Universal Registration Document 2019

Trusted partner for your **Digital Journey**

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Annual Financial Report items are clearly identified in this summary with the aid of the pictogram. AFR

Universal Registration Document 2019

including **Annual Financial Report**

This document is a free English translation of the original French version. In case of discrepancies, the French version shall prevail.
The French version of this Universal Registration Document was filed on March 3, 2020 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129.
The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document. All shall be approved by the AMF in accordance with Regulation (EU) 2017/1129.
This Universal Registration Document is available on the websites of the AMF (www.amf-france.org) and the issuer (www.atos.net).

A

A Group overview

As of 2020, the Group initiates a transformation, called "SPRING", aiming at reshaping its portfolio of offerings, reinforcing its go-to-market approach, and setting-up an Industry led organization.

In this context, six Industries are created:

- Manufacturing;
- Financial Services & Insurance;
- Public Sector & Defense;
- Telecom, Media & Technology;
- Resources & Services (includes former Retail, Transportation & Logistics and Energy & Utilities);
- Healthcare & Life Sciences.

At the same time, the Company gathers Global Business Units into 5 Regional Business Units (RBU), each of them under a single leadership:

- North America;
- Central Europe: former Germany, and Central & Eastern Europe excluding Italy;
- Northern Europe: former United Kingdom & Ireland, and Benelux & The Nordics;
- Southern Europe: former France, Iberia, and Italy;
- Growing Markets: former Asia-Pacific, South America, and Middle East & Africa.

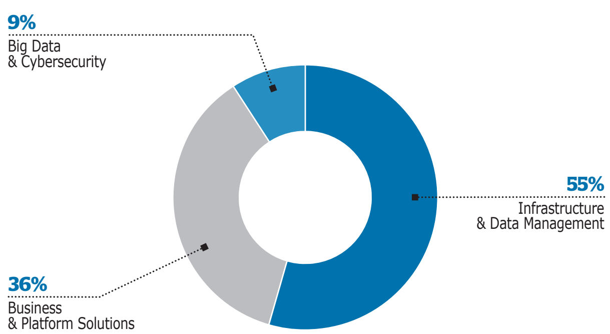
Unless stated otherwise, the current 2019 Universal Registration Document describes the activity of the Group in 2019 with the profile, business model and organization in place at this time.

A.1 Revenue profile

[GRI 102-6] [GRI 201-1]

A.1.1 By Division

In 2019, 64% of the Group revenue was generated by multi-year contracts, deriving from Infrastructure & Data Management (55% of total revenue), Application Management contracts included in Business & Platform Solutions, and half of Big Data & Cybersecurity (respectively 5% and 5%).

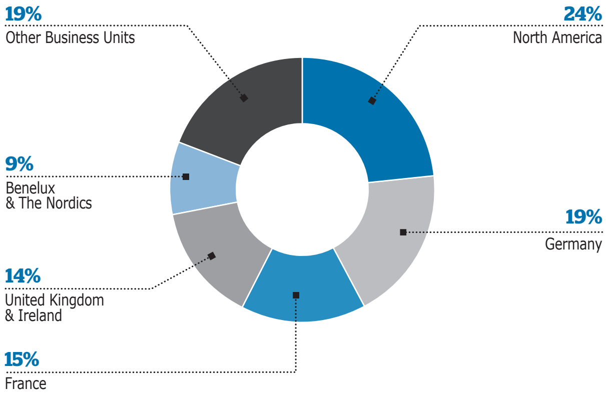


(In € million)	**2019**
Infrastructure & Data Management	6,321
Business & Platform Solutions	4,216
Big Data & Cybersecurity	1,050
TOTAL	**11,588**

A.1.2 By Business Unit

[GRI 102-4]

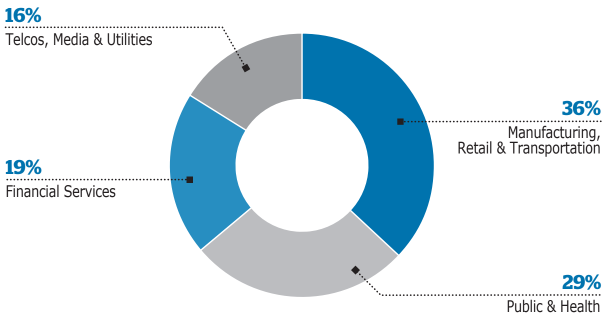
Europe and North America are the Group's main operational bases, generating 93% of total revenue in 2019.



(In € million)	2019
North America	2,725
Germany	2,167
France	1,788
United Kingdom & Ireland	1,669
Benelux & The Nordics	1,047
Other Business Units	2,192
TOTAL	**11,588**

A.1.3 By Market

The Group provides high value-added digital services and solutions to many industry sectors. Customers are addressed through four global markets which are Manufacturing, Retail & Transportation, Financial Services Public & Health, and Telcos, Media & Utilities.



(In € million)	2019
Manufacturing, Retail & Transportation	4,139
Public & Health	3,411
Financial Services	2,169
Telcos, Media & Utilities	1,869
TOTAL	**11,588**

A.2 Business profile

[GRI 102-1] [GRI 102-2]

Atos is a global leader in digital transformation with 110,000 employees in 73 countries and annual revenue of € 12 billion. European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos|Syntel, and Unify. Atos is a SE (Societas Europaea), listed on the CAC40 Paris stock index.

The purpose of Atos is to help design the future of the information space. Its expertise and services support the development of knowledge, education and research in a multicultural approach and contribute to the development of scientific and technological excellence. Across the world, the Group enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure information space.

Atos is committed to building specific know-how and expertise to help its customers meet the challenges related to their digital transformation:

- digitize their **customer experience** and foster **business reinvention** thinking and implementation;
- streamline **operational excellence**;
- guarantee **trust, compliance and sustainability**.

Atos solutions and services provide agile, scalable and trusted foundations to support customers in their digital journey. They are at the heart of Atos' differentiation:

- **Industry expertise and solutions** to build future-proofed systems fitted to our clients' industries;
- **Smart data platforms and services** to help organizations unlock the value of their data today;
- **Ecosystems of multiple infrastructure solutions** to create the foundations for digital business.

Across all these solutions, platforms and infrastructures, Atos Cybersecurity enables to set up end-to-end, prescriptive security solutions to identify and block threats before they may have a substantial impact.

All these solutions and services leverage innovations from Atos' vast network of partners and from its own R&D programs.

A.2.1 Atos' sense of purpose

Since April 30, 2019, Atos' sense of purpose has been enshrined in the Company's Articles of Association

Anticipating the entry into force of the PACTE law No. 2019-486 of May 22, 2019, which introduced the possibility for French companies to include a sense of purpose in their Articles of Association, i.e. the long-term and collective interest endeavor to which their business activities contribute and which makes them meaningful.

Incorporating such a purpose into the Articles of Association binds the Company, far beyond a simple declaration of intent. Atos' sense of purpose describes how its operations in their entirety contribute to the common interest. Its scope is not limited to its CSR program. The sense of purpose inspires Atos engagement with all its stakeholders: its employees, customers, shareholders, industrial partners and the wider ecosystem. It deeply connects the Company's business lines with its contribution to the public interest.

From as early as April 30, 2019, Atos adopted its sense of purpose at the Annual General Meeting, who approved the statement with 99.93% of the vote.

"Atos' mission is to help design the future of the information technology space. Its services and expertise, multiculturally delivered, support the advance of knowledge, education and science and contribute to the development of scientific and technological excellence. Across the world, the Company enables its customers, employees and as many people as possible to live, work and develop sustainably and confidently in the information technology space."- Atos' sense of purpose, written into the Company's Articles of Association.

Atos' sense of purpose is structured around the notion of "information technology space" or digital. Contribute to making it safe, accessible to all and sustainable: such is the purpose for which Atos bears unique responsibility. This sense of purpose has its roots in the identification and understanding of Atos' sources of responsibility, and unfolds in reality as a contribution architecture, with three pillars that Atos has chosen, which materializes the Company's vision and concrete commitments.

The origins of Atos' sense of purpose and sources of responsibility

The digital transformation is redefining all the fundamentals of life together. Its continuing progress opens up pioneering fields, in which companies are reinventing the ways in which they produce and exchange information, create value and form ties. Breaking free from old frameworks also gives rise to new risks and new contradictions.

The technological players designing these territories are given a direct responsibility: to shape the digital space, to make it safe, habitable by all, and respectful of the environment. The commitment made by Atos, a major European and global digital company, is dictated by its very purpose. It must, along with the ecosystem which it unites, contribute to a civic construction of this digital space.

The terms of Atos' sense of purpose reflect the ambition of this contribution. By enshrining its sense of purpose in its Articles of Association, Atos sets itself apart from the major digital companies operating at the global level. Atos demonstrates an ability to reflect on its businesses and its role in society, and chose to take up the responsibilities that befall it, in view of the social, economic and legal effects of the technological revolution.

Architecture of the contribution to the sense of purpose

Atos' sense of purpose has been organized into 3 pillars:

- guaranteeing safety, inclusion, security and trust in the digital space;
- contributing to the environmental transition;
- promoting scientific and technological excellence.

These 3 pillars structure, internally, the way the sense of purpose is brought to life. They explain, to the external community, the areas of contribution on which the Company has made commitments.

For each of these pillars, the Company has further broken down its sense of purpose into three parts:

- a vision of the key issues at stake, based on analysis of the major societal, economic and technological challenges in the perspective of which the activities of Atos are part;
- a doctrine of contribution, which expresses Atos' unique commitment;
- evidence that materializes the actions already undertaken and concrete contribution objectives for the coming years, by means of indicators that assess their progress and light cast on the various initiatives carried out.

a. The key issues

By setting out its sense of purpose, Atos instituted its contribution to three major societal issues of the 21st century.

Building a trusted digital space

Since the end of the 21st century, the information technology space has been formed without the most influential actors in its dynamics always in depth thinking about the direct and indirect impacts of its developments on civil society. Atos intends to help bring the digital space into a new innovation regime - clear-sighted, reflexive, contributing to the major societal challenges of the 21st century - by facilitating the secure use of digital technologies and by countering the risks faced by individuals, companies and States. Atos approaches the issues of privacy, process and algorithm transparency, data protection and sovereignty with the conviction that shaping the digital space means building a digital world that is inhabitable to all. Toward this end, Atos intends to cast its actions in an inclusive perspective, offering everyone the possibility, irrespective of gender, origin, disability or social trajectory, to work and live in the digital space. From the diversity of employees to the involvement of stakeholders in governance, Atos wishes to build a digital world that is open and secure for all.

