**	**12,516**	**1,562**	**-**	**116,444**

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 €25,339 thousand in 2021, are recognised as expenses.

Changes in scope mainly related to restructuring operations at HP2M, Strateg'e.Boss and Beamap. These operations generated €45,422 thousand in technical losses not attributable to identifiable assets.

Software development costs

- All research 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.
- The Company 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)*	**Changes in scope**	**Acquisitions**	**Disposals**	**Line-item transfers**	**Gross value** *(end of period)*
Land	323	-	-	-	-	323
Buildings	6,829	54	-	-	-	6,883
Technical installations	3,926	20	1,188	3	-	5,132
Sundry fittings	93,011	1,059	7,400	3,221	3,493	101,743
Vehicles	224	-	-	87	-	137
Office furniture and equipment	42,588	1,620	2,762	1,203	253	46,020
Other property, plant and equipment	14	-	-	-	-	14
Fixed assets in progress	4,799	-	7,608	-	-3,747	8,660
TOTAL FIXED ASSETS	**151,714**	**2,754**	**18,959**	**4,514**	**-**	**168,912**

(in thousands of euros)	Depreciation and provisions *(beginning of period)*	Changes in scope	Charges	Reversals	Line-item transfers	Depreciation and provisions *(end of period)*
Land	175	-	10	-	-	185
Buildings	6,327	35	84	-	-	6,447
Technical installations	3,809	13	200	3	-	4,019
Sundry fittings	59,712	433	10,849	3,221	-	67,773
Vehicles	89	-	27	87	-	29
Office furniture and equipment	29,540	1,249	4,593	1,204	-	34,179
Other property, plant and equipment	-	-	-	-	-	-
Fixed assets in progress	-	-	-	-	-	-
TOTAL DEPRECIATION AND PROVISIONS	**99,651**	**1,731**	**15,764**	**4,515**	**-**	**112,631**

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)*	Changes in scope	Acquisitions/ Increases	Disposals/ Decreases	Gross value *(end of period)*
Equity interests and long-term investment securities	*5.1.3. c*	1,485,530	-105,721	14,658	2,688	1,391,778
Other financial investments		511,219	40,417	17,956	9,301	560,291
TOTAL FIXED ASSETS		**1,996,749**	**-65,304**	**32,614**	**11,989**	**1,952,070**

(in thousands of euros)	Notes	Impairment *(beginning of period)*	Changes in scope	Charges	Reversals	Impairment *(end of period)*
Equity interests and long-term investment securities		12,162	66	8,794	4,211	16,811
Other financial investments		3,762		2,973	551	6,184
TOTAL IMPAIRMENT	*5.1.3. b*	**15,924**	**66**	**11,767**	**4,762**	**22,995**

- 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

Increases concerned the following transactions:

(in thousands of euros)

Securities concerned	Transaction type	Amount
Sopra Steria Asia	Recapitalisation	6,404
Tecfit	Purchase of shares	6,291
Sopra Steria Réassurance	Capital subscription	1,250
Treasury shares	Purchase of shares	16,600
Other investments		2,069
TOTAL		**32,614**

Changes in scope and decreases relate to the following transactions:

(in thousands of euros)

Securities concerned	Transaction type	Amount
Strateg'e Boss	Transfer of all assets and liabilities	16,761
HP2M	Transfer of all assets and liabilities	38,721
Tecfit	Transfer of all assets and liabilities	47,464
Beamap	Transfer of all assets and liabilities	2,775
Steria Medshore	Disposal of shares	2,688
TOTAL		**108,409**

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 2021:

(in thousands of euros)	Impairment *(beginning of period)*	Changes in scope	Charges	Reversals	Impairment *(end of period)*
Steria Medshore (Morocco)	1,018	-	-	1,018	-
Sopra Steria A/S (Denmark)	3,135	-	-	-	3,135
Sopra Steria Asia (Singapore)	-	-	9,994	-	9,994
CS Group	5,807	-	-	3,194	2,614
COMECO	2,200	-	1,200	-	3,400
Other	3,764	66	574	551	3,853
TOTAL	**15,924**	**66**	**11,768**	**4,762**	**22,995**

c. Subsidiaries and equity interests

Company (in thousands of euros)	Share capital	Other shareholders' equity	% of capital held	Carrying amount of shares held (including merger deficit) Gross	Impairment	Net	Loans and advances granted by the Company	Guarantees and securities given	Revenue excluding VAT	Profit or loss	Dividends received by the Company
Subsidiaries											
Sopra Banking Software (France)	161,867	-128,711	100	238,619	-	238,619	284,170	16,129	300,676	-28,043	-
Sopra HR Software (France)	13,110	49,412	100	3,171	-	3,171	-	7,100	172,938	12,298	9,963
Sopra Steria Holdings Ltd (United Kingdom)	21,234	188,171	100	388,753	-	388,753	-	-	-	-3,715	-
Sopra Steria Group SpA (Italy)	3,660	4,291	100	12,503	-	12,503	-	500	84,230	3,614	1,757
Sopra Steria España SAU (Spain)	24,000	53,816	100	116,747	-	116,747	-	-	210,991	9,777	4,900
Sopra Steria AB (Sweden)	683	19,113	100	33,673	-	33,673	-	-	-	1,917	-
Sopra Steria AG (Switzerland)	4,457	7,386	99	37,561	-	37,561	-	-	40,721	1,884	4,037
Sopra Steria A/S (Denmark)	1,345	-100	100	12,220	3,134	9,086	-	-	9,350	-1,931	-
Sopra Steria Benelux (Belgium)	9,138	10,456	99	45,756	-	45,756	-	-	81,338	5,352	3,476
Sopra Steria AS (Norway)	2,002	49,840	100	126,303	-	126,303	-	-	334,069	28,569	21,284
Sopra Steria SE (Germany)	10,000	42,330	100	183,153	-	183,153	-	18,529	367,430	20,484	11,000
Sopra Steria Asia (Singapore)	7,854	-13,003	100	9,994	9,994	-	-	47,260	3,210	-10,727	-
Sopra Steria Infrastructure & Security Services (France)	27,025	2,326	100	40,648	-	40,648	35,230	-	272,127	6,316	-
Sopra Steria Polska Sp. z o.o. (Poland)	4,010	3,155	100	10,800	-	10,800	-	390	34,109	2,589	2,814
Sopra Steria UK Corporate Ltd (United Kingdom)	21,223	223,385	100	389,600	-	389,600	-	-	-	16,411	23,668
CIMPA (France)	152	11,015	100	100,000	-	100,000	-	-	119,279	2,574	-
Galitt	2,668	25,076	100	45,478	-	45,478	-	-	36,215	2,130	-
Sopra Steria Services (France)	15	-2	100	23	-	23	-	-	-	-2	-
XYZ 12 2016 (France)	10	-7	100	10	-	10	-	-	-	-2	-
Sopra Financial Technology (Germany)	22,940	6,324	51	22,624	-	22,624	-	30,600	173,580	-10,656	-
Sopra Steria Réassurance	1,250	-24	100	1,250	-	1,250	2	-	-	-24	-
Other	-	-		72	66	6	-	-	-	-	-
Equity interests											
CS Group	N/A	N/A	11	15,548	2,614	12,933	-	-	N/A	N/A	-
Particeep	N/A	N/A	7	700	-	700	-	-	N/A	N/A	-
Axway Software	43,267	186,015	32	73,859	-	73,859	-	-	167,254	-7,843	2,765
COMECO	N/A	N/A	10	4,400	3,400	1,000	-	-	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): €3,402 thousand;
- treasury shares for €12,237 thousand;
- units in FCPI investment funds for €15,100 thousand;
- merger loss allocated to financial assets: €521,689 thousand.

During the financial year, this item was affected by:

- the maturity of the 2018 LTI plan, for which the following movements were recorded:
  - the purchase of 26,601 Sopra Steria Group shares in the market, for a total value of €3,665 thousand;
  - awards of 67,680 free shares, for a total value of €8,973 thousand.
- the purchase of 75,160 treasury shares in the market, for a total value of €12,237 thousand.

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	21	-	10	12
Work in progress	3,065	-	400	2,665
TOTAL	**3,086**	**-**	**410**	**2,677**

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 licences in SaaS mode.

- Costs incurred in the start-up 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)	2021	2020
Non-Group clients and related accounts	252,070	216,321
Accrued income	87,360	96,940
Group clients (including accrued income)	13,139	18,700
Doubtful debtors	54	250
Provision for doubtful debtors	-45	-217
TOTAL	**352,578**	**331,994**

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 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)	2021	2020
Staff costs and related accounts	87	72
Social security	1,544	731
State and local authorities		
■ Corporate income tax	3,077	4,344
■ Value-added tax	20,240	19,740
■ Other tax	141,323	107,266
Group and associates	326,042	278,640
Impairment of current accounts	-	-47
Other receivables	26,466	43,823
Prepaid expenses	16,270	15,271
TOTAL	**535,049**	**469,840**

The *Other tax* item includes in particular tax credits not used at 31 December 2021. It mainly consists of research tax credit receivables totalling €122,497 thousand.

The *Corporate income tax* item in the amount of €3,077 thousand consists of overpayment of a corporate income tax payment on account.

The *Group and associates* item consists of current account advances to Group subsidiaries (see Note 5.1.3.c).

Prepaid expenses relate to services invoiced in 2021 and attributable to subsequent years. They mainly concern costs associated with hardware and software maintenance contracts and leases of movable and immovable property.

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)	2021	2020
Debt issuance costs	475	565
Foreign currency translation losses	1,213	127
TOTAL	**1,688**	**692**

a. Debt issuance costs

Debt issuance costs consisted of costs to negotiate and arrange the bond issue carried out on 5 July 2019 for an initial amount of €697 thousand. These costs are amortised over the term of the debt in proportion to the interest accrued.

b. Foreign currency translation losses

The *Translation adjustments – Asset* item amounted to €1,213 thousand at end-December 2021, compared with €127 thousand at end-2020.

This change was mainly due to the stock of US dollar receivables being higher at end 2021 than it had been at end 2020.

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.

5.2.6. IMPAIRMENT OF CURRENT ASSETS

(in thousands of euros)	Impairment *(beginning of period)*	Changes in scope	Charges	Reversals	Impairment *(end of period)*
Impairment of trade receivables	217	30	-	202	45
Impairment of current accounts	47	-	-	47	-
Cash and cash equivalents	-	-	-	-	-
TOTAL	**264**	**30**	**-**	**249**	**45**

5.2.7. ACCRUED INCOME

(in thousands of euros)	31/12/2021	31/12/2020
Accrued income		
Trade payables – Credit notes to be received	133	1,447
Trade receivables, related accounts and other receivables	117,854	134,063
Tax and social security receivables	1,308	2,240
Cash and cash equivalents	144	169
TOTAL	**119,439**	**137,919**

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	436,372	248,319	-	-	-	684,691
Retained earnings	147,139	-147,123	-	-	-	16
Profit for the year	142,276	-142,276	-	-	156,867	156,867
Regulated provisions	-	-	-	-	-	-
TOTAL EQUITY	**1,279,867**	**-41,079**	**-**	**-**	**156,867**	**1,395,655**

5.3.2. SHARE CAPITAL

At 31 December 2021, 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 financial 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 2021, the total number of voting rights that could be exercised at Ordinary and Extraordinary General Meetings was 26,431,305, while the total number of theoretical voting rights at that date was 26,511,279.

The Company held a total of 79,974 treasury shares at 31 December 2021. Consequently, at the balance sheet date, reserves not available for distribution amounted to €12,983 thousand.

Free 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)*	Changes in scope	Additions in the year	Reversals in the financial year: Used	Reversals in the financial year: Not used	Amounts *(end of period)*
Provisions for retirement bonuses	*5.4.1*	77,663	5,625	7,607	2,990	-	87,905
Provisions for restructuring		216	2,988	-	934	-	2,270
Provisions for commercial disputes		2,300	1,000	2,775	2,300	300	3,475
Provisions for employee disputes		1,601	433	481	858	387	1,270
Provisions for foreign exchange losses		10	-	16	10	-	15
Provisions for tax risks	*5.4.2*	28,365	890	593	9,875	1,576	18,397
Provisions for renovating premises		1,650	-	600	-	-	2,250
Provisions for contingencies on free share plans	*5.4.3*	8,238	-	14,921	8,974	-	14,186
Other provisions for contingencies	*5.4.4*	1,388	-	10,000	-	-	11,388
TOTAL		**121,432**	**10,936**	**36,992**	**25,941**	**2,263**	**141,156**

- 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 (see Note 5.2.5) or losses going beyond equity interests;
  - 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 value of the 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.

(in thousands of euros)	31/12/2021	31/12/2020
Present value of the obligation financed (with corridor)	91,688	91,529
Fair value of plan assets	-	-
Difference	-	-
Present value of the obligation financed	**91,688**	**91,529**
Unrecognised actuarial losses (difference)	-3,783	-13,866
Unrecognised past service cost	-	-
Net liabilities on the balance sheet (provision after charge for the year)	**87,905**	**77,663**
Balance sheet amounts	**-**	**-**
Liabilities	87,905	77,663
Assets	-	-
NET OBLIGATION IN THE BALANCE SHEET	**87,905**	**77,663**

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 0.98%.

The total obligation in respect of retirement bonuses amounted to €87,905 thousand.

Following the 17 November 2021 update to ANC Recommendation 2013-02 of 7 November 2013 on the rules for measuring and recognising retirement benefits and similar benefits, the Company undertook further work to measure its retirement benefit obligations.

The ANC held that some post-employment benefit plans in France, including retirement bonuses, fell within the scope of the IFRS-IC decision amending the method used to allocate service costs to periods of service.

This change had no effect on the method used to determine retirement benefit obligations recognised by Sopra Steria Group and has no impact on the Group's financial statements.

- 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 present value of employer's 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 2021 was €18,397 thousand.

