

# MODERN SLAVERY ACT TRANSPARENCY IN SUPPLY CHAINS STATEMENT FOR FINANCIAL YEAR ENDING 30 SEPTEMBER 2020



## CGI IT UK Limited

### About us

Founded in 1976, CGI Inc. ("CGI") is among the largest independent IT and business consulting services organisations in the world. With 76,000 consultants and other professionals across the globe, CGI delivers an end-to-end portfolio of capabilities, from strategic IT and business consulting to systems integration, managed IT and business process services and intellectual property solutions. CGI works with clients through a local relationship model complemented by a global delivery network that helps clients digitally transform their organizations and accelerate results.

CGI IT UK Limited ("CGI UK") is part of the CGI group of companies. We are a major employer working in offices across the UK with around 5,500 employees. Most of the suppliers used to procure products and services for CGI UK and its clients are UK-based organisations, which account for 89% of supplier spend. 8% of spend is associated with suppliers based in the European Union, 2% in North America and less than 1% of suppliers based in other countries. The top five categories of CGI UK procurement spend include Professional Services (41.6%), IT Products and Services (28.5%), HR Services (10.6%), Facilities Management (8.7%) and Marketing (7.8%).

### About our fifth Modern Slavery Statement

This statement is published pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes CGI UK's fifth Modern Slavery and Human Trafficking Statement, for the 2020 financial year (1 October 2019-30 September 2020).

This statement reflects our established commitment to providing safe and fair working conditions for all our employees. It also reflects the way in which we work with our suppliers to ensure socially responsible and ethical business practices are embedded throughout our organisation and beyond. This reporting period saw the beginning and continuation of the Covid-19 pandemic. We are aware of government guidance that Covid-19 has elevated the risk of labour exploitation and modern slavery. We understand that the pandemic has had an unprecedented impact on global supply chains and are taking this exceptional context into consideration in our ongoing efforts to tackle modern slavery.



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

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

- Further integrating human rights considerations, such as modern slavery, into our procurement and bidding process for higher risk sectors;
- The continued strengthening of our supplier risk assessments and due diligence processes;
- Engaging with our suppliers by encouraging them to complete our sustainability assessments and to embed best practices in sustainability, including on human rights, in their supply chain; and
- Introducing new mandatory modern slavery training for the global procurement team.

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

## Our Policies and Procedures

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

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

## Our Code of Ethics

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

## Recruitment

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

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

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

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

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

## Modern Slavery Policy

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

## Our suppliers

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

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

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

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

We will only procure from suppliers that adhere to CGI's Third Party Code of Ethics. This outlines the standards we expect from our suppliers to ensure that we can collectively make a positive impact on society whilst mitigating any adverse impacts. It contains requirements with regard to minimum wage, safe working conditions and internationally recognised labour standards and specifies that suppliers must under no circumstances use, or in any other way benefit from forced or involuntary labour. Suppliers are obliged to report any conduct, including conduct of any CGI member, that it believes in good faith to be an actual, apparent, or potential violation of this Code. More details can be found in 'Grievance mechanisms and remedy for victims' below.

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

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

## Assessing and managing risks in our supply chain

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

Suppliers' performance on Corporate Social Responsibility (CSR), including modern slavery, is taken into account when we evaluate and select new suppliers. For example, when assessing supplier proposals as part of the tender process, suppliers' commitment to continuous improvement with regards to CSR is one of nine criteria used by the global procurement team to assess performance. This coming year we are looking to assign a greater weight to suppliers' performance on CSR in our procurement process.

For sectors that represent a greater risk of modern slavery, we are including questions related to modern slavery in Requests for Proposals (RFPs). For example, this reporting year we undertook a review of our cleaning services and given the risks associated with low-cost labour and the cleaning sector, we included specific questions to understand how prospective suppliers were mitigating the risks of modern slavery. For example, we asked what steps the bidding organisation takes to ensure employees are not at risk of modern slavery including debt bondage; their processes to report suspected cases of modern slavery; and their provision of modern slavery training. The RFP also included questions on the pre-employment screening process, maintaining fair and ethical employment practices in the workforce and supply chain and compliance with ILO Standards for working conditions.

As a Living Wage employer, we require personnel working on CGI UK premises to be paid the living wage and this requirement was stipulated in the RFP and the final contract for cleaning services. All bidders were also required to complete an EcoVadis sustainability assessment (see below).

### **Due diligence**

Our supplier due diligence measures are designed to ensure that suppliers can deliver high quality service to our clients and also meet high standards regarding human rights.