Taking part in the ecological transition in the face of the climate emergency

The volume of data produced by humanity increases by 60% each year. Global digital services now consume 10% of electricity worldwide, and account for 4% of global greenhouse gas emissions. This proportion could double by 2025 (source: The Shift Project). In order to address the climate emergency and to make digital technologies resilient, it is essential that the environmental performance of digital products and services be stepped up, and that technology be turned into a lever for the environmental transition.

Contributing to scientific and technological excellence

The phenomenal developments in distributed computing, the unparalleled advances in artificial intelligence in the last decade, and the success of digital start-ups in the territories are proof of the great momentum which digital science and technology can bring. To ensure that these developments yield benefits for the largest possible number of people and that the digital divides - connected with age, geography and disability - are reduced, Atos intends to reaffirm its support for scientific and technological research ecosystems, in order to support the development of knowledge and connect it to society's needs, in particular through its R&D investments for its products and services.

b. Atos' commitments

Consistent with the challenges identified, Atos intends to mobilize its teams and stakeholders around three commitments, specifying the ambitions of the three pillars on which its sense of purpose is based:

- providing everyone with the skills to use digital technologies confidently, and to mitigate the risk exposure of individuals, companies and States in the digital space;
- improving the environmental performance of digital solutions, and turning the new technologies into allies in the fight against global warming;
- contributing to excellence in the scientific and technological progress achieved, and to the sharing of knowledge and research.

c. Undertakings in support of the sense of purpose

Atos' sense of purpose, and the three commitments that result from it, are already reflected in the Company's undertakings and plans.

Security and trust in the digital space (for more details, see para. C.4.2)

Atos is uniquely positioned to ensure that everyone can navigate safely, securely and confidently in the digital space. The Group was ranked 3rd global player in Managed Security Services by Gartner in 2019, and has more than 5,000 security experts and a network of 14 Security Operations Centers around the world. In addition, many European institutions, as well as the International Olympic Committee and NATO, have entrusted it with the protection of their IT systems, attesting to Atos' capacity, certified by the ANSSI (French National Agency for the Security of Information Systems), to design and deploy technologies capable of building trust in the digital space.

Atos contributes to the security of connected objects, people, companies and public authorities, and more generally data flows. A significant part of the R&D effort at Atos concerns the Big Data & Cybersecurity offer, such as digital identities and prescriptive cybersecurity solutions based on artificial intelligence.

When, in February 2018, it joined Siemens and other large companies and institutions including the German Federal Office for Information Security and the Spanish National Center for Cryptology, in signing as a founding member the Charter of Trust, the world's first common charter for enhanced cybersecurity, Atos once again demonstrated its commitment at the highest level. This initiative, aimed at making the physical and digital worlds more secure, also intends to contribute to public debate and ultimately bring about common rules and standards (e.g., supply chain, security by default).

However, the digital space is not limited to cybersecurity, and the Group contemplates the digital civilization being built as a whole, with an ambitious roadmap around 8 strategic technologies (advance computing, AI, automation, Immersive Experience, Edge, Hybrid Cloud, Modern Applications and Cybersecurity).

Atos consistently interconnects ethical thinking into its practices and those of its clients, in particular through the contributions by Atos' Scientific Community. A digital space that is secure and protective must also be an inclusive space, designed and deployed to meet the specific needs of each of its users. It is for this reason that Atos, first digital company having signed the "Valuable 500" charter, developed a unique expertise in assistive technology for people with disabilities, and has set specific improvement targets to encourage all types of diversity in the workplace (cf. para. D.2.4.3). Atos demonstrates its strong commitment to its clients and employees, with the desire to create a pleasant working environment and conditions in which people can develop.

Environmental transition (for more details, see para. D.5)

Technology plays an ambiguous role in the fight against climate change: energy-intensive and resource-intensive, it can also help a large number of businesses to move towards carbon neutrality. For this reason Atos' efforts continue on two fronts. Eco-design, first ("Decarbonized Digital"), by optimizing energy consumption of applications ("low coding"), infrastructures (data centers) and servers. Putting technology to work for the environmental transition, secondly ("Digital for Decarbonation"), optimizing the customer's business processes with *smart grids*, IoT and edge computing. Through its initiatives to reduce or offset its footprint, Atos has reduced its CO_2 emissions by nearly 20% per euro million of revenue since 2015.

The Group's carbon emission reduction targets include the following according to the chosen methodology (see para. D.5.1):

- short and medium-term target assigned by the strategic plan 2019-2021: achievement of a carbon intensity reduction of 7% to 20% by 2021 (tons of carbon dioxide equivalent (tCO_2e) per € million revenue, 2016 base line);
- long-term carbon intensity reduction targets for 2021-2030 and 2050 following the Paris Agreement signed in 2015, in line with the world effort to limit the rise of climate change below 2°C (3.6F) above preindustrial levels.

To extend and supplement this effort, environmental performance has been incorporated into the long-term compensation of Company leaders, as part of the performance-based share plans for many years: the 2019 long-term incentive plan provides for a 20% weighting connected with CSR performance measured over three years, based on Atos' relative annual results compared to its competitors in the Dow Jones Sustainability Index (DJSI). In 2019, Atos ranked first in the IT and software services sector on the DJSI World and Europe sustainable development indexes. For the 2020 performance-based share plan, the Board of Directors of Atos wishes to add a second criterion specific to the Company's environmental performance regarding a reduced carbon intensity in Atos' business model (see para. G.3.1.4).

Scientific and technological excellence (for more details, see para. C.5)

For Atos, research and scientific excellence are shared goals. This is why, supplementing its network of R&D and innovation laboratories around the world, Atos participates in multiple initiatives involving different categories of partners:

- in the world of scientific research, first, with the creation of university chairs, research centers and laboratories. Atos supports cutting-edge research in Quantum Computing (see para. D.3.4). In the AI field, ENS Paris-Saclay has been endowed with an "Industrial Data Analytics & Machine Learning" chair;
- second, world-renowned technological innovation clusters have been established: the CEA and Atos are co-developing the future Exa1 supercomputer, leading the way to the exaflopic computers of the future, while the Science and Technology Facilities Council (STFC) Hartree Centre is equipped with the Atos Quantum Learning Machine;
- third, in the academic world: the Atos' Joseph Fourier Prize and Atos IT Challenge engineering competitions have attracted university undergraduate and research teams from over 35 countries around the world, including Harvard and MIT in the USA. Atos' program to develop technical leaders is run in conjunction with Cambridge University in the UK and Paderborn in Germany. Sponsorship of PhD research, including the topics of quantum computing, HPC, autonomous vehicles and artificial intelligence is undertaken with universities across Austria, the Netherlands and France. The Universities of Technology of Munich and Passau, as well as the Ecole Normale Supérieure Paris-Saclay, are partners in the Atos summer school on Artificial Intelligence. Atos is working with the Ecole Polytechnique, HEC and Ahmedabad University on multicultural leadership topics. Finally, the Group is forming many ties at the local level, such as in Bydgoszcz (Poland) and Nottingham (UK).

Amongst Atos' most outstanding initiatives are the two communities it has created:

- Atos' Scientific Community brings together more than 160 leading scientific experts from across the Group. Capitalizing on the combination of the skills and backgrounds of its members, the community has been working for more than 10 years to anticipate the technological upheavals and the commercial challenges which Atos' customers will face in the future. This scientific community shares its thoughts through regular publications accessible to all, in particular the prospective report entitled "Journey";
- Atos' Community of Experts, created in 2017, is now composed of 2,200 experts across 51 countries around 4 levels of expertise (Expert, Senior Expert, Distinguished Expert and Fellow). Each expert belongs to a technological field working on his or her vision and future trends. Our community of experts thus provides an environment in which our best experts can network and develop their skills and ability to innovate.

Summary and indicators

Atos has started to work on the formalization of key indicators and to research and highlight testimonials from employees who will embody the sense of purpose, through their experience and activities within the Company, in order to monitor and steer the actions carried out around each of the three pillars of Atos' sense of purpose over the long term.

Organization and governance

To ensure that its purpose is duly served, Atos has set up a multi-functional organization coordinated by the General Secretary, under the supervision of the Chief Executive Officer who reports to the Board of Directors. This organization is based on a working group of some twenty Atos employees, from different operational and support functions, and occupying positions in management, project management or expertise. The contributors are each responsible, within their area of activity, for both deploying and promoting the sense of purpose. The Board of Directors regularly reviews progress on the Company's work in this matter.

Directions for 2020

The Company's sense of purpose plays out over time. It is deployed through short-, medium- and long-term objectives and undertakings.

In accordance with its methodology, the Company wishes to focus on the following areas in 2020:

- coordinating and highlighting the Company's and employees' existing actions and initiatives, in line with the three pillars of the sense of purpose;
- identifying the indicators used to monitor the Company's loyalty to its defined purpose over time;
- implementing internal sharing and communication actions to ensure that all employees in the Company take ownership of this stated sense of purpose.

A.2.2 Atos expertise covers a wide range of specialties to accompany its customers for new opportunities and innovations

Infrastructure & Data Management (IDM): transforming today's IT landscapes to future hybrid IT environments

Atos is at the forefront of transforming its clients' IT infrastructures to the new world of hybrid IT landscapes and ecosystems of multiple infrastructures, from traditional data centers to the hybrid cloud, edge computing and the Internet of Things. This is built on Atos' expertise in delivering IT outsourcing for many years, strengthened by its leading hybrid cloud offering, build in partnership with large public cloud players such as Google, Microsoft, AWS and others. Atos has been recognized several times by independent analysts as a leader in hybrid cloud and as the most visionary workplace services provider in Europe thanks to its Digital Workplace offering leveraging on its unique unified communications capabilities from Unify. Atos is also ranked as a leader in European and Asia-Pacific Datacenter Outsourcing and Infrastructure Utility Services as well as a global leader in outsourcing services. Finally, Atos delivers Business Process Outsourcing (BPO) services in Medical and Financial areas.

Business & Platform Solutions (B&PS): transforming business through innovative business technologies

With its Business & Platform Solution (B&PS) Division, Atos design, build and operate vertical business services and platforms to help its clients win in today's fast-transforming digital world. In order to better answer market innovation needs, Business & Platform Solutions has, in 2018, fundamentally extended the way it conducts its business, particularly with the acquisition of Syntel, a US and Indian Leading Company in Digital and Automation. The organization focuses on global delivery with strengthened management for strategic accounts and offering development to ensure high quality standards, excel in customer satisfaction and drive operational performance.