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 €1,576 thousand in respect of financial year 2021.

5.4.3. PROVISIONS FOR PLANS TO AWARD EXISTING FREE 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 2018 LTI plan expired, the corresponding provision was reversed for €8,973 thousand.

The provision in respect of the 2021 LTI plan stood at €14,185 thousand at 31 December 2021.

The characteristics of this plan are set out in Note 4.2.2.

The next shares will be delivered in July 2024 when the 2021 LTI plan closes.

5.4.4. OTHER PROVISIONS FOR CONTINGENCIES

During the financial year, the Company set aside €10,000 thousand in provisions linked to financial investments, relating in particular to that portion of the risk exceeding its investment in its Singapore subsidiary Sopra Steria Asia.

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*	138,713	-	50,713	88,000
NEU CP programme	*5.5.1.b*	65,000	15,000	65,000	15,000
NEU MTN programme	*5.5.1.c*	144,000	-	14,000	130,000
Other financial debt	*5.5.1.d*	272,188	57,769	-	329,957
Employee profit-sharing		2	-	1	1
Bond	*5.5.1.e*	250,000	-	-	250,000
Accrued interest on financial debt		2,705	441	400	2,746
TOTAL		**872,608**	**73,210**	**130,113**	**815,704**

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 facility. In 2018, following the exercise of the second one-year extension option, the expiry date was postponed to 6 July 2023.

At 31 December 2021, the outstanding amount drawn on the loan was from the single euro-denominated amortising tranche (€88 million after contractual amortisation for the period).

The sterling-denominated tranche was fully repaid in 2021 (resulting in an outflow of £38.4 million over 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 2021. The average amount outstanding under the NEU CP programme was €68.4 million in 2021, compared with €110.1 million in 2020.

The outstanding amount under the NEU CP programme at 31 December 2021 was €15.0 million (€65 million at 31 December 2020).

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 2021, the outstanding amount under the NEU MTN programme was €130.0 million, with maturities of up to two years. The Company did not issue any NEU MTN during the financial year; the decrease in the amount outstanding corresponds to €14 million in matured securities, renewed in the form of NEU CP.

d. Other financial debt

The *Other financial debt* item includes:

- bank overdrafts in the amount of €269.8 million mainly 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 2021 (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 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*. 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 2021, the net financial debt/pro forma EBITDA ratio covenant was met, with the ratio coming in at 0.73 compared with a covenant of 3.0. It is calculated as follows:

(in thousands of euros)	31/12/2021	31/12/2020
Short-term borrowings (<1 year)	95,849	106,600
Long-term borrowings (>1 year)	448,413	564,500
Cash and cash equivalents	-217,166	-245,500
Other financial guarantees	-	-
Net debt (including financial guarantees)	**327,096**	**425,600**
EBITDA	**447,860**	**379,414**
NET FINANCIAL DEBT/PRO FORMA EBITDA RATIO	**0.73**	**1.12**

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 2021, 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 51.22. It is calculated as follows:

(in thousands of euros)	31/12/2021	31/12/2020
EBITDA	**447,860**	**379,414**
Cost of net financial debt	**8,743**	**9,915**
PRO FORMA EBITDA/COST OF NET FINANCIAL DEBT RATIO	**51.22**	**38.27**

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 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.

For transactions qualifying as hedges, the underlying hedged risk consists of a group of floating-rate financial liabilities. At 31 December 2021, floating-rate financial liabilities mainly comprised the euro-denominated tranche of the 2014 syndicated loan (€88 million), the NEU CPs (€15 million) and a portion of the NEU MTNs (€95.0 million).

	-50 bp		+50 bp	
(in thousands of euros)	Equity impact	P&L impact (hedge ineffectiveness)	Equity impact	P&L impact (hedge ineffectiveness)
Options eligible for hedge accounting in euros	- 398	- 2	798	2
TOTAL	**- 398**	**- 2**	**798**	**2**
Total impact		*-400*		*800*

The transactions not qualifying as hedges relate to option contracts not linked to an underlying asset at 31 December 2021.

At 31 December 2021, the fair value of interest rate instruments was negative €270 thousand.

The portfolio's sensitivity in the event of a change in interest rates is:

- a decrease of €400 thousand in the event of a decrease of 50 basis points in interest rates;
- an increase of €800 thousand in the event of an increase of 50 basis points in interest rates.

(in thousands of euros)	Fair value 31/12/2021 Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	Maturity <1 year	1 to 5 years	>5 years
Options eligible for hedge accounting in euros	687	-	317	-	160,000	-	160,000	-
TOTAL INTEREST RATE HEDGES	**687**	**-**	**317**	**-**	**160,000**	**-**	**160,000**	**-**

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;
- financial 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]	87,586	-744
Interest rate hedge	150,000	270

(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, Norwegian kroner and Swiss francs. 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 2021, the fair value of foreign exchange instruments was -€744 thousand.

The portfolio's sensitivity in the event of a change in interest rates is:

- an increase of €1,483 thousand in the event of a 5% fall in the euro;
- a decrease of €1,669 thousand in the event of a 5% rise in the euro.

Foreign exchange risk:

At 31 December 2021, sterling-denominated debt providing partial coverage of the assets comprised of shares in UK subsidiaries amounted to €261,434 thousand, while cash and cash equivalents in Swedish kronor providing partial coverage of the debt of subsidiaries in Sweden came to €19,045 thousand.

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)	2021	2020
Non-Group suppliers and related accounts	17,803	18,127
Accrued expenses	63,760	50,079
Group suppliers (including accrued expenses)	58,041	53,028
TOTAL	**139,604**	**121,233**

5.5.4. TAX AND SOCIAL SECURITY PAYABLES

(in thousands of euros)	2021	2020
Staff costs and related accounts	112,169	86,800
Social security	72,644	105,588
State and local authorities		
▪ Corporate income tax	-	-
▪ Value-added tax	84,471	82,814
▪ Other tax	11,647	11,550
TOTAL	**280,931**	**286,753**

5.5.5. OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

(in thousands of euros)	2021	2020
Payables on fixed assets and related accounts	11,867	11,524
Group and associates	319,605	302,985
Other payables	25,557	35,876
Deferred income	98,003	84,867
TOTAL	**455,032**	**435,253**

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 2021, *Liabilities on fixed assets* included:

- liabilities on acquisitions of property, plant and equipment for €2,102 thousand;
- liabilities on acquisitions of non-current financial assets for €9,765 thousand. These concerned investments in FCPI funds and will be recognised upon each call for subscription.

5.5.6. ACCRUED EXPENSES

(in thousands of euros)	31/12/2021	31/12/2020
Accrued expenses		
Accrued interest on financial debt	2,746	2,705
Trade payables and related accounts	79,200	63,363
Trade receivables – Credit notes to be issued	19,695	22,510
Tax and social security payables	166,558	135,749
Other payables	500	-
TOTAL	**268,700**	**224,327**

The €30,809 thousand increase in *Tax and social security payables* was mainly related to the increase in employee-related provisions.

5.5.7. FOREIGN CURRENCY TRANSLATION GAINS

(in thousands of euros)	2021	2020
Foreign currency translation gains	1,293	6,746
TOTAL	**1,293**	**6,746**

Translation adjustments – Liability mainly relates to unrealised translation differences on the foreign currency portion of the syndicated loan.

During the financial year, the Company repaid early the full amount of the sterling portion of the syndicated loan, leading to the €6,622 thousand foreign currency translation gain recognised in 2020 being reversed.

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	4,761	2,656	2,104
Current assets			
Doubtful debts and disputes	54	-	54
Other trade receivables	352,569	352,569	-
Staff costs and related accounts	87	87	-
Social security	1,544	1,544	-
State and local authorities			
■ Corporate income tax	3,077	3,077	-
■ Value-added tax	20,240	20,240	-
■ Other tax	141,323	51,544	89,780
Group and associates	326,042	326,042	-
Other receivables	26,466	26,466	-
Prepaid expenses	16,270	16,270	-
TOTAL	**892,433**	**800,494**	**91,939**

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	148,000	8,000	140,000	-
Bond	250,000	-	250,000	-
Other financial debt	417,704	357,587	60,117	-
Trade payables and related accounts	139,604	139,604	-	-
Staff costs and related accounts	112,169	112,169	-	-
Social security	72,644	72,644	-	-
State and local authorities:				
■ Corporate income tax	-	-	-	-
■ Value-added tax	84,471	84,471	-	-
■ Other tax	11,647	11,647	-	-
Payables on fixed assets and related accounts	11,867	11,867	-	-
Group and associates	319,605	319,605	-	-
Other payables	25,557	25,557	-	-
Deferred income	98,003	98,003	-	-
TOTAL	**1,691,271**	**1,241,154**	**450,117**	**-**

6. Other information

6.1. Information on finance leases

6.1.1. ASSETS HELD UNDER FINANCE LEASES

	Original value	Depreciation charge		Net value
(in thousands of euros)		For the period	Accumulated	
IT equipment	26,587	6,460	14,407	12,180

6.1.2. FINANCE LEASE COMMITMENTS

	Actual lease payments		Lease payments remaining			Residual purchase price
(in thousands of euros)	For the period	Accumulated	Less than 1 year	1 to 5 years	Total payable	
IT equipment	6,700	13,603	6,287	4,057	10,343	266

6.2. Off-balance sheet commitments

6.2.1. OFF-BALANCE SHEET COMMITMENTS GIVEN

(in thousands of euros)	31/12/2021
Commitments given	
Endorsements and bank guarantees	18,445
Counter-guarantee on non-bank guarantees covering contracts (1)	312,828
Bank counter-guarantee	-
Nominal value of future equipment operating lease payments	1,872
Nominal value of future real estate operating lease payments	268,082
Nominal value of future finance lease payments	10,609
Foreign exchange hedge (2)	87,586
Interest rate hedge	150,000
TOTAL COMMITMENTS GIVEN	**849,422**

(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)	31/12/2021
Commitments received	
Endorsements and other bank guarantees	873
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	15
Nominal value of future real estate sublease payments	42,197
Net carrying amount of assets held under finance leases	12,180
Foreign exchange hedge [(1)]	87,586
Interest rate hedge	150,000
TOTAL COMMITMENTS RECEIVED	**1,403,479**

(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

The Board of Directors decided on 12 January 2022 to implement a new We Share employee share ownership plan by adopting the same features as the previous plans, given their success. The plan involves the transfer of existing shares.

On 22 February 2022, the Company signed an agreement with its partner banks consisting of a €1,100,000 thousand non-amortising multi-currency credit facility tied to the achievement of environmental goals. This agreement replaced the existing revolving multi-currency credit facility. It has an initial term of five years and may optionally be extended for two periods of one year each. Futhermore, the current syndicated loan, amortising until 2023, was repaid in full.

No other subsequent events occurred after the end of financial year 2021.

6.5. Summary for the last five financial years

(in thousands)	2021	2020	2019	2018	2017
Financial position at year-end					
■ Share capital	20,548	20,548	20,548	20,548	20,548
■ Number of shares issued	20,548	20,548	20,548	20,548	20,548
■ Number of bonds convertible into shares	-	-	-	-	-
Results of operations for the year					
■ Revenue excluding VAT	1,717,658	1,512,781	1,651,461	1,553,775	1,456,888
■ Profit before tax, depreciation, amortisation and provisions	174,360	131,796	150,240	127,749	140,168
■ Corporate income tax	-15,468	-20,835	-14,713	-26,012	-16,314
■ Profit after tax, depreciation, amortisation and provisions	156,867	142,276	147,078	124,706	141,770
■ Amount of profit distributed as dividends	65,754	41,095	-	38,013	49,314
Earnings per share					
■ Profit after tax but before depreciation, amortisation and provisions	9.24	7.43	8.03	7.48	7.62
■ Profit after tax, depreciation, amortisation and provisions	7.63	6.92	7.16	6.07	6.90
■ Dividend paid per share	3.20	2.00	-	1.85	2.40
Employee data					
■ Number of employees	13,236	12,997	13,451	13,083	13,238
■ Total payroll	665,161	625,364	635,496	610,196	593,410
■ Amount paid in respect of employee benefits (social security, employee discounts, etc.)	300,241	277,481	288,332	299,928	296,846

6.6. Maturity schedule of trade payables and receivables

6.6.1. MATURITY SCHEDULES OF TRADE PAYABLES NOT PAST DUE

	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	-					3,659
Total amount of invoices concerned (€k, incl. VAT)		1,007	600	126	-293	1,440
Percentage of total purchases for the financial year (excl. VAT)		0.2%	0.1%	0.0%	0.0%	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					

The *Trade payables and related accounts* item came to €139,604 thousand. It comprised accrued expenses for €79,200 thousand, invoices not past due for €58,964 thousand and past due invoices for €1,440 thousand.

6.6.2. MATURITY SCHEDULE OF TRADE RECEIVABLES NOT PAST DUE

	Article D. 441-4 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	-					2,254
Total amount of invoices concerned (€k, incl. VAT)		13,677	1,899	121	2,641	18,337
Percentage of revenue for the year (excl. VAT)		0.8%	0.1%	0.0%	0.2%	1.1%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED PAYABLES AND RECEIVABLES OR NOT RECORDED IN THE ACCOUNTS						
Number of invoices excluded						6
Total amount of invoices excluded (€k, incl. VAT)	-	-	-	-	54	54
(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					

The *Trade receivables and related accounts* item came to €352,578 thousand. It comprised accrued income for €102,854 thousand, invoices not past due for €231,387 thousand and past due invoices for €18,337 thousand.

Statutory Auditors' report on the parent company financial statements

Financial year ended 31 December 2021

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 financial year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of 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 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 of the Statutory Auditors relating to the audit of the parent company 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 2021 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.

Observation

Without qualifying the above opinion, we would like to draw your attention to Note 5.4.1 to the parent company financial statements, which describes the updated ANC regulation on the rules for measuring and recognising retirement benefits and similar benefits, and its effects on the parent company financial statements.