Our on-boarding process for all new suppliers, includes a thorough due diligence risk materiality rating checklist which covers the supplier's type of operation, number of employees and location of business operations, as well as whether the supplier has been the subject of negative publicity. This helps us identify higher risk suppliers that require further due diligence. Identified high-risk suppliers are requested to undertake a more detailed assessment via EcoVadis a specialist sustainability ratings agency. We have been working with EcoVadis since 2017 and this year we have committed to working with them for a further three years.

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

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

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

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

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

## **Our progress since our last report**

During this financial year a total of 167 suppliers were requested to complete an EcoVadis sustainability assessment. Of these, 56% completed the assessment, representing 93.5% of spend associated with suppliers that required a sustainability assessment. Over 90% of suppliers that completed assessments are considered low risk according to EcoVadis scorecards, and none are classified as high risk, scoring less than 25%.

Suppliers that have declined to complete these assessments or where requests are outstanding, account for 3.2% of our total spend.

We continue to engage our suppliers on the importance and the benefits of completing these assessments. For example, during this reporting period, all suppliers who had not completed the EcoVadis sustainability assessment were invited to a webinar that outlined the mutual benefits of doing so and were contacted by CGI UK's President to urge them to complete the questionnaire. As a result of this engagement, the number of assessments completed by suppliers increased by 55%.

Suppliers that have declined to complete the assessment include those with whom we have low spend and those with whom we have limited leverage. These include suppliers such as landlords, and suppliers mandated by our clients. We recognise that some of the suppliers that are not completing the assessment are SMEs, and this is in part due to the associated resource implications. CGI UK along with our clients, are committed to working with SMEs and facilitating diversity and inclusion in our supply chain. We are therefore working to address this challenge. For example, we are looking to pilot additional in-house due diligence for those higher risk suppliers that have declined to complete EcoVadis assessments.

We have taken steps to strengthen our risk assessment and due diligence process to enable us to better identify and manage modern slavery risks. Some of this activity falls outside of this years' reporting period – in the time since the end of our financial year but before the publication of this statement. We are in the process of enhancing our on-boarding process, so that all suppliers located in countries in which CGI does not have

an established presence will be requested to complete a sustainability assessment, irrespective of whether they are in a high-risk sector. We are also strengthening how we assess and manage modern slavery risks for new and existing suppliers, triangulating geography, sector and spend. This is being developed with human rights experts using data from resources such as the Global Slavery Index. As part of this new process, we have mapped our existing supplier base and have found that for our 2020 financial year, 99% of supplier spend was in geographies considered low risk according to the Global Slavery Index and 79% of supplier spend was in sectors (e.g. professional services, software etc.) which are considered low risk.



## Training and awareness raising

### **Engaging our members on human rights issues - Recognising that modern slavery is often “hidden in plain sight.”**

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

We continue to work with our members to raise awareness about modern slavery and what to do should a case of slavery be suspected. We engage members regularly via our UK newsletter, intranet and by sharing and discussing the issue in member meetings. This is supported by posters in our offices to both alert our members and to raise awareness among those involved in the maintenance of our buildings of the risks surrounding slavery that are specific to their role.

### **Targeted training**

As we consider our biggest exposure to modern slavery to be in our supply chains, our focus for the forthcoming financial year is to provide targeted annual mandatory training for CGI's global procurement team. In December the entire global procurement team participated in online modern slavery training. The session included a presentation from external subject matter experts and covered the ILO indicators of forced labour, the requirements of the UK Modern Slavery Act, how to consider modern slavery risks in procurement and relevant CGI policies and practices, including how to respond to suspected cases of modern slavery.

As a result of the training 96% of respondents agreed, or strongly agreed, that they understand the issue of modern slavery, its relevance for their role and what is expected of them, compared to 75% of respondents before the training was delivered. The modern slavery training is also included in the training curriculum, which is mandatory for all new starters in the procurement team.

<sup>1</sup>CGI established geographies include: Australia, Austria, Belgium, Bulgaria, Cape Verde, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hong Kong, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK, USA

We also have plans to roll-out a third party management framework to promote best practices to all members in CGI, not just procurement members, who manage supplier relationships. This framework will include the processes to help identify and mitigate the risk of Modern Slavery occurring in our supply chains.

## Grievance mechanisms and remedy for victims

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

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

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

An area of focus for the next reporting period is to further develop our incident response plan in the event that a case of modern slavery is identified or suspected.

## Governance

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

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

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

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



**Tara McGeehan**

UK President and Director of CGI IT UK Limited

10 March 2021

Learn more at [www.cgi.com/uk](http://www.cgi.com/uk)

### **For more information**

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