The Atos Consulting practice is part of the Business & Platform Solutions Division and aims to transform business through innovative business technologies. As such, Atos helps its clients deliver innovation to their customers, reduce costs, and improve effectiveness by leveraging business technologies. Atos Consulting's comprehensive digital transformation solutions enable organizations to connect and collaborate both within and outside the organization much more effectively.

Big Data & Cybersecurity (BDS): a business differentiator empowering digital transformation

The Big Data & Cybersecurity (BDS) Division brings together the Big Data, Security and Mission-Critical Systems solutions and services developed in-house by the Group. This advanced expertise meets the critical challenges that our customers face in processing today's and tomorrow's gigantic volumes of data, connecting people, data and things to create business value, and fully protecting all of them. As such, the Big Data & Cybersecurity Division solidly contributes to make Atos the trusted partner of organizations which intend to leverage the benefits of the new "Economy of Data" that is growing today, notably through the development of "Artificial Intelligence" and the Internet of Things (IoT). The Division relies on R&D teams whose expertise is recognized internationally and strongly contributes to the development of Atos technology portfolio, from infrastructures to smart data platforms and industry solutions.

A.2.3 Atos industry expertise

Atos forges long-term partnerships with both large and multinational groups and small and medium size companies. Its high technological expertise and industry knowledge allow the Group to work with clients in the following sectors:

Manufacturing, Retail & Transportation

Atos helps enterprises accelerate the shift to new products and services for tomorrow's hyperconnected world. In the *manufacturing* sector, Atos helps players streamline production and supply chains, develop new services and accelerate research to create innovative solutions. In *retail, transportation & logistics*, Atos helps customers to meet the challenges presented by the digitally-empowered consumer and deploy the ubiquitous commerce and multimodal transportation solutions of the future. Across the *manufacturing, retail & services sectors*, Atos offers its entire solution portfolio as a hybrid cloud service and supports mobile users with advanced enterprise mobility services.

Public & Health

Atos is an active partner in improvement and technology for the *Public Sector* - central and local governments – and *defense*, as well as *healthcare and life science*. In a rapidly transforming world, Atos helps its clients invent the public and health digital platforms of the future. As an expert in powerful, secured and mission-critical systems, infrastructures and applications, Atos' products and commercial solutions also help governments and industrial players build the new defense systems and technologies of tomorrow. The Group has been involved in projects as diverse as building the largest European supercomputers for nuclear simulations, countrywide border control, battlefield and warship information systems, mobile tactical communications, intelligence and reconnaissance systems.

Financial Services

Atos supports the world's leading *Financial Services* organizations globally by offering solutions to improve their operational performance and develop new offerings and business models over the long term. It enables them to manage risks, ensure compliancy with changing regulations across multiple geographies, and leverage the best of Fintech Innovation. In the world of the connected customer, Atos provides the banking and insurance sectors in particular with end-to-end smart solutions to attract and engage customers across multiple channels, leveraging the power of the Internet of Things to understand and serve them more intimately and respond quicker to their needs, thereby building stronger loyalty rate and new monetization models.

Telcos, Media & Utilities

Across the *telecommunications, media, and technology*, and energy and utilities sectors, operators face the challenge of increased competition, deregulation, consolidation and disruptive technologies. Within this context, the pressure is on to establish new business models to maintain leading market positions or increase market share. By using IT to transform its clients' operations and customer relations, Atos helps businesses increase their agility while reducing costs. Atos powers progress for its clients by accelerating and securing the adoption of transformational technologies, such as data-centric approaches and 5G in telecommunications, multi-channel and interactive media delivery, and smart grid systems for *energy and utilities*.

For additional information on the Group value creation model, please refer to B.1 Business Model.

A.3 Interviews

[GRI 102-14]

A.3.1 With Bertrand Meunier, Non-Executive Chairman of Atos SE Board of Directors

Dear Shareholders,

I am very pleased to present this Universal Registration Document for the 2019 financial year, my first as Chairman of the Board of Directors of Atos SE.

The Board of Directors determines and approves the Company's strategic direction and oversees its implementation. This report demonstrates the Company's capacity to execute the agreed strategy and deliver solid results.

We have significantly strengthened the business, organically and through acquisitions, while continuing to improve our customer services and our Corporate Social Responsibility objectives, not least our intention to increase the diversity of our Atos teams.

Strong financial results

2019 was a very important year for Atos SE from a strategic perspective and with regards to the achievement of our financial results. Key financial indicators have positive trends, with total revenue reaching € 11,588 million, up +1.4% organically, and operating margin rising to € 1,190 million, or 10.3% of revenue, compared to 9.8% in 2018 at constant scope and exchange rates.

Order entry reached € 12.2 billion and the full qualified pipeline totaled € 7.4 billion compared with 2018 € 6.9 billion at the end of 2018, reflecting the commercial dynamism of the business.

This gives us the confidence to propose a dividend of € 1.40 per share, with the option for shareholders to receive the dividend in Atos shares.

Clear strategic directions

These positive results reflect the Company's strategic vision. The acquisition of Syntel in the second half of 2018 was a major event in the Company's progress towards creating a comprehensive digital transformation company, which has world-class technology, an obsessive outcome-based focus and the agility to deliver exceptional results for our customers.

The sale of Atos' stake in Worldline has given the Company increased financial flexibility to develop its strategic ambitions, while enhancing shareholder returns.

In the era of Data Management, Atos is well positioned, both commercially through its increased customer centricity, and financially through its strengthened balance sheet, to benefit from the many opportunities it is facing and, in consequence, to drive shareholder and stakeholder value.

Creating a safe, secure and sustainable digital space

Atos' strategic intentions are underpinned by its Corporate Purpose, its raison d'être, which was presented to shareholders in 2019. It is the Company's purpose to contribute fully and actively to making the digital space safe, secure and sustainable for our customers and all who work in the Company, in line with its stated fiduciary and social responsibility.

During 2019, Atos received a number of awards for its efforts in sustainability and its willingness to provide transparent, standardized and commonly accepted indicators. This transparency is a long-standing commitment by Atos to its clients, employees, shareholders and the communities in which it operates. It is a critical time for the technology industry, for the environment and for society as a whole which makes this commitment as important as ever.

The Board joins me in thanking the Management for implementing its ambitious plans with energy and success.

A.3.2 With Elie Girard, Chief Executive Officer

What *were Atos' highlights in 2019?*

We ended the year on a strong note, with an organic growth above +2% in the fourth quarter. These results were notably driven by an acceleration of our performance in Cloud, and in Big Data and Cybersecurity across the year.

From a financial perspective, we also improved our operational profitability in 2019 and delivered a solid free cash flow exceeding € 600 million. I am proud of the dedication of the Atos teams in attaining such a performance.

I believe that this strong performance is a reflection of our particular ability, both as a Company and as individuals, to associate technological excellence and industry-specific expertise, in order to deliver innovation to support our customers' end-to-end digital transformation with a superior user experience.

How can we accelerate along that path? By driving a culture of customer obsession, both at the individual and organizational level. This pervasive customer centricity will be our guide as we go into 2020 and beyond.

Obviously, 2019 has also been the year of the repositioning of Atos as a pure digital player, with the integration of Syntel and the disengagement from Worldline, while enhancing shareholder return, including a € 2.3 billion distribution of Worldline shares and reimbursing the Group's debt. With a very strong balance sheet, Atos is now ready for its next step.

Precisely, talking about 2020, how do you see the year ahead?

I am thrilled to see the enthusiasm of our teams to take our Company to the next level. This enthusiasm is essential: 2020 will be a year of exciting transformation, with a further improvement in business and financial objectives for the year.

With Spring, the Group is moving to an Industry approach, developing and attracting the highest level of expertise in each Industry, reshaping its portfolio of offerings as well as its go-to-market to serve our customers even better.

To make this transformation a success, we invest in our people – we help our employees acquire new digital skills, achieve relevant certifications, and elevate employee experience. We invest in technologies, including bolt-on acquisitions targeted in key offerings of our portfolio. Last but not least, we invest in our multiple partnerships and alliances.

What will be the key trends of 2020 and beyond?

Our clients' needs are moving forward at an exceptional pace. Their common focus is the development of digital platforms, which has become a must have in most industries, the explosion of business critical applications requiring local processing of data, and the customer experience – the experience of their customers – including real time innovation.

A key component of all these trends is of course security, in the broadest possible sense – including cybersecurity and data privacy, but also data portability, assuring them that they do not depend on a single technology provider, particularly when it comes to the Cloud.

Finally, the most recent customers' expectation that has been rising is to join forces with a partner who can support the acceleration of their journey towards sustainability and decarbonization.

*Atos is ideally positioned to seize the opportunities brought by all those key trends and to enhance value creation for its shareholders and all it*s stakeholders.

A.4 Persons responsible

A.4.1 For the Universal Registration Document

Elie Girard

Chief Executive Officer

A.4.2 For the accuracy of the Universal Registration Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of my knowledge, 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 the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the management report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

Elie Girard

Chief Executive Officer

Bezons, March 3, 2020

A.4.3 For the audit

APPOINTMENT AND TERM OF OFFICES

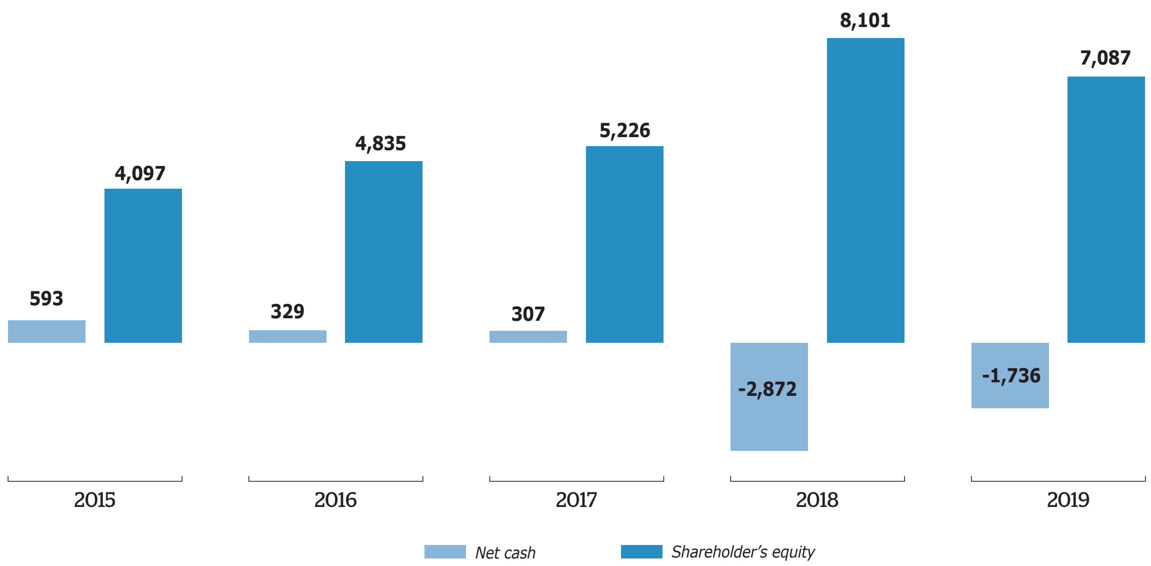
Statutory auditors	Substitute auditors
Grant Thornton **Virginie Palethorpe**	**Cabinet IGEC**
• Appointed on: October 31, 1990, then renewed in October 24, 1995, in May 30, 2002, in June 12, 2008, and in May 17, 2014	• Appointed on: October 31, 1990, then renewed in October 24, 1995, in May 30, 2002, in June 12, 2008, and in May 17, 2014
• Term of office expires: at the end of the AGM voting on the 2019 financial statements	• Term of office expires: at the end of the AGM voting on the 2019 financial statements
Deloitte & Associés **Christophe Patrier**	
• Appointed on: December 16, 1993, renewed in February 24, 2000, in May 23, 2006, in May 30, 2012, and in May 23, 2018	
• Term of office expires: at the end of the AGM voting on the 2023 financial statements	