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. 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.

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 2021, the Company's revenue totalled €1.7 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 2021 for a net amount of €1,929.1 million, representing 59.7% 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).

We considered that the valuation of non-current financial assets is a key audit matter 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, 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 2021 was €87.9 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 audit matter.

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. 441-6 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 parent company financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France concerning the procedures performed by the Statutory Auditor relating to the parent company and consolidated financial statements presented in the European Single Electronic Format, that the presentation of the parent company 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 this format as defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the parent company 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 parent company financial statements that will ultimately be included by your Company in the Annual Financial Report filed with the AMF correspond to 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 ACA Nexia by the shareholders at the General Meeting of 24 June 2004.

As at 31 December 2021, Mazars was in its 22nd consecutive year as Statutory Auditor and ACA Nexia in its 18th consecutive year as Statutory Auditor, respectively 22 years and 18 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.(1)

The Statutory Auditors
French original signed by
Paris and Courbevoie, 3 March 2022

ACA Nexia	**Mazars**	
Olivier Juramie	Alain Chavance	Jérôme Neyret

(1) This is a free translation into English of the Statutory Auditors' report on the parent company financial statements of the Company issued in French. It is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required under European regulations and French law, such as information about the appointment of the Statutory Auditors and the verification of 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.

Statutory Auditors' special report on related-party agreements

General Meeting to approve the financial statements for the financial year ended 31 December 2021

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 €1,160,789 with respect to financial year 2021.

At its meetings on 28 January 2021 and 9 February 2022, 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 business development in strategic operations, in return for compensation calculated at a rate of €2,500 (excluding taxes) per day.

For the financial year ended 31 December 2021, your Company recognised an expense of €197,750 under this agreement.

At its meetings on 28 January 2021 and 9 February 2022, 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: Éric Hayat, Chairman of Éric Hayat Conseil and Vice-Chairman of the Board of Directors of Sopra Steria Group.[1]

The Statutory Auditors
Paris and Courbevoie, 3 March 2022
French original signed by

Mazars		**ACA Nexia**
Alain Chavance	Jérôme Neyret	Olivier Juramie

(1) *This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

7. Share ownership structure

1. General information

The Group was listed on the Paris Stock Exchange on 27 March 1990.

At 31 December 2021, 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 Developed Market

Euronext Developed Market USD

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

Gaïa Index

2. Share ownership structure

	At 31/12/2021				At 31/12/2020				At 31/12/2019			
Shareholders	**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%	4,035,669	19.6%	29.7%	29.8%	4,034,409	19.6%	29.5%	29.6%
Pasquier family	112,479	0.5%	0.8%	0.8%	111,209	0.5%	0.8%	0.8%	109,939	0.5%	0.8%	0.8%
Odin family	212,298	1.0%	1.6%	1.6%	215,933	1.1%	1.6%	1.6%	214,833	1.0%	1.6%	1.6%
Management	217,725	1.1%	1.5%	1.5%	217,224	1.1%	1.4%	1.5%	246,044	1.2%	1.7%	1.7%
o/w Sopra Développement[2]	0	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	1	0.0%	0.0%	0.0%
o/w SEI[3]	0	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	33,828	0.2%	0.3%	0.3%
o/w managers[4]	217,725	1.1%	1.5%	1.5%	217,224	1.1%	1.4%	1.5%	212,215	1.1%	1.4%	1.4%
Total agreements[5]: Agreement between Sopra GMT, Pasquier and Odin families, and management	**4,578,801**	**22.3%**	**33.6%**	**33.7%**	**4,580,035**	**22.3%**	**33.6%**	**33.6%**	**4,605,225**	**22.4%**	**33.7%**	**33.7%**
Shares managed on behalf of employees	1,197,587	5.8%	7.8%	7.8%	1,297,939	6.3%	8.4%	8.5%	1,360,083	6.6%	8.4%	8.4%
o/w Corporate mutual funds (FCPE), We Share employee share ownership plan and SIP Trust[6]	976,225	4.8%	6.9%	7.0%	1,068,079	5.2%	7.6%	7.6%	1,118,381	5.4%	7.5%	7.5%
o/w Other UK trusts[7]	221,362	1.1%	0.8%	0.8%	229,860	1.1%	0.9%	0.9%	241,702	1.2%	0.9%	0.9%
Free float	14,691,339	71.5%	58.3%	58.5%	14,622,915	71.2%	57.8%	57.9%	14,555,686	70.8%	57.9%	57.9%
Treasury shares	79,974	0.4%	0.3%	0.0%	46,812	0.2%	0.2%	0.0%	26,707	0.1%	0.1%	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) *Total for the agreement between Sopra GMT, Pasquier and Odin families, and management, and the Sopra GMT agreement.*
(6) *SIP Trust is a UK trust that manages shares purchased by employees under a share incentive plan.*
(7) *The other UK trusts hold assets 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	**31/12/2021**		**31/12/2020**		**31/12/2019**	
Shareholders	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**
Pasquier family	318,050	68.27%	318,050	68.27%	318,050	68.27%
Odin family	132,050	28.34%	132,050	28.34%	132,050	28.34%
Sopra Steria Group managers (active and retired)	12,604	2.71%	15,774	3.39%	15,774	3.39%
Treasury shares	3,170	0.68%	0	0.00%	0	0.00%
TOTAL	**465,874**	**100.00%**	**465,874**	**100.00%**	**465,874**	**100.00%**

3. Employee share ownership

Sopra Steria has always aimed to give employees a stake in the corporate plan and the company's financial performance.

At 31 December 2021, all the holdings managed on behalf of employees accounted for 5.8% of the share capital (1,197,587 shares) and 7.8% of voting rights.

The holdings managed on behalf of corporate mutual funds (FCPEs) and share incentive plans (SIPs) in the United Kingdom made up 4.8% of the share capital (976,225 shares) and 6.9% of voting rights.

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 (221,362 shares) and 0.8% of the voting rights. In 2021, the shares held by these trusts were used to make matching contributions to the SIPs.

At its meeting of 12 January 2022, the Board of Directors decided to set up a new employee share ownership plan in the first half of 2022, based on the model of the highly successful We Share plans (2016, 2017 and 2018). Under this new plan, employees will receive a matching contribution of one free share for every share purchased. The plan is limited to a total of 200,000 shares: 100,000 shares purchased by employees and 100,000 matching free shares granted by Sopra Steria.

Under these plans employees must purchase their shares on the market.

They enable employees to benefit durably from the long-term success of the Group's corporate plan and performance.

In addition to their motivational power, employee share ownership plans help foster a sense of belonging and inclusion, since almost 96% of the total workforce is eligible for these Group-wide programmes.

4. Voting rights

At 31 December 2021, the total number of voting rights that could be exercised was 26,431,305 and the total number of theoretical voting rights was 26,511,279.

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 2021, 5,963,587 shares (representing 29.0% of the share capital) held double voting rights.

5. Threshold crossings

In 2021, 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 2021:

- 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 7.8% 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 81.1%.

7.2. Members of Sopra Steria Group's Board of Directors

Sopra GMT held three of the fourteen seats on the Board of Directors at 31 December 2021, including the Chairman of the Board of Directors.

Two of the seven 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 three Directors representing the employees and employee shareholders;
- the selection process for new Directors, presented in Section 1.2.2, "Selection process" of Chapter 3, "Corporate governance" of this Universal Registration Document (page 55). 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 2021

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 12 of the Combined General Meeting of 26 May 2021, the shareholders renewed the authorisation granted to the Board of Directors to buy back the Company's shares as set out in Article L. 22-10-62 et seq. of the French Commercial Code and the AMF's General Regulation, for an 18-month period expiring 25 November 2022.

During the financial year ended 31 December 2021, this share buyback programme was used as follows:

8.1.1. IMPLEMENTATION OF LIQUIDITY AGREEMENT

At 31 December 2020, 5,400 shares were allocated to the liquidity agreement.

Between 1 January 2021 and 31 December 2021, Sopra Steria Group bought back 182,147 shares under the liquidity agreement at an average price of €164.51 and sold 182,742 shares at an average price of €157.54.

At 31 December 2021, 4,805 shares were still held by the Company for the purposes of the liquidity agreement. Their unit cost is €155.26.

8.1.2. ALLOCATION TO EMPLOYEES

At 31 December 2020, 41,412 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 purchase 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 2021, the Company acquired 102,036 shares at an average price of €156.27.

Under the Share Incentive Plan (SIP) employee share ownership plan implemented by Sopra Steria Group in the United Kingdom, 599 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, 67,680 free shares were remitted in connection with the delivery and full and final allotment of free performance shares under the 2018 LTI plan instituted by Sopra Steria's General Meeting of 22 June 2016 and allocated on 16 February 2018 to recipients meeting all the plan's requirements after application of the performance conditions.

Taking into account these items, the Company held 75,169 shares allocated for this purpose at 31 December 2021. Their cost price is €162.79.

At 31 December 2021, Sopra Steria Group held 79,974 treasury shares, representing 0.4% of the share capital.

8.2. Description of the 2022 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 Regulation (EU) No. 596/2014 of 16 April 2014 ("MAR" regulation) and in accordance with the terms of Article 221-3 of the AMF's General Regulation.

This programme will be submitted for approval at the General Meeting of 1 June 2022.

a. Number of shares and share of capital held by the Company

At 28 February 2022, the Company's capital was made up of 20,547,701 shares.

At that date, the Company held 94,065 treasury shares, representing 0.46% of the share capital.

b. Breakdown by purpose of treasury shares held by the Company

At 28 February 2022, the treasury shares held by the Company broke down by purpose as follows:

- implementation of liquidity agreement: 7,800 shares;
- award or sale to employees and/or company officers of the Group, coverage of share purchase 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: 86,265 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 1 June 2022 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 option plans and/or free share plans (or similar plans) as well as any allotments of shares under a company or Group savings plan (or similar 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 SA's capital on the buyback day.

At 31 December 2021, 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 SA 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 derivatives, 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 1 June 2022, i.e. until 30 November 2023.

9. Changes in share capital

At 31 December 2021, 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 by 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	-	-	-	-
2021	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, "2021 Consolidated Financial Statements" of this Universal Registration Document (pages 192 to 193).

In respect of the Long Term Incentive (LTI) plan, introduced in 2018, 67,680 shares were delivered 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 financial year 2021 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	Vincent Paris	Chief Executive Officer	D	26/02/2021	735	€135.81	€99,821.53
a	Éric Pasquier	Director	A*	01/04/2021	1,270	€0.00	€0.00
a	Vincent Paris	Chief Executive Officer	A*	01/04/2021	1,905	€0.00	€0.00
a	Vincent Paris	Chief Executive Officer	D	02/08/2021	992	€170.00	€168,640.00

(1) *Category a: Members of the Board of Directors and the Chief Executive Officer.*
(2) *Description: A: acquisition; D: disposal; S: subscription; E: exchange; G: gift; SO: exercise of stock options.*
* *Allocation of free performance shares under the 2018 LTI plan.*

12. Authorisations to issue securities granted to the Board of Directors at the Combined General Meetings of 9 June 2020 and 26 May 2021

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 award	26 May 2021 Resolution 13	38 months (June 2024)	1%(1)	0.05%	None
Capital increase for employees enrolled in a company savings plan	26 May 2021 Resolution 14	26 months (July 2023)	2%(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 275);
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).

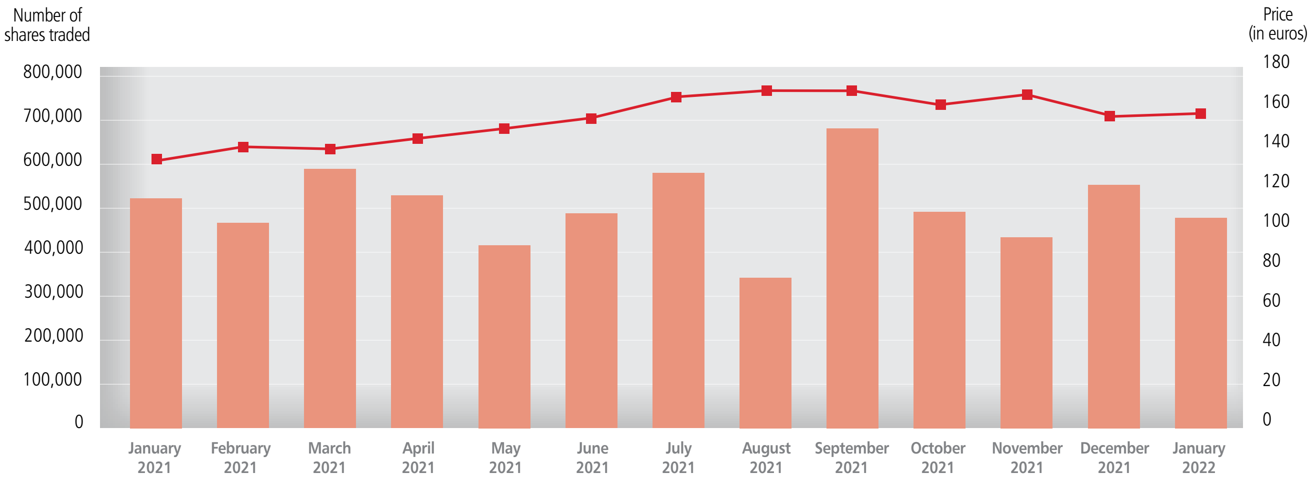
The Company has not been informed of any clauses of agreements pursuant to Article L. 233-11 of the French Commercial Code other than those set out in Section 6, "Shareholders' agreements" of this chapter (pages 276 to 277);

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 Section 2, "Share ownership structure" of this chapter (page 275);
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 Sections 2, "Share ownership structure" and 7.1, "Breakdown of voting rights" of this chapter (pages 275 and 277, 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 Meetings of 9 June 2020 under Resolutions 12 to 21 and of 26 May 2021 under Resolutions 13 and 14;

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 public tender or exchange offer.

