

CORPORATE GOVERNANCE STATEMENT

(including section 172(1) Companies Act 2006)

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018 and section 414CZA of Companies Act 2006, the directors present their Corporate Governance Statement. This includes an outline of their corporate governance arrangements together with the statement of the performance of their duties under section 172(1) of the Companies Act 2006, for Capgemini UK plc ("the Company") for the year ended 31 December 2022.

Corporate governance arrangements

Whilst the Company does not directly adopt and follow the UK Corporate Governance Code, as a subsidiary of the Capgemini Group (Capgemini SE together with its direct and indirect subsidiaries, i.e. "the Group") and with an ultimate parent listed on the French exchange, the Company adheres to the comprehensive arrangements in place set out for all Group companies, in order to ensure compliance with Corporate Governance Code issued jointly by AFEP and MEDEF (French private business associations). A copy of this code can be obtained from <https://afep.com/en/publications-en/le-code-afep-medef-revise-de-2018/>. These comprehensive arrangements include a detailed framework outlining how every Group company, and employee, should operate and sets out the Group's ethics and values, governance and organisation structures as well as the principles and processes across several organisational areas including:

- Organisation and governance;
- Authorisation and approvals;
- Sales and production rules and guidelines;
- Risk management, pricing, contracting and legal rules, in the client contract pre-sales phase;
- Financial management, merger, acquisitions, and insurance rules and guidelines;
- Human resources policies;
- Marketing and communications, knowledge management and IT;
- Procurement policies, including ethical requirements and supplier selection; and
- Environmental and community policies.

Further information is set out within the Capgemini SE Universal Registration document, available to download at www.capgemini.com (in the 'About Us' section, 'Latest Annual Report').

Capgemini places significant importance on compliance with the values and principles which guide and inspire its actions and, in particular, its business practices. These seven core values are: honesty, boldness, trust, freedom, fun, modesty and team spirit. They represent Capgemini's corporate culture and justify its reputation as being ethical and responsible. In this respect Capgemini has been recognised as one of the "World's Most Ethical Companies" by the Ethisphere Institute 10 years in a row.

Strategic decision making and Board composition

Capgemini is ideally positioned to capitalise on market trends with the expertise to help clients transform at scale. Capgemini partners with clients to drive end-to-end transformation enabled by its capabilities, which range from innovation, consulting and systems integration to managed service operations. The focus is the evolution of portfolio offers towards digital and cloud, which are driving significant business and technological change. There is continued investment in cyber security as there is a strong traction for offers, geared towards securing clients' infrastructure and systems. By collaborating closely with clients, often during the course of multi-year engagements enabling the development of a deep understanding of their business environment, Capgemini creates competitive advantage and new business capabilities. Capgemini continues to invest in its people, to attract and retain the best in the industry and offer leadership opportunities to its diverse, emerging talents.

Representatives of executive management, inclusive of members of the Company's Board of Directors (including the Chairperson), interact and deliberate on a very regular basis to discuss all matters pertaining to the performance and continued success of the Company. These meetings create a forum for discussion of long-term strategic decision-making including business opportunities, risks and market conditions, business performance and relationships, and employee matters, including organisational culture.

Additionally, the operations of individual business functions are discussed and strategies noted or approved, as appropriate, by attendees. Depending on the size and scope, individual projects may also be considered within the framework of these discussions, presented by key members of the primary functions responsible.

The Board of Directors includes representatives from the Group Executive Committee, as well as the Group Chief Operating Officer and the Group Chief Financial Officer, which ensures alignment with Group directives and ambitions. Matters pertaining to decisions requiring the consensus of the Board of Directors, which is obtained by way of written resolution, are signed by all members of the Board of Directors before taking effect. This ensures that the Board of Directors are included in decisions of the Company where this is deemed necessary.

Director appointments are made through a consultation process, where it is assessed whether the individual has the appropriate skills and experience. Upon appointment, all company directors undertake a formal induction programme to brief them of their role and responsibilities

as a director, including their responsibilities under section 172(1) of Companies Act 2006. The Company's appointed directors are also representatives from senior management and are remunerated for their operational services rather than specifically in their capacity as a company director.

Risk Management

The Company maintains a local-level review and management of risk and insurance, forming part of the Company's quarterly meetings. The Group operates an Audit Committee as a specialised committee of the Group Board of Directors. Its charter is to review the preparation and control of accounting and financial information, and to assess the suitability and consistency of the accounting principles and methods used in the preparation of statutory financial information. It also checks the efficiency of internal control and risk management procedures. The Group has an Internal Audit Department, which operates independently and reports to the Group's CEO and Chairman of the Board. All areas of the organisation are subject to an internal audit within a maximum window of two years. The Internal Audit Team has unrestricted access to all functions, records, property and people and carries out its procedures in accordance with the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, together with the Group's Code of Business Ethics.

Capital allocation and dividend policy

At the end of each financial period, senior management review available financial information and projections and consider whether there is a capacity to recommend a dividend. This recommendation is scrutinised by the Board of Directors and they make a determination as to whether to declare a dividend and, if so, its order of magnitude. In doing so, not only do they scrutinise the facts and financial information, but they also consider the risks facing the Company (for example, any volatility due to market conditions), the future capital required to undertake new strategic decisions, together with the requirements of its stakeholders (for example, pension funding requirements).