A.5 Atos in 2019

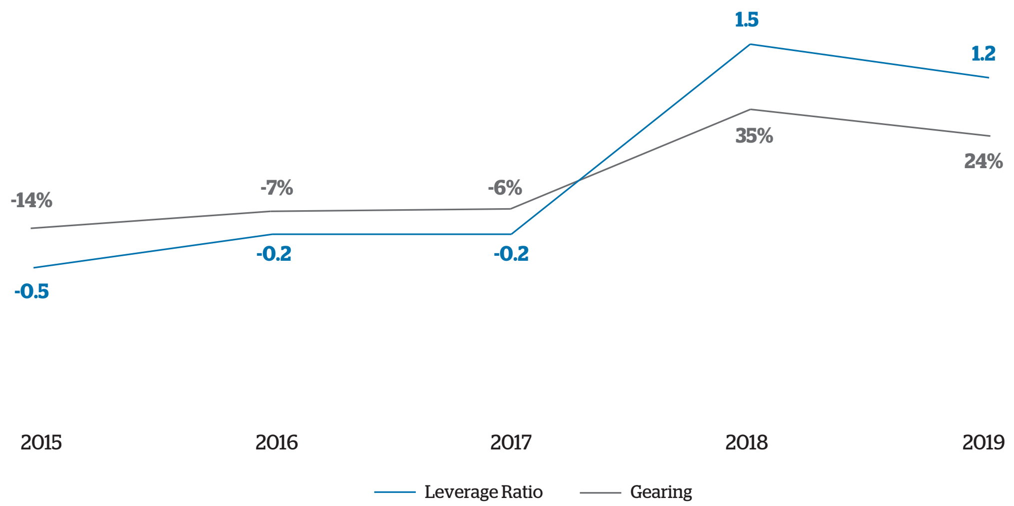
[GRI 102-7]

A.5.1 Key graphs

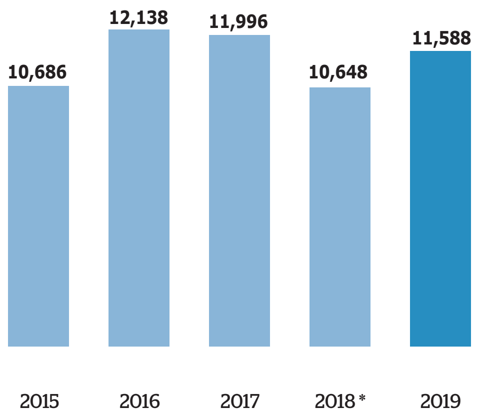
NET CASH AND SHAREHOLDERS EQUITY
(in € million)



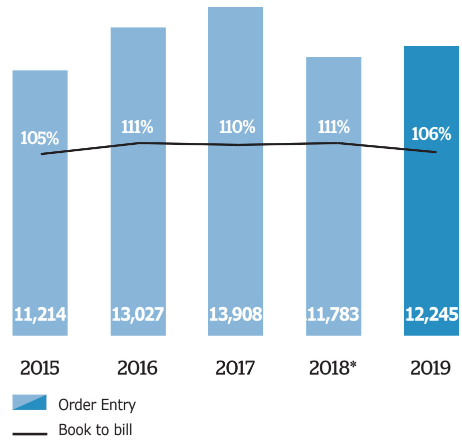
GEARING (NET DEBT/EQUITY) AND LEVERAGE RATIO (NET DEBT/OMDA)



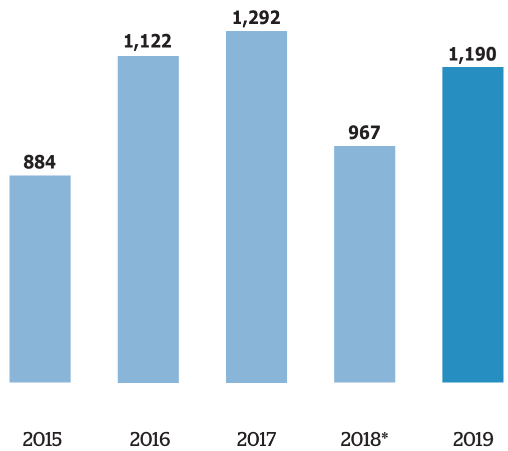
5-YEAR REVENUE PERFORMANCE
(in € million)



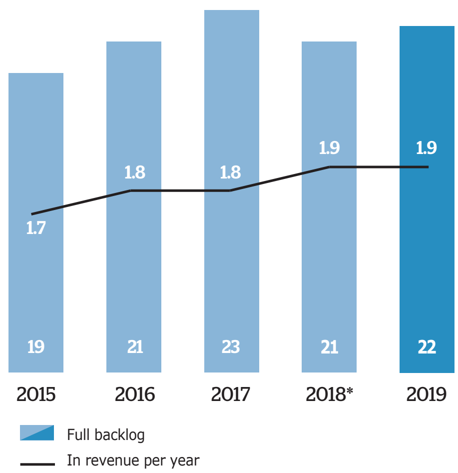
ORDER ENTRY AND BOOK TO BILL RATIO
(in € million)



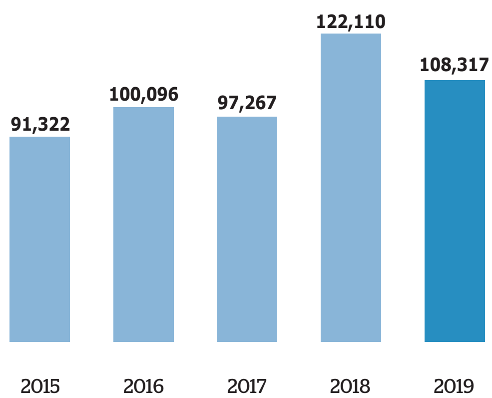
5-YEAR OPERATING MARGIN
(in € million)



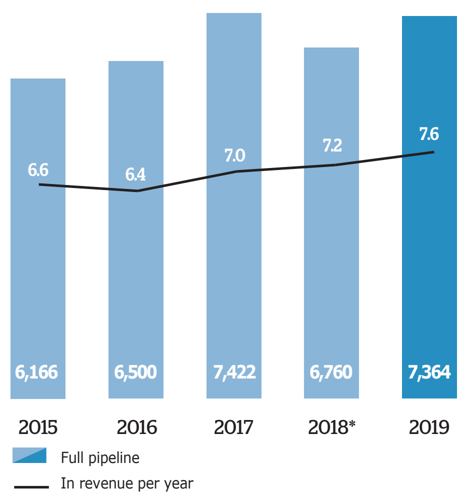
FULL BACKLOG
(in € billion and in year of revenue)



5-YEAR EMPLOYEE EVOLUTION



FULL PIPELINE
(in € million and in month of revenue)



*excluding Worldline deconsolidated from the Group consolidated financial statements as of January 1, 2019.

A.5.2 2019 key achievements

January

On **January 16**, Atos announced it has been named, for the third year running, a global Leader by Everest Group in its latest report: Internet of Things (IoT Services PEAK Matrix™ Assessment) 2019. The report assesses the relative capabilities of 19 global IT service providers offering IoT services.

Atos announced at the International Cybersecurity Forum, on **January 22**, the release of its new Horus security suite for Intelligent Transportation Systems (ITS), a solution which provides security to communications in connected vehicles.

On **January 30**, Atos announced its project to distribute 23.5% of Worldline's share capital to Atos' shareholders, leading to the creation of two listed global pure play leaders. As a consequence, while continuing their industrial and commercial partnership, Atos will reinforce its focus as a leading digital pure player and Worldline will benefit from a strengthened equity profile and enhanced ability to pursue consolidation opportunities. During 2018, the Group had completed two transforming acquisitions, Syntel, a € 0.9 billion revenue company in the digital services market, and SIX Payment Services, a € 0.5 billion revenue company in electronic payments. The change in size and business mix led the Group to build a 3-year plan to the horizon of 2021 taking into account its new structure. At the occasion of an Investor Day held the same day in its Headquarters in Bezons (France) the Group launched Advance 2021, its new three-year plan, building on its reinforced global profile in digital services.

On **January 31**, announced that it has been positioned as a Leader by Gartner in both its Magic Quadrant for Managed Workplace Services for Europe and for North America, based on its ability to execute and its completeness of vision. This is the third consecutive year Atos has been named a Leader in the Europe report, and the second year in the North America report. This Magic Quadrant for Managed Workplace Services evaluated 16 service providers in the Europe-focused report and 21 service providers in the North America-focused report.

February

On **February 5**, Atos announced an agreement with the Science and Technology Facilities Council's (STFC) Hartree Centre that will see one of the UK's leading high-performance computing research facility take the first UK delivery of an Atos Quantum Learning Machine, the highest performing quantum simulator in the world. This Quantum Learning Machine will be one of the highest-performing ever deployed by Atos and will be used to develop new quantum-based services designed to help researchers and industry prepare for the coming quantum computing revolution.