14. Monthly share prices and trading volumes on Euronext Paris



(Source: Euronext Paris)

15. Share price performance

Month	Number of trading days	Price (in €) High	Low	Average closing price	Trading volumes Number of shares traded	Capital *(in millions of euros)*
2021/01	20	138.90	128.90	134.06	522,825	70.17
2021/02	20	146.00	131.60	141.25	466,265	65.61
2021/03	23	146.70	134.50	140.16	589,195	82.57
2021/04	20	157.90	136.60	145.51	528,937	77.07
2021/05	21	156.00	143.90	150.58	415,635	62.58
2021/06	22	165.30	146.80	156.01	488,229	76.21
2021/07	22	177.00	156.30	166.86	580,115	96.75
2021/08	22	174.30	165.50	169.99	342,017	58.06
2021/09	22	179.70	160.20	169.90	681,410	115.31
2021/10	21	176.00	151.50	162.76	491,896	80.28
2021/11	22	174.80	155.40	167.96	433,913	72.51
2021/12	23	162.60	145.80	156.80	553,615	86.01
2022/01	21	168.70	148.70	158.31	478,300	75.98

(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
2020	20,539,743	€2.00

(1) Given the context of the Covid-19 pandemic and in a spirit of responsibility, at its meeting on 9 April 2020, Sopra Steria Group'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 23 February 2022, the Board of Directors of Sopra Steria Group decided to propose at the General Meeting of Shareholders to be held on 1 June 2022 that a dividend of €3.20 per share be distributed. The ex-dividend date will be 7 June 2022. The dividend will be paid as of 9 June 2022.

Dividends not collected before the five-year prescription period expires are paid to the French state.

8. Additional information

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 is used to draw up a list of proposed candidates from among those persons meeting the criteria laid down in Articles L. 225-23 and L. 225-102 of the French Commercial Code;

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 Works Council 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 Works Council 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 eighty-nine 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 exceptional compensation 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 seventy-seven 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, the Chief

Executive Officer 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 sixty-five 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 the Chief Executive Officer

The Chief Executive Officer, who may be 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 thirty-five 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 Works 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 Works Council members, appointed by the Works 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 MEETINGS

An Ordinary General Meeting is a meeting called to take decisions that exceed the powers of the Board of Directors and that 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 MEETINGS

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

Cyril Malargé, Chief Executive Officer.

2.2. Information relating to the Statutory Auditors

2.2.1. PRINCIPAL AND ALTERNATE STATUTORY AUDITORS

a. Principal Statutory Auditors

- ACA Nexia – 31 rue Henri-Rochefort, 75017 Paris (France).
  Represented by Olivier Juramie. Appointment expiring at the General Meeting convened to approve the 2021 financial statements.

First appointed: 2005.

- Mazars – 61 rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie (France).

  Represented by Bruno Pouget. Appointment expiring at the General Meeting convened to approve the 2023 financial statements.

  First appointed: 2000.

b. Alternate Statutory Auditors

- Pimpaneau & Associés – 31 rue Henri-Rochefort, 75017 Paris (France). Appointment expiring at the General Meeting convened to approve the 2021 financial statements.

3. Provisional reporting timetable

Publication date	Event	Meeting date
Thursday, 24 February 2022 before market open	2021 full-year revenue and earnings	24 February 2022
Friday, 29 April 2022 before market open	Q1 2022 revenue	29 April 2022
Wednesday, 1 June 2022 (2:30 p.m.)	Annual General Meeting of Shareholders	1 June 2022
Thursday, 28 July 2022 before market open	2022 half-year revenue and earnings	28 July 2022
Friday, 28 October 2022 before market open	Q3 2022 revenue	28 October 2022

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. Q1 and Q3 revenue is published in press releases and presented on conference calls in French and English.

4. Regulatory disclosures in 2021

4.1. Press releases for ongoing disclosure obligation

- 21/12/2021 Sopra Steria finalises the acquisition of EVA Group, a French cybersecurity firm
- 29/10/2021 Q3 2021 revenue
- 22/10/2021 Update of Sopra Steria’s 2022 financial calendar
- 12/10/2021 Sopra Steria announces its plans to acquire EVA Group, a French cybersecurity firm, and continues to expand in the critical digital trust market
- 08/10/2021 Sopra Steria Group: 2022 financial calendar
- 07/10/2021 Second place in the Transparency ranking; Sopra Steria wins the 2021 award for the meeting brochure at the *Grands Prix de la Transparence*
- 20/09/2021 Press release dated 20 September 2021
- 30/07/2021 Publication of the 2021 Half-Year Financial Report
- 29/07/2021 2021 Half-year results
- 24/06/2021 Proposed acquisition of Labs, a Norwegian user experience consultancy
- 27/05/2021 Introduction of a long-term incentive plan based on performance shares
- 26/05/2021 Combined General Meeting of 26 May 2021 – Results of voting
- 26/05/2021 The General Meeting will be held in closed session at Studio Vendôme, Paris (France)
- 28/04/2021 Combined General Meeting of 26 May 2021 – Arrangements for making preparatory documents available
- 28/04/2021 Q1 2021 revenue
- 08/04/2021 The General Meeting of 26 May 2021 will be held in closed session on an exceptional basis
- 18/03/2021 Press release containing regulated information – Press release announcing publication of the 2020 xHTML Universal Registration Document/Annual Financial Report
- 26/02/2021 2020 Full-year results
- 04/01/2021 Sopra Banking Software finalises the acquisition of Fidor Solutions, the software subsidiary and digital banking specialist of next-generation bank Fidor Bank

4.2. Universal Registration Document (formerly Registration Document) including the Annual Financial Report and updates

- 18/03/2021 2020 Universal Registration Document

4.3. Interim financial report

- 30/07/2021 2021 Half-year financial report

4.4. Quarterly financial reporting

- 29/10/2021 Q3 2021 revenue
- 28/04/2021 Q1 2021 revenue

4.5. Monthly disclosures of total voting rights and shares

- 12 monthly disclosure forms
- 08/04/2021 Filing of the total number of voting rights and shares making up the share capital at 7 April 2021, the date of publication of the meeting notice in the BALO of the General Meeting of 26 May 2021

4.6. Descriptions of share buyback programmes and reports on the liquidity agreement

Liquidity agreement

- 05/07/2021 Half-yearly report on the liquidity agreement with ODDO BHF SCA
- 05/01/2021 Half-yearly report on the liquidity agreement with ODDO BHF SCA

Weekly treasury share transactions

- 10/01/2022 5:45 p.m. Disclosure of transactions for the period from 27 to 31 December 2021
- 20/12/2021 5:45 p.m. Disclosure of transactions for the period from 13 to 17 December 2021
- 13/12/2021 5:45 p.m. Disclosure of transactions for the period from 6 to 10 December 2021
- 28/11/2021 5:45 p.m. Disclosure of transactions for the period from 22 to 26 November 2021
- 22/11/2021 5:45 p.m. Disclosure of transactions for the period from 15 to 19 November 2021
- 08/11/2021 5:45 p.m. Disclosure of transactions for the period from 1 to 5 November 2021
- 18/10/2021 5:45 p.m. Disclosure of transactions for the period from 11 to 15 October 2021
- 04/10/2021 5:45 p.m. Disclosure of transactions for the period from 27 September to 1 October 2021
- 27/09/2021 5:45 p.m. Disclosure of transactions for the period from 20 to 24 September 2021
- 31/08/2021 5:45 p.m. Disclosure of transactions for the period from 16 to 20 August 2021
- 03/08/2021 5:45 p.m. Disclosure of transactions for the period from 26 to 30 July 2021
- 19/07/2021 5:45 p.m. Disclosure of transactions for the period from 12 to 16 July 2021
- 21/06/2021 5:45 p.m. Disclosure of transactions for the period from 14 to 18 June 2021
- 24/05/2021 5:45 p.m. Disclosure of transactions for the period from 17 to 21 May 2021
- 19/04/2021 5:45 p.m. Disclosure of transactions for the period from 12 to 16 April 2021
- 22/03/2021 5:45 p.m. Disclosure of transactions for the period from 15 to 19 March 2021
- 08/03/2021 5:45 p.m. Disclosure of transactions for the period from 1 to 5 March 2021
- 22/02/2021 5:45 p.m. Disclosure of transactions for the period from 15 to 19 February 2021
- 18/01/2021 5:45 p.m. Disclosure of transactions for the period from 11 to 15 January 2021
- 11/01/2021 5:45 p.m. Disclosure of transactions for the period from 4 to 8 January 2021

4.7. Reports on the manner in which the work of the Board of Directors is prepared and organised, and on internal control procedures

- 18/03/2021 Included in the 2020 Universal Registration Document

4.8. Fees paid to the Statutory Auditors

- 18/03/2021 Included in the 2020 Universal Registration Document

4.9. Press releases on the availability of information related to shareholders' meetings

- 28/04/2021 Combined General Meeting of 26 May 2021 – Arrangements for making preparatory documents available

4.10.Press releases on the availability of prospectuses

- 30/07/2021 Press release announcing the publication of the 2021 Half-Year Financial Report
- 18/03/2021 Press release announcing the publication of the 2020 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

1. Agenda

Requiring the approval of the Ordinary General Meeting

1) Approval of the parent company financial statements for financial year 2021;
2) Approval of the consolidated financial statements for financial year 2021;
3) Appropriation of earnings for financial year 2021 and setting of the dividend;
4) Approval of the report on the compensation of company officers relating to the disclosures mentioned in Article L. 22-10-9 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 or allotted to Pierre Pasquier, Chairman of the Board of Directors, in respect of financial year 2021;
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 financial year 2021;
7) Approval of the compensation policy for the Chairman of the Board of Directors;
8) Approval of the compensation policy for the Chief Executive Officer;
9) Approval of the compensation policy for Directors for their service;
10) Decision setting the total amount of compensation awarded to Directors for their service at €500,000 per financial year;
11) Renewal of the directorship of André Einaudi for a term of office of four years;
12) Renewal of the directorship of Michael Gollner for a term of office of one year;
13) Renewal of the directorship of Noëlle Lenoir for a term of office of four years;
14) Renewal of the directorship of Jean-Luc Placet for a term of office of two years;
15) Appointment of Yves de Talhouët as a Director for a term of office of three years;
16) Renewal of the appointment of ACA Nexia as Principal Statutory Auditor;
17) Authorisation to be granted to the Board of Directors to trade in the Company's shares up to a maximum of 10% of the share capital;

Requiring the approval of the Extraordinary General Meeting

18) Authorisation to be granted to the Board of Directors to retire any shares that the Company may have acquired and to reduce the share capital accordingly;
19) Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries, with pre-emptive subscription rights for existing shareholders, subject to an upper limit of 50% of the Company's share capital;
20) Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries, through public offerings (excluding offerings pursuant to paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code), without pre-emptive subscription rights, subject to an upper limit of 20% of the Company's share capital, or 10% of the share capital where no priority is granted;
21) Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries, by means of a public offering provided for under paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights, subject to an upper limit of 10% of the Company's share capital per year;
22) Delegation of authority to be granted to the Board of Directors to determine the issue price for ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries, subject to an upper limit of 10% of the Company's share capital in connection with a capital increase without pre-emptive subscription rights;
23) Delegation of authority to be granted to the Board of Directors to increase, with or without pre-emptive rights for existing shareholders, the number of ordinary shares and/or other securities giving access to the Company's share capital to be issued, subject to an upper limit of 15% of the size of the initial issue;
24) Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries, without pre-emptive subscription rights, in consideration for contributions in kind, subject to an upper limit of 10% of the Company's share capital;
25) Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries, without pre-emptive subscription rights, in consideration for instruments tendered to a public exchange offer, subject to an upper limit of 10% of the Company's share capital;
26) Delegation of authority to be granted to the Board of Directors to increase the Company's share capital, through the capitalisation of premiums, reserves, earnings or any other item eligible for capitalisation;
27) Authorisation to be granted to the Board of Directors to allot existing or new free shares to employees and/or company officers of the Company and/or related companies, subject to a cap of 1.1% of the share capital, entailing the waiver by the shareholders of their pre-emptive subscription right;
28) Delegation of authority to be granted to the Board of Directors 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 related company, 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

29) Powers granted to carry out all legal formalities.

2. Summary of resolutions

2.1 Ordinary General Meeting

2.1.1 APPROVAL OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS OF SOPRA STERIA GROUP (RESOLUTIONS 1 AND 2)

The Board of Directors submits for your approval:

- the parent company financial statements (Resolution 1) of Sopra Steria Group for the year ended 31 December 2021, showing net profit of €156,867,447.75;
- the consolidated financial statements (Resolution 2) of Sopra Steria Group for the year ended 31 December 2021, showing profit attributable to the Group of €187,688,638;
- the list of non-tax-deductible expenses totalling €764,000 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 parent company 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 2021. 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 2021.

2.1.2 PROPOSED APPROPRIATION OF EARNINGS AND SETTING OF THE DIVIDEND (RESOLUTION 3)

Sopra Steria Group SA generated net profit of €156,867,447.75 for the year ended 31 December 2021, giving consolidated net profit attributable to the Group of €187,688,638.

The Board of Directors proposes that a dividend per share of €3.20 be distributed, i.e. a total amount of €65,752,643.2, to 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 General Tax Code), and the deduction of a portion of the CSG (6.8%). The ex-dividend date would be 7 June 2022, before the market opens. The dividend will be payable as from 9 June 2022.