Section 172(1) Companies Act 2006

Section 172 of the UK Companies Act 2006 requires Directors to act in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In order to promote the success of the Company, a fundamental requirement of all serving directors is to act in the interest of shareholders whilst taking into consideration the long term impact of the decisions made on the wider stakeholder groups, the most significant of which are identified below with reference to matters set out in Section 172(1) (a-f) of the Act:

Engagement with stakeholders

Customers, suppliers and other business relationships		
Description of mechanisms	Example activity	Benefit and Impact
<p>Quarterly strategy meetings ensure that the directors are informed and enabled to consider how the Company's activities, both present and future, could impact its customer, supplier and other business relationships.</p> <p>Customer relationships are managed, day-to-day, on an individual, account-level basis. All existing customers are subject to credit checks on a quarterly basis.</p> <p>Supplier relationships are managed and engaged in accordance with the nature of the services provided. Capgemini operates sustainable procurement principles together with a zero tolerance for bribery, corruption and human rights abuse. These principles, and specific obligations referring to modern slavery, have been incorporated into all of the Company's contracts, purchase orders, supplier selection and performance procedures and remain a prerequisite for doing business with Capgemini.</p>	<p>Understanding and minimising risk is important to Capgemini and staying informed of any changes is key to enabling the Company to grow profitably its customer portfolio without increasing risk exposure. Capgemini engage with an established credit rating agency to help mitigate credit risk; Capgemini uses their credit solution for an Overall Business Risk assessment, which uses the best available scores, ratings and indices to provide high-level assessment for each potential/ existing customer. Within the tool Capgemini has set up tags which provide daily alerts for any changes in failure indicators. This enables Capgemini to react in real time.</p> <p>The Company is a signatory to the Prompt Payment Code with the average time taken to pay supplier invoices in 2022 being 21.5 days (2021: 20.0 days). The latest versions of the Company's Conditions of Order and Dispute Resolution Process policies are freely available on its website and advertised via the Government's payment practice reports portal, representing the Company's commitment to communicating effectively with suppliers and customers.</p>	<p>As a result of the success in partnering with our clients and vendors, we have gained wider understanding of their needs, and been able to better support them over the years and intend to do so in the long run.</p> <p>We pride ourselves in maintaining enduring relationships with the vast majority of our clients and suppliers.</p>

Pension trustees		
Description of mechanisms	Example activity	Benefit and impact
<p>Representatives from the Board of Directors formally meet with the trustees of the Company's defined benefit pension scheme on, at least, a bi-annual basis to discuss all matters pertaining to the operation of the scheme both in isolation and within the context of the Company's current and future performance.</p>	<p>The triennial valuation of both pension plans concluded in 2021. The 2004 plan valuation was signed in March 2021, and the one for the main UK plan was signed in November 2021.</p>	<p>Significant contributions have been made to the scheme, which has systematically reduced the pension deficit and in fact moved the pension into a surplus position at 2021 and 2022 (under IAS19). Note: the Company remains proactive in continuing to monitor the position of the scheme and to action accordingly when necessary.</p>

Community and Environment

Description of mechanisms	Example activity	Benefit and impact
<p>The Company's Architects of Positive Futures programme focuses on three key pillars of activity: Our Environmental Sustainability, Digital Inclusion and Active Inclusion</p>	<p>Under Digital Inclusion, the Company runs the Digital Literacy Program which aims to reduce the digital divide by supporting people in the community who are digitally excluded; the Company provides digital skills programmes for excluded communities to enable them to access basic services.</p>	<p>For contributions to the community and environment, we cooperate with all related Capgemini entities as it grants wider capacity and impact.</p>

Employees

Description of mechanisms	Example activity	Benefit and impact
<p>Employees are actively encouraged to help shape the culture and operational performance of the Company through interaction with the Capgemini Works Council (CWC). The CWC is a body of employee representatives elected by all UK employees which convenes 10 times per year.</p> <p>In addition to attending CWC meetings, senior leadership consults and collaborates with the group on topics such as the overall economic position of the UK business, organisational change, pay and benefits, ethics and diversity, real estate, policies, terms and conditions and any other matter affecting employees.</p>	<p>The Company reduced its gender pay gap both for hourly rate pay (mean and median) and bonus pay (mean and median) compared to 2021 and is committed to continual improvement in closing the gap.</p>	<p>The number of women has steadily increased within the Company in the last two years: women now represent 30.2% of its UK workforce.</p> <p>In the last six years the Company has consistently ranked in the Times Top 50 Employers for Women, is one of Great Place to Work UK's Best Places to Work for Wellbeing.</p>

Culture, community and environment

Values and Business Ethics

Capgemini's seven core values (honesty, boldness, trust, freedom, fun, modesty and team spirit) and Group Code of Business Ethics underpins its corporate culture and permeates through its business practices, procurement behaviours and welfare policies.

Capgemini implements a detailed code of business ethics which formalises the required actions and behaviours in certain business situations. Every employee receives a copy of the code, and periodically undertakes mandatory training to reinforce its requirements. In support, the Group has established a Chief Ethics and Compliance Officer, together with geographically local Ethics and Compliance Officers, e.g. the United Kingdom and Ireland.

Additionally, pursuant to section 54 of the Modern Slavery Act 2015, the Company sets out the steps taken to ensure slavery and human trafficking is not taking place in its organisation and supply chain in its Transparency Statement, available at www.capgemini.com. This statement is directly supported by the Company's Corporate Responsibility and Sustainability Board. These steps include appropriate risk assessment and due diligence activities on its supply chain and third parties to ensure each sub-contract adheres to policies and governance processes which, using a central purchasing system, provide a very clear view of procurement activity.

Values and Business Ethics

Significant strategic decisions during the year ended 31 December 2022 include:

- The purchase of the trade and assets of Altran UK Limited and Tessella Limited, fellow group companies.
- The purchase of 100% of the ordinary share capital of Rufus Leonard Limited, Quorsus Limited and 23red Limited, fellow group companies.

After year end, there was also the decision to purchase the trade and assets of Rufus Leonard Limited on 1 January 2023.



About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided every day by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of nearly 350,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering, and platforms. The Group reported in 2022 global revenues of €22 billion.

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