On **February 7**, Atos and Worldline announced the signature of the United Nations' Standards of Conduct for Business and the L'Autre Cercle Charter of LGBT+ Commitment – pledging their support to LGBT+ (Lesbian, Gay, Bisexual, Transgender, Intersex and others) people at work worldwide.

On **February 12**, Atos announced that is has been recognized as a global leader within the IT sector by international non-profit organization CDP on the 2018 CDP Climate Performance Leadership Index. Atos had been awarded an "A-" grade worldwide for various items (Disclosure, Awareness, Management, Leadership) demonstrating the high level of its environmental stewardship. This grade highlights the quality of Atos' actions and approaches in managing climate change.

On **February 21**, Atos announced its Full Year 2018 results. **Revenue** was **€ 12,258 million**, **+4.2% at constant exchange rates**, and **+1.2% organically**, particularly led by the Atos Digital Transformation Factory which represented 30% of 2018 revenue (vs. 23% in 2017) benefitting from the strong demand of large organizations implementing their digital transformation. **Operating margin** was **€ 1,260 million**, representing **10.3% of revenue**, compared to 10.8% in 2017 at constant scope and exchange rates. In 2018, the Group did not record one off related to pension schemes optimization plan in operating margin while in 2017 it had a positive effect of € 28 million representing 20 basis points on operating margin. The commercial dynamism of the Group was particularly high in 2018 with **order entry** reaching **€ 13.7 billion**, representing a **book to bill ratio** of **112%** in 2018 compared to 109% in 2017 at constant rate. During the fourth quarter, the book to bill reached 124%. **Net income** was **€ 703 million**, +**5.8%** compared to 2017 and **net income Group** share reached **€ 630 million**, +5.0% compared to 2017. Therefore, **basic and diluted EPS** reached respectively **€ 5.95** (€ 5.72 in 2017) **and € 5.95** (€ 5.70 in 2017). **Normalized basic and diluted EPS** reached respectively **€ 8.56** (€ 8.24 in 2017) **and € 8.56** (€ 8.21 in 2017). **Free cash flow** reached **€ 720 million** in 2018, excluding 62 million of acquisition costs on Syntel and SIX Payment Services and upfront financing fees on Syntel, representing a cash conversion of 57.1%. **Net debt** was **-€ 2.9 billion** at the end of 2018 reflecting the amount paid for the acquisition of Syntel during the year, the cash component and the contingent consideration related to the acquisition of SIX Payment Services.

March

On **March 4**, Atos and Ooredoo, the region's leading enabler of digital business innovation, announced at Mobile World Congress, a partnership for enterprises to accelerate their digital business competitiveness. Thanks to this new partnership, Ooredoo's customers can now benefit from Atos' industry leading experiences and solutions in Infrastructure as a Service (IaaS), Cloud Transformation and also cybersecurity services.

On **March 13**, Atos signed an AUD$ 124m (~€ 78.2 million) five-year contract with the Western Australian Department of Health (WA Health) to transition and digitize its ICT systems to better support the WA public health system. Atos will work with the WA health system's ICT service provider, Health Support Services (HSS), to transition the current legacy infrastructure from the incumbent provider to Atos Cloud platforms.

The Atos Board of Directors unanimously approved on **March 18** the appointment of Mr. Elie Girard as Group Deputy Chief Executive Officer.

April

On **April 4**, Atos and Google Cloud inaugurated a joint artificial intelligence (AI) laboratory in the presence of Bruno Le Maire, French Minister of Economy and Finance. Set up as part of the global partnership between Atos and Google Cloud, this laboratory, which is unique in France, enables clients, businesses and public organizations to identify practical cases, for which AI could provide innovative and effective solutions.

On **April 10**, Atos announced at Google Cloud Next '19 that it has received the 2018 Google Cloud Global Breakthrough Partner of the Year Award. This year's award was presented at the Partner Summit at Next '19 in San Francisco, which showcases Google Cloud technologies and solutions for cloud, collaboration and artificial intelligence.

On **April 18**, Atos announced that it has offset 100% of its 2018 CO_2 emissions worldwide, through a dedicated wind farm program. In addition to offsetting emissions from its data centers, which it has done since 2014, Atos now ensures that this program also includes the offsetting of carbon emissions produced by its offices and business travel. This initiative is part of Atos' global environmental program supporting its Advance 2021 strategic plan.

On **April 25**, Atos announced the **revenue** of its first quarter of 2019 was **€ 2,818 million**, up **+0.4% organically**. The Group strategy focused on digital projects and on Data Management and security drove organic growth in Business & Platform Solutions at +3.5% and in Big Data & Cybersecurity at +11.4%. Alongside, Infrastructure & Data Management showed signs of improvement thanks to North America starting its recovery. The Group pursued its good commercial dynamism with **order entry** at **€ 2,428 million** leading to a **book to bill ratio** of **86%**.

On **April 30**, Atos held its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer. The shareholders widely approved the renewal of the terms of office of Mr. Thierry Breton, Chairman and Chief Executive Officer for a period of three years as well as they approved the three-year strategic plan. Exceptional distribution in kind of 23.5% of the share capital of Worldline and the Company's sense of purpose were also overwhelmingly approved by the shareholders.

May

Following the approval of the transaction by Atos shareholders at the Annual General Meeting held on April 30, 2019, Atos announced that the distribution in kind of Worldline shares to Atos shareholders is effective as from **May 7**, the payment date.

At the 4th Atos Technology Days at VivaTech on **May 16**, Atos announced the launch of BullSequana Edge, the highest-performing edge computing server on the market worldwide to manage data at the edge. The BullSequana Edge has been designed to be used securely for the Internet of Things (IoT), in environments in which fast response times are critical - such as manufacturing 4.0, autonomous vehicles, healthcare and retail/airport security – where data needs to be processed and analyzed at the edge in real-time.

On **May 17**, Atos announced the signature of a partnership agreement with the Public Hospitals of Paris (AP-HP, Hôpitaux de Paris) and Nantes (University Hospital Center, CHU) for the launch of a delivery drone project for the hospital of the future. As part of this agreement, Atos will design a software platform to optimize and automate the delivery of medical products between and within facilities through air and river drones - enabling healthcare professionals to control the delivery times of medical goods and products in emergency situations, and at any time.

On **May 23**, as part of the second phase of Project Artemis (Architecture for Processing and Massive Exploitation of Multi-Source Information), Atos has been selected, alongside its strategic partners – Capgemini and the CEA – to deliver a prototype of a Big Data platform to the French Defense Procurement Agency (Direction Générale de l'Armement, DGA). Project Artemis aims to provide the French Ministry of Defense with a sovereign "infostructure" for massive data storage and management.

June

On **June 13**, Atos signed a multi-year $ 150 million USD contract to deliver Digital Managed Workplace Services for National Grid's core business, spanning the UK and northeastern United States. National Grid is a British multi-national electricity and gas utility company headquartered in the UK where it operates and owns the high voltage electricity transmission networks in England and Wales and is the electricity system operator for Great Britain. In addition, it owns and operates the national gas transmission network in Great Britain. In the United States National Grid serves more than 20 million people through its electricity and gas networks in New York, Massachusetts and Rhode Island.

July

On **July 1**, Atos strengthened its strategic partnership with Google Cloud with two high-performance regional extensions of existing Google Cloud data centers in Frankfurt (Germany) and Ashburn VA (North America), to support Oracle database customers. These two regional extensions will be equipped with Atos' high-performance BullSequana S servers and will enable Oracle database customers to run their workloads efficiently and effectively and benefit from Google Cloud Platform (GCP).

On, **July 25**, Atos announced its financial results for the first half of 2019. **Revenue** was **€ 5,744 million**, up **+0.8% organically**, thanks to a strong performance recorded in Big Data & Cybersecurity, and growth in Business & Platform Solutions. The decrease of Infrastructure & Data Management reduced from Q1 at -3.0% to Q2 at -0.6% further to the improvement of the situation in North America. Operating margin was € 529 million, representing 9.2% of revenue, an improvement by +20 basis points mainly fueled by the good performance in Business & Platform Solutions (+80 basis points), while Infrastructure & Data Management achieved stabilization. Operating profitability of Big Data & Cybersecurity reflected specific R&D and offering investments in both cybersecurity and Big Data solutions. Order entry reached € 5,742 million, representing a book to bill ratio of 100%, of which 113% in the second quarter. Free cash flow was at € 23 million at the end of June 2019.

August

On **August 21**, Atos announced a 5-year, $ 198 USD million contract with the State of California to transform the state's 9-1-1 system to leading-edge broadband communication platforms that advance emergency services for the public, 9-1-1 professionals and first responders. Atos Public Safety LLC will serve as the Next Generation 9-1-1 Prime Network Service Provider (PNSP) for the initiative, providing overall management of emergency call flow for the state and integration with the state's regional ESInets, an emergency services IP network that replaces 25-year-old technology.

On **August 26**, C-DAC (Centre for Development of Advanced Computing), a national premier R&D organization under the Ministry of Electronics and Information Technology, Government of India, and Atos announced that they have signed a Cooperation Agreement for technology advancement in the areas of quantum computing, artificial intelligence and exascale computing.

September

On **September 5**, Atos appointed Jean-Philippe Poirault as Chief Executive Officer of Atos France and member of the Group Executive Committee. Jean-Philippe Poirault joined Atos from Amazon Web Services Group (AWS) where he was head of the Telecom division.

On **September 19**, Atos opened its German artificial intelligence (AI) Laboratory in Munich. In this innovative environment, Atos is developing for its clients business solutions using AI and other cutting-edge technologies.

On **September 19**, Atos officially inaugurated its new global High-Performance Computing (HPC) Test Lab in Angers. The new 2,000 m^2 test center, which has the capacity to host the equivalent of approximately 48 BullSequana supercomputers, provides Atos' HPC customers worldwide with the unique opportunity to thoroughly test their supercomputing equipment under real conditions, to ensure it meets stringent benchmarking criteria, prior to receiving delivery on-premise. This reaffirms the presence of Atos and its role in the region, and also strengthens the Group's unique positioning as the European leader in supercomputing, by supporting both its own and its clients' work to develop 'exascale' supercomputers (capable of processing a billion billion operations per second).

On **September 23**, Atos announced that it is ranked Number 1 in the IT and software services sector in the DJSI World and Europe indexes. The Group had also recently been rewarded a "Gold" by EcoVadis for its performance in Corporate Social Responsibility (CSR).

October

On **October 1**, Atos announced that it has completed the acquisition of IDnomic, a European leader in digital identity management infrastructure. With this acquisition, Atos reinforces its global leadership in cybersecurity and expands its offering in the field of digital identity management and PKI (Public Key Infrastructure) solutions.