2.1.3. COMPENSATION OF COMPANY OFFICERS (RESOLUTIONS 4 TO 9)

The compensation policy for company officers, which was decided on by the Board of Directors on the recommendation of the Compensation Committee, is set out in Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2021.

a. **Under Resolution** 4 and in accordance with the provisions of Article L. 22-10-34 I of the French Commercial Code, you are kindly asked to approve the report on the compensation of company officers relating to the disclosures mentioned in Article L. 22-10-9 I of the French Commercial Code.

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 2021 or allotted in respect of that year to the executive company officers, namely Pierre Pasquier, in his capacity as 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 26 May 2021. 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 2021 financial year.

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 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.

2.1.4. DECISION SETTING THE AMOUNT OF COMPENSATION AWARDED TO DIRECTORS 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 Directors for their service, as referred to in Article L. 225-45 of the French Commercial Code (previously known as directors' fees) at €500,000. 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, "Compensation policy" of Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2021.

2.1.5. REAPPOINTMENT AND APPOINTMENT OF DIRECTORS (RESOLUTIONS 11 TO 15)

Five Directors' terms of office are due to expire at the close of the General Meeting of 1 June 2022. The Directors concerned are Noëlle Lenoir, André Einaudi, Michael Gollner, Jean-Luc Placet and Jean-François Sammarcelli.

In accordance with the provisions of Article 14 of the Company's Articles of Association, as amended at the General Meeting of 9 June 2020 and with effect from that date, Directors may be appointed or reappointed for a term of office of one, two or three years, in place of the term of office of four years stipulated in the Articles of Association, to allow for the staggering of terms of office for Board members.

Consequently, the Nomination, Governance, Ethics and Corporate Responsibility Committee decided, taking into account in particular their expertise and their independence, to recommend that the Board submit the following proposals for shareholder approval at the General Meeting:

- the renewals of the directorships of Noëlle Lenoir and André Einaudi for a term of office of four years, pursuant to the Articles of Association;
- the renewal of the directorship of Michael Gollner for a term of office of one year;
- the renewal of the directorship of Jean-Luc Placet for a term of office of two years; and
- the appointment of Yves de Talhouët as a new Director for a term of office of three years.

The biographies of Noëlle Lenoir, André Einaudi, Michael Gollner and Jean-Luc Placet are presented in Section 1.2.8, Chapter 3 of the Company's Universal Registration Document for the year ended 31 December 2021.

The process used to select candidates for positions as Directors is described in Section 1.2.2 of Chapter 3, "Corporate governance" of the 2021 Universal Registration Document. Following this process, which had focused on an initial list of seven potential candidates, the Board of Directors decided, at the recommendation of the Nomination, Governance, Ethics and Corporate Responsibility Committee, to present a resolution at the General Meeting of Shareholders to appoint Yves de Talhouët as a Director for a term of office of three years, to facilitate the staggering of terms of office for Board members.

The reasons put forward to justify this proposed appointment are, first and foremost, Yves de Talhouët's knowledge of the digital services sector, but also his familiarity with Axway Software, in which Sopra Steria Group has a 32% stake, and his experience as an entrepreneur. In addition, the Board of Directors considers his experience with family-owned businesses as a point of interest.

The Board of Directors takes the view, as does the Nomination, Governance, Ethics and Corporate Responsibility Committee, that Yves de Talhouët should be considered independent, as defined by the AFEP-MEDEF Code, notwithstanding his current term of office as a Director of Axway Software, which is due to end in 2023 (see Section 1.2.6 of Chapter 3, "Corporate governance" of the 2021 Universal Registration Document). The Board of Directors is of the opinion that a significant number of its members, in addition to the representatives of Sopra GMT, should have in-depth knowledge of this company. Such knowledge has proved useful in the past, particularly in connection with discussions on strategy and the work of the Audit Committee.

YVES DE TALHOUËT

Appointment as Independent Director

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

Business address:
TABAG
39, rue Boileau
75016 Paris (France)

Date of first appointment: 01/06/2022
Date term of office began: 01/06/2022
Date term of office ends: AGM 2025

Nationality: French

Age: 63

Main positions and appointments currently held	Appointments: Outside the Group	Appointments: Outside France	Appointments: Listed company
■ Director of Axway Software	✔		✔
■ Director of Kwerian (formerly Twenga)	✔		
■ CEO of Tabag	✔		
■ Non-Voting Board member of Castillon	✔		
■ Director of Tinubu	✔		
■ Chairman of Faïenceries de Gien	✔		
Other directorships and offices held during the last five years			
■ Managing Director of HP EMEA			
■ Director of Devoteam			

Biography

Yves de Talhouët was appointed Chairman of Faïencerie de Gien in 2014. He previously served as Managing Director of HP EMEA from May 2011, and prior to that as Managing Director of HP France from 2006. He served as Vice-President, Southern Europe, Middle East and Africa at Schlumberger SEMA from 1997 to 2004, after which he joined Oracle France as Chairman and CEO from 2004 to 2006. He also served as Chairman of Devotech, which he founded.

Yves de Talhouët is a graduate of École Polytechnique, École Nationale Supérieure des Télécommunications and Institut d'Études Politiques de Paris.

The appointment of Yves de Talhouët would have no impact on the proportion of Independent Directors (about 67%), the proportion of female Directors (42%), or the average age of Board members (63.1).

In Resolution 11, the Board of Directors asks that you renew the directorship of André Einaudi for a term of office of four years, on the recommendation of the Nomination, Governance, Ethics and Corporate Responsibility Committee.

In Resolution 12, the Board of Directors asks that you renew the directorship of Michael Gollner for a term of office of one year, on the recommendation of the Nomination, Governance, Ethics and Corporate Responsibility Committee.

In Resolution 13, the Board of Directors asks that you renew the directorship of Noëlle Lenoir for a term of office of four years, on the recommendation of the Nomination, Governance, Ethics and Corporate Responsibility Committee.

In Resolution 14, the Board of Directors asks that you renew the directorship of Jean-Luc Placet for a term of office of two years, on the recommendation of the Nomination, Governance, Ethics and Corporate Responsibility Committee.

In Resolution 15, the Board of Directors asks that you appoint Yves de Talhouët as a Director for an initial term of office of three years, on the recommendation of the Nomination, Governance, Ethics and Corporate Responsibility Committee.

2.1.6. RENEWAL OF THE APPOINTMENT OF ACA NEXIA AS PRINCIPAL STATUTORY AUDITOR (RESOLUTION 16)

In accordance with the recommendations of the Audit Committee, which oversees the selection process for Statutory Auditors, the Board of Directors unanimously proposes that the appointment of ACA Nexia as one of the Company's two Principal Statutory Auditors be renewed for a period of six years that will end at the close of the General Meeting convened in 2028 to approve the financial statements for the year ending 31 December 2027. The reasons put forward by the Audit Committee to justify its recommendation to the Board of Directors are the quality of services provided by the firm, the satisfactory collaboration in place between the Statutory Auditor teams, and the schedule of upcoming changes in application of the procedure for the rotation of Statutory Auditors.

In addition, the Board of Directors, having noted the elimination of the requirement that companies that have a legal entity as their Principal Statutory Auditor appoint one or more Alternate Statutory Auditors as well as the related amendments to the Articles of Association approved by shareholders at the General Meeting of 13 June 2017, is not proposing the appointment of a new firm as Alternate Statutory Auditor. Should any of its representatives be unable to carry out their duties. ACA Nexia will appoint another representative.

It should be noted that, under the same conditions, the appointment of Jean-Louis Simon, Alternate Statutory Auditor at Mazars, was not renewed at the General Meeting of 12 June 2018.

The shareholders at General Meeting will be asked to acknowledge this as a matter of good form.

2.1.7. BUYBACK BY SOPRA STERIA GROUP OF ITS OWN SHARES (RESOLUTION 17)

You are asked to renew the authorisation granted to the Board of Directors at the General Meeting of 26 May 2021 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 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 18 submitted for approval at the General Meeting of 1 June 2022, if it is approved;
- 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, with the option to subdelegate these powers, to implement this delegation of authority and decide on the arrangements, in accordance with legal provisions and limits.

This authorisation would supersede the previous authorisation given at the General Meeting of 26 May 2021 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 8, of Chapter 7, "Share ownership structure", of the Company's Universal Registration Document for the year ended 31 December 2021.

2.2. Extraordinary General Meeting

2.2.1. POTENTIAL RETIREMENT OF TREASURY SHARES (RESOLUTION 18)

You are asked to authorise the Board of Directors, for a period of [26] months from the General Meeting, to i) retire some or all of the Company's shares acquired pursuant to all authorisations granted for such purpose to the Board of Directors, and ii) to reduce the share capital accordingly. In accordance with the law, no more than 10% of the shares making up the Company's share capital may be cancelled in any 24-month period. This authorisation would replace and supersede the previous authorisation granted at the General Meeting on 9 June 2020.

2.2.2. FINANCIAL DELEGATIONS GRANTED TO THE BOARD OF DIRECTORS (RESOLUTIONS 19 TO 28)

Section 12, "Authorisations to issue securities granted to the Board of Directors at the Combined General Meetings of 9 June 2020 and 26 May 2021" in Chapter 7 of the Company's Universal Registration Document for the financial year ended 31 December 2021, sets out all currently valid delegations and the extent to which they were used by the Board of Directors in financial year 2021.

Shareholders are reminded that the delegations of authority given to the Board of Directors with respect to Resolutions 19 to 28 to decide to increase the share capital may not be used during a public offer for the Company's share capital, except with the prior authorisation of the General Meeting.

Shareholders voting on resolutions at the General Meeting should note that the Board of Directors would have full powers, under Resolutions 19 to 28, as provided and within the limits established by law, with the ability to sub-delegate these powers, to implement the delegations of authority and authorisations approved at the General Meeting, and in particular to set the terms and conditions for capital increases and, in general, to complete all legal formalities, execute all legal instruments, take all decisions and enter into all agreements useful or necessary to successfully carry out the planned issues, and amend the Articles of Association accordingly.

2.2.2.1. Capital increase through the issue of shares and negotiable securities, with or without pre-emptive rights for existing shareholders (Resolutions 19 to 25)

a. Capital increases other than as consideration for in-kind contributions (Resolutions 19 to 23)

Resolution 19 would authorise one or more capital increases for existing shareholders with pre-emptive rights for shareholders.

Resolutions 20 and 21 would open up the Company's share capital to new shareholders (without pre-emptive subscription rights for existing shareholders) by means of a public offering or to qualified investors or a restricted group of investors (public offering referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code).

Even so, should Resolution 20 be used, the Board of Directors would have the option of introducing a priority right for shareholders.

The issue price to be decided in accordance with Resolutions 20 and 21 would be at least equal to the minimum required by law and regulations applicable at the time the Board of Directors implements the delegation. As an indication, the current maximum discount authorised is 10%.

Even so, without exceeding the upper limit of 10% of the shares making up the share capital, the Board of Directors may set the issue price (Resolution 22), which must be at least equal to the lowest of the following (which may be subject to a maximum discount of 10% in each of the four cases):

(i) the average volume-weighted share price on the regulated market of Euronext Paris over a maximum period of six months preceding the beginning of the offering period;

(ii) the average volume-weighted share price on the regulated market of Euronext Paris for the trading day preceding the beginning of the offering period;

(iii) the average volume-weighted share price on the regulated market of Euronext Paris calculated for the day on which is the issue price is set; or

(iv) the last known closing price of the share before the beginning of the offering period.

Resolution 23 delegates authority to the Board of Directors to increase the number of shares to be issued in the event that subscription demand outstrips supply for each issue, with (Resolution 19) or without (Resolutions 20 and 21) pre-emptive subscription rights for existing shareholders (overallotment option). This programme, which is subject to a legal framework, gives the Board of Directors the option of carrying out additional capital increases on terms and conditions identical to the original issue should demand from shareholders, the general public or the relevant investors, as appropriate, outstrip supply.

These delegations of authority would be granted for a period of twenty-six months and would replace and supersede the delegations with the same purpose dated 9 June 2020.

b. Capital increases as consideration for in-kind contributions (Resolutions 24 and 25)

The delegations of authority provided for in Resolutions 24 and 25 would allow the Board of Directors to decide to carry out capital increases, without pre-emptive rights for shareholders, in consideration for contributions in kind or under a public exchange offer.

The Board of Directors' ability to do so would, nonetheless, be capped at:

- 10% of the share capital (statutory limit) for the purpose of providing consideration for contributions in kind (Resolution 24);
- 10% of the share capital in consideration for contributions of shares in a company whose shares are admitted to trading on a regulated market in connection with a public exchange offer (Resolution 25).

These delegations of authority would be granted for a period of twenty-six months and would replace and supersede the delegations with the same purpose dated 9 June 2020.

c. Upper limits on issues giving access to the share capital (Resolutions 19 to 25)

The capital increases would be subject to the following upper limits:

- 50% of the share capital, when the transaction involves, immediately or in the future, an issue of Sopra Steria Group shares [Limit A1], together with a sub-limit of 10% of the share capital for capital increases without pre-emptive subscription rights or without a priority right for shareholders [Limit A2], with Limit A2 raised to 20% of the share capital in the event that a priority right is implemented;
- €2 billion if the transaction involves an issue of debt securities (DS) carrying entitlement in the future to Sopra Steria Group shares [Limit DS].

The various limits are summarised in the table below:

<table>
<tr><th></th><th></th><th>Resolutions</th><th></th></tr>
<tr><td rowspan="5">"Limit A1" of 50% of the share capital at the date of issuance (Resolution 19)</td><td></td><td>Capital increases with pre-emptive subscription rights (Resolution 19)</td><td rowspan="3">Overallotment option (Resolution 23), subject to an upper limit of 15% of the size of the initial issue</td></tr>
<tr><td rowspan="4">"Limit A2" of 10% of the share capital on the day of issuance, reduced to 20% of the share capital if a priority right is applied</td><td>Capital increases without pre-emptive subscription rights through one or more public offerings other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code, with or without a priority right (Resolution 20)</td></tr>
<tr><td>Capital increases without pre-emptive subscription rights by way of a public offering pursuant to Article L. 411-2 1° of the French Monetary and Financial Code (Resolution 21), limited to 10% of the share capital per year</td></tr>
<tr><td>Issues without pre-emptive subscription rights as consideration for in-kind contributions (Resolution 24)</td><td rowspan="2">N/A</td></tr>
<tr><td>Issues without pre-emptive subscription rights as consideration for securities tendered to a public exchange offer (Resolution 25)</td></tr>
</table>

2.2.2.2. Capital increases aiming to associate employees and/or company officers with the share capital (Resolutions 27 and 28)

a. Allotment of free shares to employees and company officers (Resolution 27)

The purpose of Resolution 27 is to enable the Board of Directors to share the benefits of Sopra Steria's growth with employees and company officers of the Company and the Group by awarding existing or new free shares.

Following the tie-up between Sopra and Steria, the Group put in place four performance share plans in 2016, 2017 and 2018. These plans were suspended in 2019, as the Board of Directors had reached the determination that the Group's economic performance did not permit them to be renewed. A new plan was implemented on 26 May 2021, with the following characteristics:

- for all recipients, the granting of shares was subject to continued employment at the end of the three-year vesting period. However, depending on the circumstances, this condition may 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);
- the performance condition is based on three criteria, equally weighted at 30% each: organic consolidated revenue growth, operating profit on business activity and consolidated 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 average annual rate of achievement of targets will determine the number of free shares to which beneficiaries are entitled;
- an additional CSR condition, weighted at 10% of total vesting conditions, relates to the proportion of women in senior management positions within the Group under the 2021 plan.

The Chief Executive Officer is subject to the same rules as all the other recipients under these plans. Moreover, he will have to hold at least 50% of shares acquired under these plans throughout his term of office; Mr Paris has further undertaken not to hedge any performance shares until the holding period has expired.

The Board of Directors therefore requests that the authorisation granted at the General Meeting of 26 May 2021 be renewed and the limit increased from 1% to 1.1% 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, it being specified that the allotted shares would be either existing shares (treasury shares), as was the case for plans set up until now, or shares to be issued (new shares).

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 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.

This authorisation would be subject to an overall limit of 1.1% of the share capital; as a guide, this would equate to 226,024 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. 0.06% of the share capital.

In exceptional cases, 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 months.

b. Employee savings plans (Resolution 28)

The purpose of Resolution 28 is to enable the Board of Directors, where appropriate, to enable employees of the Company or the Group to share in the fruits of Sopra Steria's development by means of one or more capital increases reserved for employees belonging to one of the Group's company savings plans (pursuant to Article L. 225-180 of the French Commercial Code).

In Resolution 28, you are asked to grant the Board of Directors a delegation of authority allowing it to issue shares or negotiable securities giving access to the Company's shares, leading to disapplication of shareholders' pre-emptive rights.

This delegation of authority would be subject to an overall limit of 2% of the share capital. It would be granted for a period of twenty-six months and would replace and supersede the delegation with the same purpose dated 26 May 2021.

2.2.2.3. Other capital increases (Resolution 26)

In Resolution 26, you are kindly asked to grant the Board of Directors a delegation of authority allowing it to carry out one or more capital increases through the capitalisation of reserves, issue premiums, or other amounts eligible for capitalisation, capped at the amount of said reserves, premiums and other amounts at the time of the capital increase.

This capital increase could be achieved by issuing new shares allotted to shareholders in proportion to their existing holding in the share capital or by increasing the par value of existing shares.

This delegation of authority would be granted for a period of twenty-six months and would replace and supersede the delegation with the same purpose dated 9 June 2020.

2.3. Ordinary General Meeting

2.3.1. POWERS (RESOLUTION 29)

This resolution grants general powers to complete the formalities.

3. Text of the resolutions

Requiring the approval of the Ordinary General Meeting

Resolution 1

Approval of the parent company financial statements for financial year 2021

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Board of Directors' reports and the Statutory Auditors' reports, approve the parent company financial statements for the year ended 31 December 2021 as they were presented, which show a net profit of €156,867,447.75.

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 €764,000, and the corresponding tax expense of €217,033.

Resolution 2

Approval of the consolidated financial statements for financial year 2021

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Board of Directors' reports and the Statutory Auditors' reports, approve the consolidated financial statements for the year ended 31 December 2021, which show a consolidated net profit (attributable to the Group) of €187,688,638, as well as the transactions reflected in these consolidated financial statements and/or summarised in the reports.

Resolution 3

Appropriation of earnings for financial year 2021 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 Board of Directors' reports and the Statutory Auditors' reports, note that the net profit available for distribution, determined as follows, stands at:

Profit for the year	**€156,867,447.75**
Transfer to the legal reserve	- €
Prior unappropriated retained earnings	€15,916.00
DISTRIBUTABLE PROFIT	**€156,883,363.75**

and resolve, after acknowledging the consolidated net profit attributable to the Group amounting to €187,688,638, to appropriate this profit as follows:

Dividends (based on a dividend per share of €3.20)	**€65,752,643.20**
Discretionary reserves	€91,130,720.55
Retained earnings	- €
TOTAL	**€156,883,363.65**

Since the legal reserve already stands at 10% of the share capital, no allocation to it is proposed.

In the event of a change in the number of shares with dividend rights, the total amount of the dividend will be adjusted and the amount allocated to discretionary reserves will be determined on the basis of the total dividend amount actually distributed.

Dividends paid in respect of the past three financial years were as follows:

	2018	**2019**	**2020**
Dividend per share	€1.85	- €	€2.00
Number of dividend-bearing shares	20,514,876	-	20,539,743
Dividends paid*	€37,952,520.60	- €	€41,079,486.00

* *It should be noted that the dividend is eligible for the 40% deduction mentioned in Article 158-3-2° of the French General Tax Code if the taxpayer opts to have the dividend taxed at the progressive income tax rate.*

Resolution 4

Approval of the report on the compensation of company officers relating to the disclosures mentioned in Article L. 22-10-9 I of the French Commercial Code

In accordance with 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 after having reviewed the report on corporate governance prepared by the Board of Directors, approve the disclosures stated in Article L. 22-10-9 I 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 or allotted to Pierre Pasquier, Chairman of the Board of Directors, in respect of the financial year

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, approve, after having reviewed the report on corporate governance prepared by the Board of Directors, 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 2021 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 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 financial year

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, approve, after having reviewed the report on corporate governance prepared by the Board of Directors, 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 2021 or allotted in respect of that period to Vincent Paris, Chief Executive Officer, and as presented in the report.

Resolution 7

Approval of the compensation policy of the Chairman of the Board of Directors

In accordance with Article L. 22-10-8 II of the French Commercial Code, the shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, 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.

Resolution 8

Approval of the compensation policy for the Chief Executive Officer

In accordance with Article L. 22-10-8 II of the French Commercial Code, the shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, 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.

Resolution 9

Approval of the compensation policy for Directors for their service

In accordance with Article L. 22-10-8 II of the French Commercial Code, the shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and after having reviewed the report on corporate governance prepared by the Board of Directors, approve the compensation policy for Directors for their service and as presented in the report.

Resolution 10

Decision setting the total amount of compensation awarded to Directors for their service at €500,000 per financial year

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 total amount of compensation awarded to Directors for their service, to be allocated by the Board, at €500,000 per financial year.

Resolution 11

Renewal of the directorship of André Einaudi 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, note that the directorship of André Einaudi will end at the close of this General Meeting and resolve, on the recommendation of the Board of Directors, to renew his directorship 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 2025.

Resolution 12

Renewal of the directorship of Michael Gollner for a term of office of one year

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, note that the directorship of Michael Gollner will end at the close of this General Meeting and resolve, on the recommendation of the Board of Directors and as provided for in Article 14 of the Company's Articles of Association, to renew his directorship for a term of office of one year ending at the close of the General Meeting to be called to approve the financial statements for the year ending 31 December 2022.

Resolution 13

Renewal of the directorship of Noëlle Lenoir 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, note that the directorship of Noëlle Lenoir will end at the close of this General Meeting and resolve, on the recommendation of the Board of Directors, to renew her directorship 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 2025.

Resolution 14

Renewal of the directorship of Jean-Luc Placet for a term of office of two years

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, note that the directorship of Jean-Luc Placet will end at the close of this General Meeting and resolve, on the recommendation of the Board of Directors and as provided for in Article 14 of the Company's Articles of Association, to renew his directorship for a term of office of two years ending at the close of the General Meeting to be called to approve the financial statements for the year ending 31 December 2023.

Resolution 15

Appointment of Yves de Talhouët as a new Director for a term of office of three 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 Yves de Talhouët as a new Director for a term of office of three 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 16

Renewal of the appointment of ACA Nexia as Principal Statutory Auditor

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, after reviewing the report of the Board of Directors and noting that the appointments of ACA Nexia as Principal Statutory Auditor and of Pimpaneau et Associés as Alternate Statutory Auditor come to an end at the close of this meeting, resolve:

1. to renew, for a further period of six years that will end at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2027, the appointment as Principal Statutory Auditor of ACA Nexia, 31 rue Henri Rochefort, 75017 Paris, France;
2. not to renew the appointment as Alternate Statutory Auditor of Pimpaneau et Associés, 31 rue Henri Rochefort, 75017 Paris, France, after having noted, in accordance with the provisions of paragraph 2 of Article L. 823-1 of the French Commercial Code, that the Principal Statutory Auditor is a legal entity with more than one partner.

In addition, the shareholders at the General Meeting acknowledge that the term of office as Alternate Statutory Auditor of Jean-Louis Simon, 61 rue Henri Regnault, 92400 Courbevoie, France, which ended at the General Meeting of 12 June 2018, was not renewed at that meeting, after it was noted, in accordance with the provisions of paragraph 2 of Article L. 823-1 of the French Commercial Code, that the Principal Statutory Auditor is a legal entity with more than one partner.

Resolution 17

Authorisation to be granted to the Board of Directors to trade in the Company's shares up to a maximum of 10% of the share capital

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Board of Directors' report, pursuant to the requirements of Articles L. 22-10-62 et seq. of the French Commercial Code:

1. authorise the Board of Directors, except during a public tender offer for the Company's shares, to buy back shares in the Company or arrange to have shares in the Company bought back, on one or more occasions, up to a maximum of 10% of the total number of shares representing the Company's share capital at the time of the buyback;
2. approve the authorised transactions with the following limits: 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 2021, €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;
3. in the event that the Board makes use of this authorisation:

3.1 resolve that shares may be bought back for the following purposes:

a) 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,

b) 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,

c) to retain the shares bought back (which shall not exceed 5% of the number of shares making up the Company's share capital at the time of the buyback), 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,

d) 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,

e) to retire shares bought back by reducing the share capital, pursuant to Resolution 18 submitted for approval at the General Meeting of 1 June 2022, if it is approved,

f) 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,

3.2 resolve that shares may be bought back by any means, such as on the stock market or over the counter, including block purchases or through the use of derivatives, at any time, subject to compliance with regulations in force;

4. 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;
5. 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;
6. set the duration of this authorisation for a period of 18 months with effect from the date of this General Meeting and acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Requiring the approval of the Extraordinary General Meeting

Resolution 18

Authorisation to be granted to the Board of Directors to retire any shares that the Company may have acquired and to reduce the share capital accordingly

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code:

1. authorise the Board of Directors to retire, on one or several occasions, at its sole discretion, all or a portion of the treasury shares held by the Company bought back under any authorisation granted to the Board of Directors by the aforementioned article, up to a limit of 10% of the share capital assessed at the date of the retirement of shares over each 24-month period;
2. resolve to reduce the Company's share capital as a consequence of the retirement of these shares, to the extent decided, where applicable, by the Board of Directors under the aforementioned conditions;
3. grant all powers to the Board of Directors, including the ability to subdelegate these powers, in order to perform the transaction(s) authorised under this resolution, and in particular to charge against additional paid-in capital or other distributable reserves of its choosing the difference between the redemption value of the retired shares and their nominal value, amend the Articles of Association accordingly and carry out all legally required formalities;
4. set the duration of this authorisation for a period of 26 months with effect from the date of this General Meeting and acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Resolution 19

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries and/or carrying entitlement to the Company's debt securities, with pre-emptive subscription rights for shareholders, subject to an upper limit of 50% of the Company's share capital

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-2, L. 225-132 et seq., L. 22-10-49, L. 228-92 and L. 228-93 of the French Commercial Code:

1. delegate authority to the Board of Directors to decide, except during a public tender offer for the Company's shares, to increase the Company's share capital:

   1.1 to issue, on one or more occasions, in France and/or internationally:

   a) ordinary shares in the Company, or

   b) equity securities giving access to other equity securities either of the Company or of any company in which more than half of the share capital is held directly or indirectly by the Company (a "Subsidiary") and/or that confer the right to acquire debt securities issued by the Company or a Subsidiary, or

   c) debt securities giving access to equity securities to be issued by the Company or a Subsidiary, whether free of charge or for consideration,

   1.2 Ordinary shares may only be denominated in euros. Securities other than ordinary shares may be denominated in euros, in a foreign currency or in a unit of account based on several currencies and may be paid up when subscribed in cash, by offsetting liquid receivables due for payment, or through capitalisation of reserves, profits or share premiums;

2. establish as follows the limits of the issues thus authorised:

   2.1 the total nominal amount of any such capital increases to be carried out may not exceed 50% of the nominal share capital (hereinafter "Limit A1") or the equivalent amount in foreign currencies or in units of account set by reference to several currencies, it being understood that:

   a) the share capital will be assessed at the date when the Board of Directors makes use of this delegation of powers,

   b) any capital increases carried out pursuant to the authorisations in this resolution and in Resolutions 20, 21, 23, 24 and 25 hereinafter, subject to their adoption at this General Meeting, count against this aggregate limit,

   c) this will be supplemented by any additional number of shares to be issued to protect the rights of holders of securities or other rights giving access to the share capital of the Company, in accordance with legal and regulatory provisions and any contractual clauses providing for other adjustments,