On **October 16**, Atos announced that it has signed a major contract with German multinational pharmaceutical and life sciences company Bayer, in which Atos will implement and deliver Digital Workplace Services for Bayer globally. The contract has a term of five years with multiple extension options.

On **October 24**, Atos announced its revenue for the third quarter of 2019. **Revenue** was **€ 2,770 million**, up **+1.8% organically**. The improvement compared to the previous quarters (Q1 at +0.4%, Q2 at +1.1%) mainly came from the recovery of Infrastructure & Data Management, which returned to growth as anticipated notably in North America. Business & Platform Solutions revenue decelerated in Q3 due to Financial Services in North America, while sales synergies with Syntel continued to materialize as planned. Big Data & Cybersecurity performed a particularly strong quarter led by cybersecurity services and High-Performance Computing (HPC). The Group **order entry** reached **€ 2,775 million**, representing a **book to bill ratio** of **100%**.

On **October 24**, Atos announced that it has signed an agreement to acquire X-PERION Consulting AG in Germany to combine it with Atos' fully-owned subsidiary ENERGY4U GmbH, part of its Worldgrid activities. The business combination of both companies will create a leading IT service provider for energy and utility companies in Germany and will strengthen Atos' global vertical strategy for the energy and utilities market.

On **October 30**, Atos completed the sale of c. 14.7 million Worldline shares, for c. € 0.8 billion, through a placement to qualified investors only by way of accelerated bookbuilding offering. Alongside this, the Group transferred c. € 230 million of Worldline shares to Atos' Pension Fund and issued € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%.

November

On **November 1**, Atos announced that the Board of Directors had officially accepted the resignation of Mr. Thierry Breton, Chairman and Chief Executive Officer of Atos SE as of October 31, 2019. As announced, and in accordance with the succession plan proposed by the Nomination and Remuneration Committee, the Board of Directors separated the offices of Chairman of the Board of Directors and of Chief Executive Officer. The Board of Directors appointed Mr. Bertrand Meunier as non-Executive Chairman of the Board of Directors of Atos SE, and Mr. Elie Girard, currently Deputy Chief Executive Officer, as Chief Executive Officer as of November 1, 2019.

On **November 6**, Atos announced a multi-year contract with Triple Five Group to serve as a key technology provider and build and manage a smart IT experience using IoT and AI solutions for American Dream, a three million-square foot entertainment and retail complex in East Rutherford, NJ. Atos and American Dream have bridged the gap between physical and digital experience for customers and more than 400 tenants by incorporating edge-computing, IT devices, smart parking, ticketing and wayfinding technologies. Multiple sensors and Bluetooth-enabled beacons will allow customers to experience modern navigation, from quickly finding an open parking spot in proximity of their chosen store to accessing way finding directions between two select experiences within the mall.

On **November 12**, Atos and Météo France, the French national meteorological service, joined forces to develop a platform dedicated to the forecasting of renewable electricity production for professionals in the sector. In the context of climate change, this new service inscribes itself in the frame of Europe's objective to have 32% of its energy coming from renewable sources by 2030.

On **November 14**, Atos signed a new four-year contract with French national meteorological service, Météo-France, to supply two supercomputers based on its latest BullSequana XH2000 technology. The new systems will multiply Météo France's computing power by more than 5, compared to its current solution, enabling it to achieve several scientific breakthroughs in weather forecasting. Each new supercomputer is capable of processing more than 10 million billion operations per second and are amongst the most powerful meteorological supercomputers in the world.

December

On **December 11**, Atos announced that it has received a triple A score in the ESG (Environmental, Social, governance) rating from MSCI (Morgan Stanley Capital International). Atos is ranked among the top 5 companies in the IT and software services sector out of 104 companies which are evaluated in the MSCI ACWI Index.

On **December 12**, following on from the 6th meeting of its Quantum Scientific Council, Atos, announced that it is continuing to enrich its quantum development ecosystem, through the creation of a global User Group of the Atos Quantum Learning Machine (QLM), which will be chaired by a representative from French multi-national energy company Total. This announcement follows the commercial success of the QLM, the world's highest-performing quantum programming appliance, allowing for the first time to simulate quantic behaviors. This ecosystem is supported by the Atos' Quantum Scientific Council, which includes universally recognized quantum physicists. It is also further enhanced by partners such as leading software company Zapata and start-up Xofia.

On **December 18**, Atos announced an agreement to acquire Maven Wave, a U.S.-based business and technology consulting firm specialized in delivering digital transformation solutions for large enterprises. The company is a leading Google Cloud Premier Partner with eight Cloud Partner Specializations and recognized as the Google Cloud North America Services Partner of the year in both 2018 and 2019.

February 2020

On **February 4,** Atos announced that it has completed the sale of ca. € 23.9 million Worldline shares, for ca. € 1.5 billion, representing ca. 13.1% of the Worldline share capital through a private placement by way of accelerated bookbuilt offering. In case of exchange in full of the outstanding € 500 million zero per cent. Atos bonds exchangeable into Worldline shares due 2024, Atos will no longer hold any Worldline shares.

On **February 4,** Atos announced the completion of its acquisition of Maven Wave, a U.S.-based cloud and technology consulting firm specialized in delivering digital transformation solutions for large enterprises. With this acquisition, Atos reinforces its global leadership in cloud-solutions for applications, data analytics and machine learning in hybrid and multi-cloud platforms.

On **February 19**, Atos announced its Full Year 2019 results. **Revenue** was **€ 11,588 million**, **+1.4% organically** particularly led by the Cloud performance and Big Data & Cybersecurity. **Operating margin** was **€ 1,190 million**, representing **10.3% of revenue**, compared to 9.8% in 2018 at constant scope and exchange rates. The commercial dynamism of the Group was particularly high in 2019 with **order entry** reaching **€ 12.2 billion**, representing a **book to bill** ratio of **106%** compared to 111% in 2018 at constant rate. During the fourth quarter, the book to bill reached **121%. Net income from continuing operations** was **€ 414 million**, and **Normalized net income from continuing operations** reached **€ 834 million**. Therefore, **basic and diluted EPS** both reached **€ 3.84** and **Normalized basic and diluted EPS** both reached **€ 7.74**. **Free cash flow** reached **€ 605 million** in 2019 excluding the positive amount of 37 million of one-off items related to the Optional Exchangeable Bonds. **Net debt** was **-€ 1.7 billion** at the end of 2019 reflecting the free cash flow generated during the year, the sale of Worldline shares in November 2019, the acquisition of IDnomic during the year, the dividends paid in cash and the share buy-back to deliver performance shares.

As of 2020, the Group initiates a transformation, called "SPRING", aiming at reshaping its portfolio of offerings, reinforcing its go-to-market approach, and setting-up an Industry led organization.

In this context, six Industries are created:

- Manufacturing;
- Financial Services & Insurance;
- Public Sector & Defense;
- Telecom, Media & Technology;
- Resources & Services (includes former Retail, Transportation & Logistics and Energy & Utilities);
- Healthcare & Life Sciences.

At the same time, the Company gathers Global Business Units into 5 Regional Business Units (RBU), each of them under a single leadership:

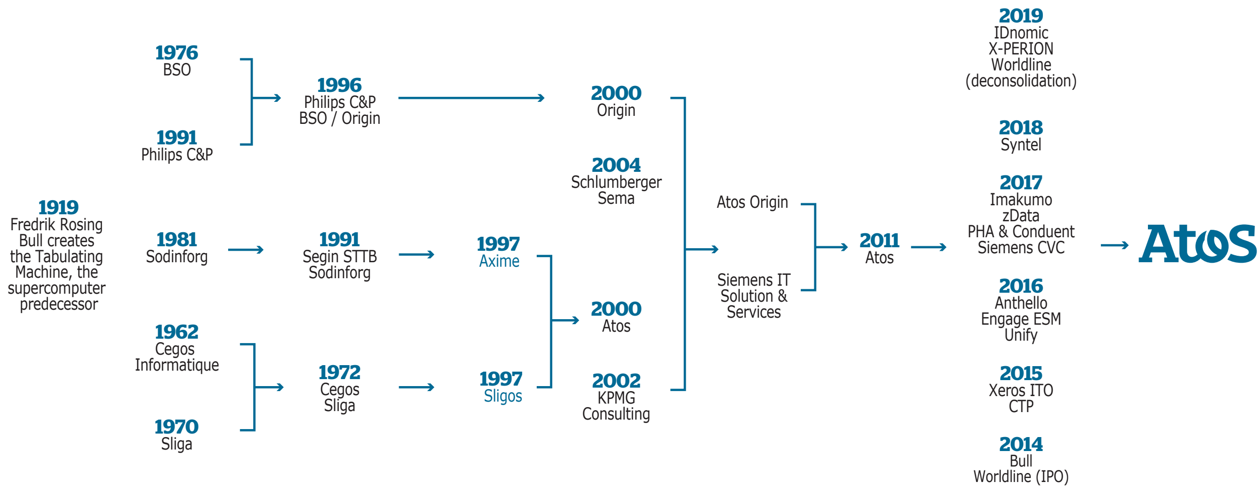
- North America;
- Central Europe: former Germany, and Central & Eastern Europe excluding Italy;
- Northern Europe: former United Kingdom & Ireland, and Benelux & The Nordics;
- Southern Europe: former France, Iberia, and Italy;
- Growing Markets: former Asia-Pacific, South America, and Middle East & Africa.

Starting Q1 2020, revenue will be reported by Industry and by Regional Business Unit. Starting H1 2020, operating margin will be also reported by Industry and by Regional Business Unit. In order to facilitate the transition period, the Group will also report by Division the revenue in Q1 2020 and in Q2 2020.

A.6 Group presentation

A.6.1 Formation of the Group

For over a century Atos has served a diverse range of customers. During this time the business has grown and developed through a series of strategic mergers and acquisitions making it a global leader in digital transformation.



Atos was formed from the merger in 1997 of two French-based IT services companies: Axime and Sligos. By 2000, before its merger with Origin, Atos employed 11,000 staff and generated annual revenues of approximately € 1.1 billion.

Origin was a subsidiary of Royal Philips Electronics, which had been formed in 1996 from the merger of BSO/Origin and Philips Communications. At the time of the merger with Atos in October 2000, Origin employed more than 16,000 staff in 30 countries worldwide and generated annual revenues of approximately € 1.6 billion.

KPMG Consulting's businesses in the United Kingdom and The Netherlands were acquired in August 2002 to establish Atos Consulting, the consulting branch of Atos Origin, offering to the Group a major presence in this segment of the IT services market.