   2.2 the total amount of issues of debt securities carried out pursuant to this delegation of authority may not exceed €2 billion (or the equivalent of this amount in foreign currencies or in units of account based on several currencies) (hereinafter "Limit DS"), it being specified that:

   a) any issues of debt securities carried out pursuant to the authorisations in this resolution and in Resolutions 20, 21, 23, 24 and 25 hereinafter, subject to their adoption at this General Meeting, count against this aggregate limit,

   b) the amount of any redemption premium above par will be added to this, and

   c) this amount is independent and distinct from the amount of debt securities the issue of which may be decided or authorised by the Board of Directors in accordance with the provisions of Articles L. 228-36-A, L. 228-40. L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

3. in the event that the Board makes use of this delegation of authority:

   3.1 formally note that existing shareholders have pre-emptive rights to subscribe for shares and/or securities issued under the terms of this resolution, in proportion to the total value of their shares,

   3.2 resolve, in accordance with the provisions of Article L. 225-134 of the French Commercial Code, that the Board of Directors may establish a subscription right for new shares as of right and excess new shares, where, in this case, a capital increase as defined above is not fully subscribed by way of subscriptions for new shares as of right on the basis of existing shares as well as, if applicable, subscriptions for excess new shares, the Board of Directors may make use of the following powers, in whatever order it sees fit:

a) cap the capital increase at the amount of the subscriptions received as provided for by law,

b) the power to freely distribute some or all of any unsubscribed shares among the shareholders,

c) the power to offer some or all of any unsubscribed shares to the public,

3.3 formally note that this delegation of powers automatically entails the express waiver by shareholders of their pre-emptive right to subscribe for ordinary shares to which these securities may carry entitlement in favour of the holders of any securities that may be issued pursuant to this resolution;

4. grant full powers to the Board of Directors, with the ability to subdelegate these powers, to implement this delegation of authority as provided by law;

5. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 20

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries and/or carrying entitlement to the Company's debt securities, through public offerings (excluding offerings pursuant to paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code), without pre-emptive subscription rights, subject to an upper limit of 20% of the Company's share capital, or 10% of the share capital where no priority is granted

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-2, L. 22-10-49, L. 22-10-51, L. 22-10-52, L. 228-92 and L. 228-93 of the French Commercial Code and Article L. 411-2 of the French Monetary and Financial Code:

1. delegate authority to the Board of Directors to decide, except during a public tender offer for the Company's shares, to increase the Company's share capital:

1.1 to issue, on one or more occasions, in France and/or internationally:

a) ordinary shares in the Company,

b) equity securities giving access to other equity securities either of the Company or of any company in which more than half of the share capital is held directly or indirectly by the Company (a "Subsidiary") and/or that confer the right to acquire debt securities issued by the Company or a Subsidiary, or

c) debt securities giving access to equity securities to be issued by the Company or a Subsidiary, whether free of charge or for consideration,

1.2 ordinary shares may only be denominated in euros; securities other than ordinary shares may be denominated in euros, in a foreign currency or in a unit of account based on several currencies and may be paid up when subscribed in cash, by offsetting liquid receivables due for payment, or through capitalisation of reserves, profits or share premiums,

2. establish as follows the limits of the issues thus authorised:

2.1 the total amount of any such capital increases to be carried out may not exceed 20% of the share capital or the equivalent amount in foreign currencies or in units of account set by reference to several currencies, it being understood that:

a) the share capital will be assessed at the date when the Board of Directors makes use of this delegation of powers,

b) this amount will count against Limit A1 defined in Resolution 19 set forth above,

c) if no priority right is implemented on behalf of the shareholders, the corresponding capital increase will be limited to 10% of the share capital,

d) this limit of 10% of the share capital (hereinafter "Limit A2") is an aggregate limit applicable to the authorisations in this resolution and in Resolutions 21, 23, 24 and 25 hereinafter, subject to their adoption at this General Meeting,

e) this will be supplemented by any additional number of shares to be issued to protect the rights of holders of securities or other rights giving access to the share capital of the Company, in accordance with legal and regulatory provisions and any contractual clauses providing for other adjustments,

2.2 any issue of debt securities carried out pursuant to this delegation of powers will count against Limit DS defined in Resolution 19 set forth above;

3. in the event that the Board makes use of this delegation of authority:

3.1 resolve to disapply the pre-emptive right of existing shareholders to subscribe for ordinary shares or securities to be issued by means of a public offering under the terms of this delegation of powers and, in addition, delegate powers under Article L. 22-10-51 of the French Commercial Code, to the Board of Directors to grant existing shareholders priority rights to subscribe for some or all of the issues by way of right and/or for excess new shares within a period and under arrangements and conditions that it shall determine, it being stated that this priority shall not give rise to issues of negotiable rights,

3.2 resolve that if the subscriptions do not cover the entirety of an issue as defined hereinabove, the Board of Directors may use the following options, in whatever order it sees fit:

a) cap the capital increase at the amount of the subscriptions received as provided for by law,

b) the power to freely distribute some or all of any unsubscribed shares,

c) the power to offer some or all of any unsubscribed shares to the public,

3.3 formally note that this delegation of powers automatically entails the express waiver by shareholders of their pre-emptive right to subscribe for ordinary shares to which these securities may carry entitlement in favour of the holders of any securities that may be issued pursuant to this resolution,

4. resolve that:
   4.1 the issue price of the shares will be at least equal to the minimum required under law and regulations applicable at the time that the Board of Directors implements the delegation after correcting, where applicable, for the amount to take into account the difference in vesting dates,
   4.2 the issue price of the securities giving access to the share capital will be such that the amount to be received immediately by the Company, plus any amount it may receive subsequently, is, for each ordinary share issued as a result of the issue of these securities, at least equal to the issue price stated in the paragraph above;
5. grant full powers to the Board of Directors, with the ability to subdelegate these powers, to implement this delegation of authority as provided by law;
6. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 21

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries and/or carrying entitlement to the Company's debt securities, by means of a public offering provided for under paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights, subject to an upper limit of 10% of the Company's share capital per year

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-2, L. 22-10-49, L. 22-10-52, L. 228-92 and L. 228-93 of the French Commercial Code and paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code:

1. delegate authority to the Board of Directors to decide, except during a public tender offer for the Company's shares:
   1.1 to issue, on one or more occasions, in France or internationally, without pre-emptive rights for shareholders, by way of a public offering within the meaning of paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code:
      a) ordinary shares in the Company,
      b) equity securities giving access to other equity securities either of the Company or of any company in which more than half of the share capital is held directly or indirectly by the Company (a "Subsidiary") and/or that confer the right to acquire debt securities issued by the Company or a Subsidiary, or
      c) debt securities giving access to equity securities to be issued by the Company or a Subsidiary, whether free of charge or for consideration,
   1.2 ordinary shares may only be denominated in euros; securities other than ordinary shares may be denominated in euros, in a foreign currency or in a unit of account based on several currencies and may be paid up when subscribed in cash, including by offsetting liquid receivables due for payment, or through capitalisation of reserves, profits or share premiums;
2. establish as follows the limits of the issues thus authorised:
   2.1 the total amount of any such capital increases to be carried out each year may not exceed 10% of the share capital (as assessed at the date when this delegation of authority is used by the Board of Directors) and will count towards Limits A1 and A2 referred to in Resolutions 19 and 20, respectively,
   2.2 any issues of debt securities to be carried out pursuant to this delegation of powers will be capped at the Limit DS defined in Resolution 19 set forth above;
3. in the event that the Board makes use of this delegation of authority:
   3.1 resolve to disapply shareholders' pre-emptive right to subscribe for shares or securities to be issued by means of a public offering as provided for under the terms of this delegation of powers and to reserve subscription for the categories of persons laid down in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code,
   3.2 resolve that if the subscriptions do not cover the entirety of an issue as defined hereinabove, the Board of Directors may use the following options, in whatever order it sees fit:
      a) cap the capital increase at the amount of the subscriptions received as provided for by law,
      b) the power to freely distribute some or all of any unsubscribed shares,
   3.3 formally note that this delegation of powers automatically entails the express waiver by shareholders of their pre-emptive right to subscribe for ordinary shares to which these securities may carry entitlement in favour of the holders of any securities that may be issued pursuant to this resolution;
4. resolve that:
   4.1 the issue price of the shares will be at least equal to the minimum required under law and regulations applicable at the time that the Board of Directors implements the delegation after correcting, where applicable, for the amount to take into account the difference in vesting dates,
   4.2 the issue price of the securities giving access to the share capital will be such that the amount to be received immediately by the Company, plus any amount it may receive subsequently, is, for each ordinary share issued as a result of the issue of these securities, at least equal to the issue price stated in the paragraph above;
5. grant full powers to the Board of Directors, with the ability to subdelegate these powers, to implement this delegation of authority as provided by law;
6. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 22

Delegation of authority to be granted to the Board of Directors to determine the issue price for ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries and/or carrying entitlement to the Company's debt securities, subject to an upper limit of 10% of the Company's share capital in connection with a capital increase without pre-emptive subscription rights

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of paragraph 2 of Article L. 22-10-52 of the French Commercial Code, for each of the issues decided in accordance with Resolutions 20 and 21 hereinabove:

1. authorise the Board of Directors to depart from the price-setting arrangements laid down in the aforementioned Resolutions 20 and 21 and to set the issue price as follows:
   1.1 the issue price for ordinary shares will be at least equal to the lowest of the following, which may be subject to a maximum discount of 10% in each of the four cases:
      a) the average volume-weighted share price on the regulated market of Euronext Paris over a maximum period of six months preceding the beginning of the offering period,
      b) the average volume-weighted share price on the regulated market of Euronext Paris for the trading day preceding the beginning of the offering period,
      c) the average volume-weighted share price on the regulated market of Euronext Paris calculated for the day on which is the issue price is set, or
      d) the last known closing price of the share before the beginning of the offering period,
   1.2 the issue price of the securities giving access to the share capital will be such that the amount to be received immediately by the Company, plus any amount it may receive subsequently, is, for each ordinary share issued as a result of the issue of these securities, at least equal to the subscription price stated in the paragraph above,
   1.3 the nominal amount of issues covered by this resolution may not represent more than 10% of the share capital in each 12-month period;
2. grant all powers to the Board of Directors, with the option to subdelegate these powers, to implement this delegation of authority on the terms laid down in the resolution pursuant to which the initial issue is decided upon;
3. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 23

Delegation of authority to be granted to the Board of Directors to increase, with or without pre-emptive rights for existing shareholders, the number of ordinary shares and/or other securities giving access to the Company's share capital and/or carrying entitlement to the Company's debt securities to be issued, subject to an upper limit of 15% of the size of the initial issue

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-135-1 and R. 225-118 of the French Commercial Code:

1. delegate powers to the Board of Directors to decide, except during a public tender offer for the Company's shares, to increase the number of shares or securities to be issued for each of the issues carried out pursuant to Resolution 19, with pre-emptive subscription rights for shareholders, and Resolutions 20 and 21 hereinabove, concerning a capital increase without pre-emptive subscription rights for shareholders, if it observes demand exceeding the amount for subscription, up to the maximum amounts laid down in the relevant resolution, at the same price as that used for the initial issue, during a period of 30 days with effect from the close of the subscription period for the initial issue and for a maximum of 15% of the total value of that issue;
2. grant all powers to the Board of Directors, with the option to subdelegate these powers, to implement this resolution on the terms laid down in the resolution pursuant to which the initial issue is decided upon;
3. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 24

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries and/or carrying entitlement to the Company's debt securities, without pre-emptive subscription rights, in consideration for contributions in kind, subject to an upper limit of 10% of the Company's share capital

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 22-10-49, L. 22-10-53, L. 22-10-54 and L. 228-92 of the French Commercial Code:

1. delegate authority to the Board of Directors to decide, except during a public tender offer for the Company's shares, where the provisions of Article L. 22-10-54 of the French Commercial Code do not apply:
   1.1 to issue, on one or more occasions, in France and/or internationally:
      a) ordinary shares in the Company, or
      b) equity securities giving access to other equity securities either of the Company or of any company in which more than half of the share capital is held directly or indirectly by the Company (a "Subsidiary") and/or that confer the right to acquire debt securities issued by the Company or a Subsidiary, or
      c) debt securities giving access to equity securities to be issued by the Company or a Subsidiary,
   1.2 as consideration for in-kind contributions comprised of equity securities or securities giving access to the share capital of another company, granted to the Company, whether free of charge or for consideration,
   1.3 ordinary shares may only be denominated in euros; securities other than ordinary shares may be denominated in euros, in a foreign currency or in a unit of account based on several currencies and may be paid up when subscribed in cash or by offsetting liquid receivables due for payment;
2. establish as follows the limits of the issues thus authorised: the total amount of any such capital increases to be carried out may not exceed 10% of the share capital or the equivalent amount in foreign currencies or in units of account set by reference to several currencies, it being understood that:
   2.1 the share capital will be assessed at the date when the Board of Directors makes use of this delegation of powers,
   2.2 where applicable, this amount will count against Limits A1, TC and A2 defined in Resolutions 19 and 20, respectively, set forth above,
   2.3 this will be supplemented by any additional number of shares to be issued to protect the rights of holders of securities or other rights giving access to the share capital of the Company, in accordance with legal and regulatory provisions and any contractual clauses providing for other adjustments;

3. resolve to disapply, where necessary, the pre-emptive right of existing shareholders to subscribe for shares and securities to be issued in connection with this delegation of powers;
4. grant full powers to the Board of Directors, with the ability to subdelegate these powers, to implement this delegation of authority as provided by law;
5. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 25

Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or other securities giving access to the Company's share capital and/or the share capital of its subsidiaries and/or carrying entitlement to the Company's debt securities, without pre-emptive subscription rights, in consideration for instruments tendered to a public exchange offer, subject to an upper limit of 10% of the Company's share capital

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 22-10-54, L. 228-92 and L. 228-93 of the French Commercial Code:

1. delegate authority to the Board of Directors to decide, except during a public tender offer for the Company's shares:
   1.1 in France and/or internationally, to issue:
   - **a)** ordinary shares in the Company,
   - **b)** equity securities giving access to other equity securities either of the Company or of any company in which more than half of the share capital is held directly or indirectly by the Company (a "Subsidiary") and/or that confer the right to acquire debt securities issued by the Company or a Subsidiary, or
   - **c)** debt securities giving access to shares of the Company or a Subsidiary to be issued,

   1.2 in consideration of securities tendered to a public exchange offer made by the Company in France or internationally, in accordance with local regulations (including any transaction having the same effect as a public exchange offer or able to be considered as one), for the securities of a company whose shares are admitted for trading on one of the regulated markets referred to in Article L. 22-10-54 of the French Commercial Code;
2. approve the authorised transactions with the following limits: the total amount of any such capital increases to be carried out may not exceed 10% of the share capital or the equivalent amount in foreign currencies or in units of account set by reference to several currencies, it being understood that:
   2.1 the share capital will be assessed at the date when the Board of Directors makes use of this delegation of powers,
   2.2 this amount will count against Limits A1, TC and A2 defined in Resolutions 19 and 20, respectively, set forth above;
3. in the event that the Board makes use of this delegation of authority:
   3.1 resolve to disapply shareholders' pre-emptive right to subscribe for shares and securities to be issued in connection with this delegation of powers,
   3.2 formally note that this delegation of powers automatically entails the express waiver by shareholders of their pre-emptive right to subscribe for ordinary shares to which these securities may carry entitlement in favour of the holders of any securities that may be issued pursuant to this resolution;
4. grant full powers to the Board of Directors, with the ability to subdelegate these powers, to implement this delegation of authority as provided by law;
5. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 26

Delegation of authority to be granted to the Board of Directors to increase the Company's share capital, through the capitalisation of premiums, reserves, earnings or any other item eligible for capitalisation

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Board of Directors' report, in accordance with the provisions of Articles L. 225-129-2, L. 225-130 and L. 22-10-50 of the French Commercial Code:

1. delegate authority to the Board of Directors to decide, except during a public tender offer for the Company's shares, to increase the Company's share capital on one or more occasions, in France or internationally, by capitalising premiums, reserves, earnings or any other amounts that may be capitalised pursuant to the law and the Articles of Association, by allotting new ordinary shares at no cost or by increasing the par value of existing shares, or through a combination of both these methods;
2. establish as follows the limits of the issues thus authorised: the total amount of any such capital increases to be carried out may not exceed the amount of reserves, share premiums, profits or other items that might be capitalised, as referred to above, in existence at the time when the capital increase is carried out;
3. resolve that, in the event that the Board makes use of this delegation of authority, fractional rights shall not be either negotiable or transferable, and that the corresponding ordinary shares shall be sold; the proceeds of such sales shall be allotted to the rights holders under the terms and conditions set out in applicable law and regulations;
4. grant full powers to the Board of Directors, with the ability to subdelegate these powers, to implement this delegation of authority as provided by law;
5. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Resolution 27

Authorisation to be granted to the Board of Directors to allot existing or new free shares to employees and/or company officers of the Company and related companies, subject to a cap of 1.1% of the share capital, entailing the waiver by the shareholders of their pre-emptive subscription right

The shareholders at the General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-197-1, L. 225-197-2 et seq., L. 22-10-49, L. 22-10-59, L. 22-10-60 and L. 22-10-62 of the French Commercial Code and Article L. 341-4 of the French Social Security Code:

1. authorise 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 II (paragraph 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;
2. establish as follows the limits of the issues thus authorised:
   - **2.1** this authorisation may not give access to a total number of shares representing more than 1.1% of the Company's share capital (as assessed on the date on which the Board of Directors decides to make the award),
   - **2.2** it being specified that this will be supplemented by any additional number of shares to be issued to protect the rights of holders of securities giving access to the share capital of the Company, in accordance with legal and regulatory provisions and any contractual clauses providing for other adjustments;
3. in the event that the Board makes use of this delegation of authority:
   - **3.1** resolve that the number of shares that may be granted to the Company's executive company officers may not represent more than 5% of the limit of 1.1% set in the previous paragraph,
   - **3.2** resolve that:
     - **a)** 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 decision to allot the shares in question,
     - **b)** and 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;
4. resolve that, where the recipient 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;
5. formally note that, with regard to shares to be issued in the future:
   - **5.1** 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,
   - **5.2** and 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;
6. accordingly, grant all powers to the Board of Directors, within the limits set out above, to put this resolution into effect, and in particular to:
   - **6.1** determine the identity of the recipients of shares to be allotted and the number of shares to be allotted to each,
   - **6.2** 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,
   - **6.3** 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,
   - **6.4** 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,
   - **6.5** determine whether the shares allotted free of charge are shares to be issued or existing shares, and:
     - **a)** 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,
     - **b)** 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,
   - **6.6.** 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,
   - **6.7.** more generally, with the option to subdelegate these powers under the conditions laid down by law and by the Company's Articles of Association, 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;

7. set the duration of this authorisation for a period of 38 months with effect from the date of this General Meeting and acknowledge that this authorisation supersedes, in relation to the unused portion, any previous authorisation having the same purpose.

Resolution 28

Delegation of authority to be granted to the Board of Directors 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 related company, 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 Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 3332-18 to L. 3332-24 of the French Labour Code as well as the provisions of the French Commercial Code, in particular its Articles L. 225-129-2, L. 22-10-49, L. 225-129-6, L. 225-138-1, L. 228-91 et seq.:

1. delegate powers to the Board of Directors to decide on the issuance, on one or more occasions, of:

   1.1 ordinary shares, or

   1.2 equity securities giving access 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");

2. establish as follows the limits of the issues thus authorised:

   2.1 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),

   2.2 it being specified that this will be supplemented by any additional number of shares to be issued to protect the rights of holders of securities giving access to the share capital of the Company, in accordance with legal and regulatory provisions and any contractual clauses providing for other adjustments;

3. in the event that the Board makes use of this delegation of authority:

   3.1 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,

   3.2 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;

4. resolve that the subscription price of securities issued under this resolution may not be:

   4.1 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,

   4.2 or 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;

5. 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;

6. 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:

   6.1 the corresponding waiver by the shareholders of that portion of reserves, earnings, premiums or other amounts thus capitalised,

   6.2 and 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;

7. grant full powers to the Board of Directors, with the ability to sub-delegate these powers, to implement this delegation of authority as provided by law, and in particular to complete all legal formalities and execute all legal instruments to record the capital increases carried out pursuant to this authorisation, amend the Articles of Association accordingly and, more generally, take whatever action is required;

8. set the duration of this delegation of powers for a period of 26 months with effect from the date of this General Meeting and acknowledge that this delegation of powers supersedes, in relation to the unused portion, any previous delegation of powers having the same purpose.

Requiring the approval of the Ordinary General Meeting

Resolution 29

Powers granted to carry out 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.

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 2021

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 2021

You are reminded that Resolution 23 of the Combined General Meeting of 12 June 2018 authorised the Board of Directors to award free shares to employees and company 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 and Article L. 22-10-59 III 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.

Under this authorisation, at its meeting of 26 May 2021 the Board of Directors allotted 219,200 rights to free performance shares to some of the Company's employees and company officers and related companies as defined in Article L. 225-197-2 of the French Commercial Code, which it designated. This allotment is subject to a condition of continued employment as well as vesting conditions based on a target comprising financial performance conditions and a CSR condition. The financial performance conditions, counting for 90% of the plan, are based on three performance criteria, all weighted equally (the Company's organic consolidated revenue growth, consolidated operating profit on business activity as a percentage of revenue, and consolidated free cash flow), assessed for financial years 2021, 2022 and 2023. The CSR condition, counting for 10% of the plan and whose attainment will be measured at 31 December 2023, relates to the number of women in senior management positions. It is determined based on the proportion of women in the Group's senior management positions (defined as the two highest echelons, levels 5 and 6).

Under this plan, 3,000 rights to free performance shares were allotted to an executive company officer of the Company (Vincent Paris, Chief Executive Officer).

2. Vesting of free shares in 2021

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 2021 making use of the authorisation given by the Board of Directors on 25 February 2021 to allot free shares under the free performance share plan put in place by Sopra Steria Group SA on 16 February 2018: full and final allotment of 67,680 shares with a par value of €1 each to 146 grantees, through the remittance of shares held in treasury.

It should be noted that at that time 1,905 performance shares vested with the Chief Executive Officer in connection with his corporate office within the Company.

The number of free performance shares vested by the Company in 2021 to the Company's top ten non-company-officer employee free share grantees was as follows:

	Number of shares	Unit value *(opening share price on the date of allotment)*
Sopra Steria plan of 16 February 2018	12,700	€142.10

The Board of Directors

Statement by the person responsible for the Universal Registration Document

I hereby declare that, to the best of my knowledge, the information contained in this Universal Registration Document is 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 323 to 324 entitled "Information regarding the Management Report", provides a true and fair presentation of the development of business, 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 they are exposed.

Paris, 16 March 2022

Cyril Malargé

Chief Executive Officer

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Glossary

Acronyms

- AMF: Autorité des Marchés Financiers (French financial markets authority)
- ANSSI: Agence Nationale de la Sécurité des Systèmes d'Information (French IT security agency)
- API: Application programming interface
- BPS: Business process services
- CISO: Chief Information Security Officer
- 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
- FEDEEH: Fédération Étudiante pour une Dynamique Études et Emploi avec un Handicap (Student Federation for the Promotion of Education and Jobs for People with Disabilities)
- GAFA: Google, Apple, Facebook, Amazon ("Big Four" tech companies)
- GDPR: General Data Protection Regulation
- HR: Human resources
- ILO: International Labour Organization
- LPM: French Military Planning Act (*Loi de programmation militaire*, French 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's 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 foreseeable, 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 and 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.
- **Net-zero emissions:** When all greenhouse gas emissions generated by an organisation throughout its value chain are removed from the atmosphere thanks to emissions capture projects, bringing net emissions to zero.
- **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 energy-related activities not included in Scopes 1 or 2, purchased goods and services, capital goods, waste, upstream transportation of goods, business travel, upstream leased assets, investments, transportation of visitors and clients, downstream transportation of goods, use of sold products, end-of-life treatment of sold products, downstream franchises, downstream leased assets and employee commuting.
- **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 for the 2021 Universal Registration Document

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Ratios between each executive company officer's compensation and the **average** and **median** compensation of the Company's employees	Article L. 22-10-9, I, 6° of the French Commercial Code	92-95	3
Annual change in compensation, performance by the Company, the average compensation of employees and the aforementioned ratios over the past five financial years	Article L. 22-10-9, I, 7° of the French Commercial Code	92-95	3
Explanation of the way in which total compensation adheres to the compensation policy adopted, including its contribution to the Company's long-term performance and how performance conditions were applied	Article L. 22-10-9, I, 8° of the French Commercial Code	81-87	3
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ITEM	REFERENCE TEXTS	PAGES	CHAPTERS
Any limitations that the Board of Directors has placed on the powers of the Chief Executive Officer	Article L. 22-10-10-3° of the French Commercial Code	52-53; 289-290	3; 8
Reference to a corporate governance code and application of the "comply or explain" principle	Article L. 22-10-10-4° of the French Commercial Code	52; 96	3
Specific procedures relating to the participation of shareholders in the General Meeting	Article L. 22-10-10-5° of the French Commercial Code	290-292	8
Procedure for the assessment of routine agreements and its implementation	Article L. 22-10-10-6° of the French Commercial Code	80	3
3. Elements likely to have an impact in the event of a public tender or exchange offer	**Article L. 22-10-11 of the French Commercial Code**		
Ownership structure of the Company		275	7
Restrictions in the Articles of Association on the exercise of voting rights and on share transfers, or clauses in agreements brought to the Company's attention pursuant to Article L. 233-11 of the French Commercial Code		280	7
Direct or indirect investments in the Company's share capital of which it has knowledge by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code		280	7
List of holders of any shares granting special rights and description thereof		280	7
Agreements between shareholders of which the Company has knowledge and that could entail restrictions on share transfers and the exercise of voting rights		280	7
Rules applicable to the appointment and replacement of members of the Board of Directors and to amendments of the Articles of Association		277; 280	7
Powers of the Board of Directors, in particular for share issues or share buybacks		278-279; 286-289	7; 8
Agreements entered into by the Company that are amended or cease in the event of a change of control of the Company, unless this disclosure would seriously undermine its interests, except when such disclosure is a legal obligation		N/A	N/A
Agreements providing for benefits payable to members of the Board of Directors or employees if they resign or are dismissed without valid grounds or if their employment is terminated due to a public tender or exchange offer		N/A	N/A

Cross-reference table for the Annual Financial Report

ITEM	ARTICLE	PAGES	PRESENCE
ANNUAL FINANCIAL REPORT	Article L. 451-1-2 of the French Monetary and Financial Code; Article L. 222-3 of AMF's General Regulation		
1. PARENT COMPANY FINANCIAL STATEMENTS		239-271	6
2. CONSOLIDATED FINANCIAL STATEMENTS		169-237	5
3. MANAGEMENT REPORT		See cross-reference tables for the Management Report	
4. REPORT ON CORPORATE GOVERNANCE		See cross-reference table for the report on corporate governance	
5. DECLARATION BY THE PERSONS RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT		314	-
6. STATUTORY AUDITORS' REPORTS ON THE PARENT COMPANY FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS		233-237; 266-269	5 6

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