Sema Group, part of Schlumberger, was acquired by Atos Origin in January 2004, creating one of the leading European IT services companies. At the time of the acquisition, Sema Group employed 20,000 staff and generated annual revenues of approximately € 2.4 billion, whereas Atos Origin employed 26,500 staff and generated annual revenues of more than € 3 billion.

On July 1, 2011, Atos announced the completion of the acquisition of **Siemens IT Solutions and Services -** a powerful combination of two highly complementary organizations. The deal created a new company with pro forma 2011 annual revenues of € 8.5 billion and 74,000 employees across 48 countries. Ranked in the top ten global IT services providers; number five in Managed Services worldwide.

On August 11, 2014, Atos announced the successful completion of its tender offer for all the issued and outstanding capital shares of **Bull**. The transaction represented a key milestone in the creation of a Europe-based world leader in cloud, cybersecurity, and Big Data. The deal created a new company with annual revenue of circa € 10 billion and 86,000 employees in 66 countries.

On July 1, 2015, Atos announced that it has completed the acquisition of **Xerox ITO**, whose business was mainly in the United States. This acquisition was a strategic move to broaden the company's footprint outside of Europe and enter the world stage. With circa US$ 2 billion revenue, North America became the largest geography for Atos, which was ranked number 9 in ITO services. As a result, Atos employed 93,000 staff across 72 countries.

In February 2016, Atos finalized the acquisition of **Unify**, a top 3 player worldwide in unified communications, strengthening Atos global offering for unified communications and real time processing, optimizing social collaboration, digital transformation and enhancing sales performances of its clients.

In September 2016, Atos acquired **Anthelio Healthcare Solutions**, furthering its strength in digital health services in the ever-growing US health market. This acquisition reinforced the Atos customer base and further expanded Atos' footprint in North America by adding more than 1,700 Anthelio employees, of which 1,300 based in the US. In Q3 2017 Atos continued this track by acquiring three healthcare consulting companies: **Pursuit Healthcare Advisors**, **Conduent's Healthcare Provider Consulting** and **Conduent's Breakaway Group**.

In September 2016, Worldline announced the completion of a successful transaction with **Equens**, to reinforce the Worldline Group. The transaction enabled Worldline to expand its position in Europe, notably within the Netherlands, Germany and Italy.

On October 9, 2018, Atos announced the completion of the acquisition of **Syntel Inc.**, a leading global provider of integrated information technology and knowledge process services. The company, which is headquartered in Michigan, had a 2017 annual revenue of $ 924 million of which 89% by serving blue-chip clients in the USA from its delivery platform in India. Syntel offers its customers high value-added digital services in several specific verticals such as banking and financial services, healthcare, retail and insurance with around 40% of its activities in digital, automation, and robotization.

On November 30, 2018, Worldline acquired **SIX Payment Services** consolidating European payments. With revenues reaching an estimated c. € 2.3 billion in 2019, Worldline thereby reinforced its existing n°1 position within the European payments landscape.

On January 30, 2019, Atos announced its project to **create two pure play leaders, Atos and Worldline**, through the exceptional distribution in kind to Atos shareholders of 23.5% of Worldline's share capital out of the 50.8% owned by the Group, following the change in size and business mix of the whole Group after the two transforming acquisitions made in 2018 with Syntel on "Atos Digital Services" side and SIX Payment Services on "Worldline" side. During the Annual General Meeting held on April 30, 2019, Atos shareholders approved this exceptional distribution in kind at 99.94% and it became effective on May 7, 2019. On October 30, 2019, Atos completed the sale of c. 14.7 million Worldline shares, for c. € 0.8 billion, through a placement to qualified investors only by way of accelerated bookbuilding offering. Alongside this, the Group transferred c. € 230 million of Worldline shares to Atos' Pension Fund and issued € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%. Therefore, at the end of the year 2019, and in case of exchange in full of the bonds, Atos will retain a stake of c. 13% of the share capital and 22% of the voting rights of Worldline. While continuing their industrial and commercial partnership, Atos reinforced its focus as a leading digital pure player and Worldline as an undisputed payment leader in Europe gaining strategic and financial flexibility.

On February 4, 2020, Atos announced that it had completed the sale of ca. 23.9 million **Worldline** shares, for ca. € 1.5 billion, representing ca.13.1% of the Worldline share capital through a private placement by way of accelerated bookbuilt offering. In case of exchange in full of the outstanding € 500 million zero per cent. Atos bonds exchangeable into Worldline shares due 2024, Atos will no longer hold any Worldline shares.

For additional information on Group entities, please refer to E.4.7 Note 17 Main operating entities part of scope of consolidation as of December 31, 2019 and to Note E.5.4 Note 2 Financial fixed assets, and for acquisition, please refer to E.4.7 Note 1 Changes in the scope of consolidation.

A.6.2 Management and organization

Atos is incorporated in France as a "Société Européenne" (European Company) with a Board of Directors, chaired by Bertrand Meunier, non-Executive Chairman, and a General Management Committee, led by Elie Girard, Chief Executive Officer. Since November 2019, the roles of Chairman and Chief Executive Officer have been separated.

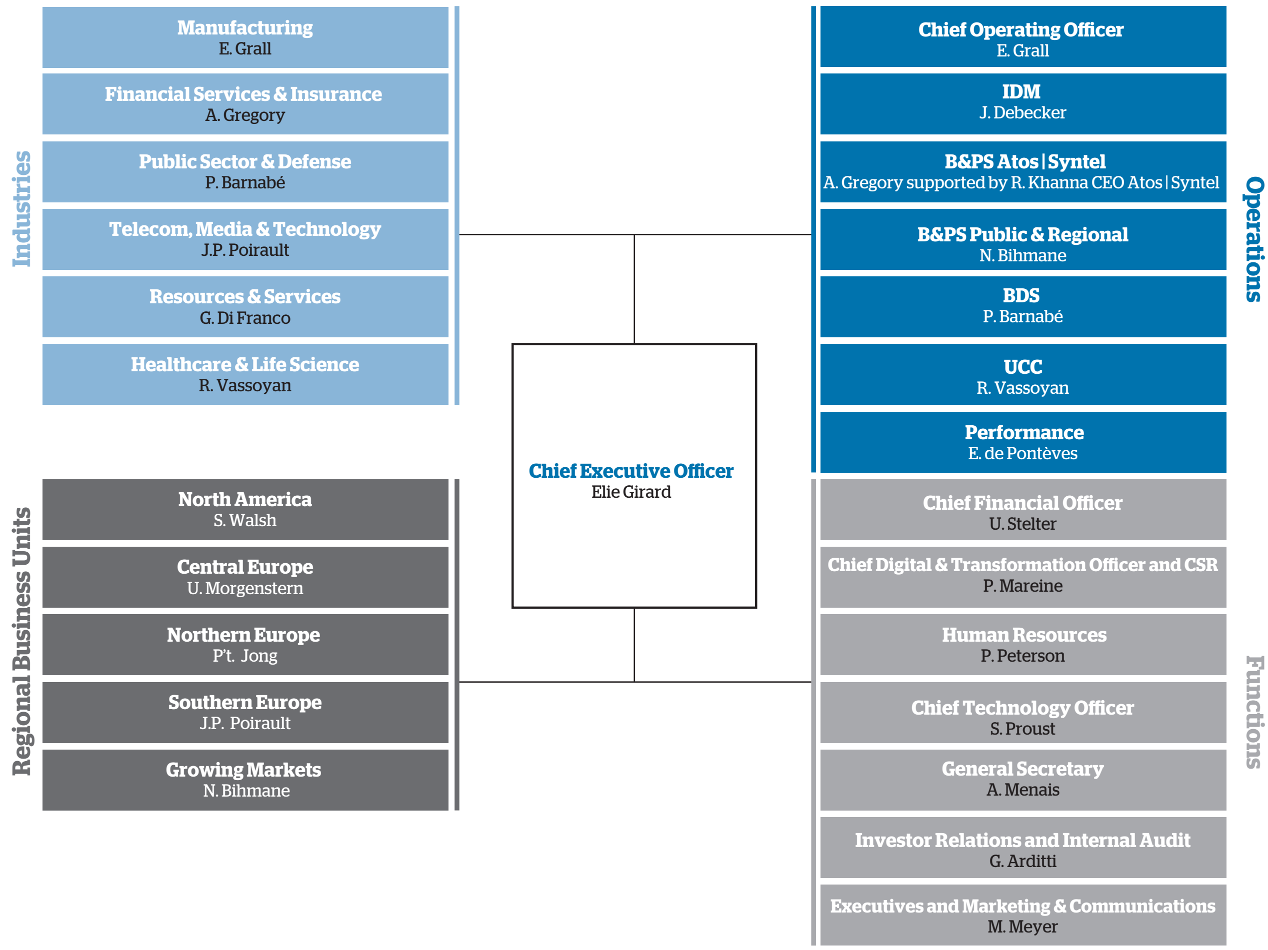
Bertrand Meunier, non-Executive Chairman of Atos SE Board of Directors

Bertrand Meunier joined CVC as Managing Partner in 2012. Bertrand participated, as a Founding Partner, in the creation of PAI partners, an independently managed company, in 1998 and in its buyout from BNP Paribas in 2002. He was a member of the Executive Committee of PAI partners and Chairman of the Partners' Committee. He joined PAI in 1982, formerly part of BNP Paribas, and for eleven years led investments in Information Technology and Communications, before turning to Consumer Goods, Retail and Services sector and then led the investment teams. He was involved in a significant number of major transactions for PAI including Amora-Maille, Atos, Bouygues Telecom, Chr. Hansen, Panzani, Saur, SPIE, United Biscuits, Vivarte and Yoplait. Bertrand is a graduate of École Polytechnique and holds a master's degree in Mathematics from Paris VI University.

Elie Girard, Chief Executive Officer

Elie Girard is a graduate of the École Centrale de Paris and of Harvard University. He began his career as auditor at Andersen, before joining the Ministry for the Economy, Finance and Industry in the Treasury department. Between 2004 and 2007, Elie Girard worked for the Office of the Minister for the Economy, Finance and Industry in France. He joined Orange in 2007 and was appointed Chief of Staff to the Chairman and Chief Executive Officer. From 2010 to 2014, he was Senior Executive Vice-President in charge of Strategy & Development of the Orange Group, member of the Group Executive Committee. In April 2014, Elie joined Atos as Deputy Chief Financial Officer of Atos Group. He was appointed Group Chief Financial Officer in February 2015 and Group Senior Executive Vice President in February 2018. In March 2019, Elie was appointed Group Deputy Chief Executive Officer. He became Chief Executive Officer of Atos in November 2019.

A.6.2.1 Organization chart



A.6.2.2 Group General Management Committee (GMC)

The Atos Group General Management Committee (GMC) is composed of the Chief Executive Officer, Elie Girard, and the Heads of Group Industries, Operations, Regional Business Units and Functions. The role of the GMC is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders, partners and employees. The GMC oversees the global coordination of the Group management.

A.6.2.2.1 Industries

Eric Grall, Head of Manufacturing

Eric Grall comes from HP and where he held first positions in marketing and R&D in the product business, before entering the Services activities of the Group in 1998. He then had several management positions related to outsourcing, from pre-sales to operations. In 2005, he was appointed Vice-President and General Manager in charge of the Global Services Delivery for HP in the EMEA region, covering outsourcing, consulting and support services. After the EDS acquisition in 2008, Eric led the ITO activities of the new outsourcing business. Eric joined Atos in 2009 as EVP of the Infrastructure & Data Management Division. Since 2017, he is in charge of Atos Global Operations (Infrastructure & Data Management, Business & Platform Solutions, Big Data & Cybersecurity, and Unify Software & Platforms), and Geographic Business Units. Since February 2020, in addition to his role as Chief Operating Officer, he is Head of Manufacturing.

Adrian Gregory, Head of Financial Services & Insurance

Adrian Gregory joined Atos in 2007 and has a 20-year blue-chip background with experience of a wide range of technology solutions and multiple client sectors. Most recently he was Senior Vice-President for Public sector, Health & BBC with responsibility for all aspects of client business and future strategy. In July 2015 he was appointed Chief Executive Officer of the United Kingdom & Ireland and joined the Atos Executive Committee. In 2019, he was appointed Head of Business & Platform Solutions AtoslSyntel and in February 2020 Head of Financial Services & Insurance.

Pierre Barnabé, Head of Public Sector & Defense

Pierre Barnabé is Head of Big Data & Cybersecurity within the Group Atos, following the successful merger of Bull with Atos. Since February 2020, in addition to his role of Head of Big Data & Cybersecurity, he is Head of Public Sector & Defense. He joined Bull in August 2013 as Chief Operating Officer. Previously, Pierre was General Manager of SFR Business team. He began his career in the venture capital department of Thalès. In 1998, he joined Alcatel Lucent with various successful sales positions (Vice-President Sales France, Vice-President Sales South Europe) before being appointed Chief Executive Officer of Alcatel Lucent France then Group Executive Vice-President Human Resources & Transformation. Knight of the French National Order of Merit, Pierre Barnabé is graduated from NEOMA Business School and from Centrale Supélec.

Jean-Philippe Poirault, Head of Telecom, Media & Technology

Graduated from Supelec, Jean-Philippe Poirault has held senior management positions in IT and software services activities at Alcatel-Lucent and Ericsson in several European and Asian countries. In January 2018, he joined Amazon Web Services in the United States to lead the Telecom market. In September 2019, he joined Atos asChief Executive Officer of Atos in France. Since February 2020, he is Head of Telecom, Media & Technology and Head of Southern Europe in addition to his role as Chief Executive Officer of Atos in France.

Giuseppe Di Franco, Head of Resources & Services

After several years in Business Consulting, Giuseppe di Franco joined Siemens in 2005 as Senior Vice-President, assuming different roles as Chief Executive Officer and Director of the Region South West Europe for the Energy Industry. In 2013, he assumed the role of Chief Executive Officer of Atos Italy and Head of the Energy & Utilities Industry market at Atos Global level. In February 2018 Giuseppe Di Franco was appointed Chief Executive Officer of Central & Eastern Europe. Since February 2020, he is Head of Resources & Services. Giuseppe Di Franco has a degree in Engineering Management achieved at the Politecnico di Milano and is Alumnus Top Influencer of the University.

Robert Vassoyan, Head of Healthcare & Life Science

Robert Vassoyan is a graduate of ESSEC business school. His career spanned from Renault, Compaq to HP where he served in various senior management positions in Sales and Marketing. In 2007 he joined Cisco and became in 2011 the President of Cisco France. Robert joined Atos as Chief Commercial Officer in March 2018. Since February 2020, he is Head of Healthcare & Life Sciences and Head of Unified Communications & Collaboration.

A.6.2.2.2 Operations

Eric Grall, Chief Operating Officer

Please refer to his biography in A.6.2.2.1 Group General Management Committee - Industries.

Jo Debecker, Head of Infrastructure & Data Management

Jo Debecker studied finance and computer science at the university of Leuven, Belgium. He started his career as system analyst and systems manager for Procter and Gamble on mainframe, database and SAP technologies. In 2003 Jo joined Hewlett-Packard as solution manager and solution executive in the strategic sales department. In 2008, Jo was appointed senior Director Service management for the European infrastructure delivery and drove the process integration of EDS into HP. In 2011 Jo joined Atos as head of Service Management globally, during 2011 and 2019 Jo ran the IDM division for Germany and North America. He was appointed Chief Operating Officer for IDM in 2018 before being promoted to the position as Head of IDM in February 2020.

Adrian Gregory, Head of Business & Platform Solutions Atos Syntel

Please refer to his biography in A.6.2.2.1 Group General Management Committee - Industries.

Nourdine Bihmane, Head of Business & Platform Solutions Public & Regional

Born in 1977, Nourdine Bihmane joined Atos in 2002 starting to work for various clients and in sales roles, quickly taking over management positions. In 2009, he became Head of Managed Services in Iberia, then moved to New York to lead the delivery transformation of the largest account of Atos in the United States. In 2015, he has been appointed Head of Operations for North America and led the integration of Xerox ITO. Nourdine moved back to Europe in 2017 to drive the strategic & lean initiatives on all Atos' operations, before being named in 2019 Head of Business & Platform Solutions, Public and Regional Business and member of the Atos Executive Committee. Since 2020, he is also Head of Growing Markets. Nourdine graduated as an engineer from CNAM in France and holds executive degrees from Princeton University and INSEAD. He is also an active member of the International Red Cross and Red Crescent Movement.

Robert Vassoyan, Head of Unified Communications & Collaboration

Please refer to his biography in A.6.2.2.1 Group General Management Committee - Industries.

Enguerrand de Pontevès, Head of Performance

Enguerrand de Pontevès joined Atos in 2008 as Procurement Director for France and Spain and was promoted as Group Chief Procurement Officer in 2009. In 2018 he joined the Infrastructure Data Management division to manage the Client Managers community. In 2019 he led the project of operational divestiture with Worldline and managed the Spring program aiming at setting-up an Industry-led organization, he was promoted to the role of Head of Performance. Before Atos, Enguerrand de Pontevès worked as Head of Logistic at Valeo. In 2000 he joined Altis Semiconductor to contribute to the JV structure between IBM and Infineon. In 2002 he joined Pechiney as head of IT Procurement and relocated to Montreal in Canada in 2007 after the takeover by Alcan. Enguerrand holds a master's in Business Management with major in logistic & Procurement from ESCEM.

A.6.2.2.3 Regional Business Units

Simon Walsh, Head of North America

Simon Walsh is Chief Executive Officer of North America. Prior to Atos, Simon was Chief Operating Officer of Virtustream, Dell Technologies' global cloud business, where he led its global expansion and supported the Chief Executive Officer's daily execution of the Company's strategy. Before Virtustream, Simon was Senior Vice-President and Chief Operating Officer of EMC Europe Middle East & Africa. He also spent 17 years with Computacenter PLC, with the latter four years as Managing Director of the United Kingdom & Ireland, delivering IT services and solutions throughout the United Kingdom & Ireland. Simon is Chairman of Beds on Board, a startup focused on providing accommodation on stationery yachts. Simon is based in Irving, Texas, at Atos' North America regional headquarters.

Ursula Morgenstern, Head of Central Europe

Ursula Morgenstern joined Atos in 2002 through the acquisition of KPMG Consulting. From 2007 to 2009, she was Senior Vice-President responsible for Systems Integration, and then she was Senior Vice-President responsible for Private Sector Markets. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors and various practices. In 2011, she was Chief Operating Officer of the United Kingdom & Ireland and in 2012 she took on the role as Chief Executive Officer of the geography. From July 2015 to February 2018 she managed the Global Business & Platform Solutions Division. Since February 2018 she is Chief Executive Officer of Germany. Additionally, she has been appointed as Managing Director of Atos Information Technology in March 2018. Since February 2020, she is Head of Central Europe in addition to her role as Chief Executive Officer of Atos in Germany.

Jean-Philippe Poirault, Head of Southern Europe

Please refer to his biography in A.6.2.2.1 Group General Management Committee - Industries.

Peter 't Jong – Head of Northern Europe

As an experienced IT leader, Peter has a proven track record in delivering results and managing complex customer relationships. He started his career in technical automation with AT&T and Philips, and then continued a career in technology with Lucent working in the Netherlands and in the USA. In 2001 Peter joined Atos as Head of Managed Services in the Netherlands and expanded his scope to Executive Vice-President for Sales and Chief Operating Officer for Atos Northern Europe. From 2015 Peter was responsible for leading the Managed Services organization in Germany and managed the carve-out and integration of Unify within Atos, followed by his appointment as Chief Executive Officer of Benelux and & The Nordics in May 2016. Since February 2020, he is Head of Northern Europe.

Nourdine Bihmane, Head of Growing Markets

Please refer to his biography in A.6.2.2.2 Group General Management Committee - Operations.

A.6.2.2.4 Functions

Uwe Stelter, Chief Financial Officer

Uwe Stelter joined the Atos Group in 2011 from Siemens where he held multiple global Finance Management positions in the US and Germany in both the Siemens IT services and Communication divisions. In addition, Uwe Stelter was Chief Financial Officer of ProSTEP, a Germany-based Consulting and Software company serving the Product Lifecycle Management (PLM) market. Uwe Stelter became Chief Financial Officer of the Group in November 2019, after holding Chief Operating Officer roles in the Infrastructure & Data Management and Business & Platform Solutions Divisions of Atos in the last 4 years as well as being in charge of the integration of Syntel. Prior to that he was Chief Financial Officer of the Infrastructure & Data Management Division and of the North America Business Unit. He is a graduate in Business Administration from AKAD University in Germany.

Philippe Mareine, Chief Digital & Transformation Officer and Head of CSR

Philippe Mareine was Deputy Manager in the French Treasury department's Inspection Générale des Finances unit and, previously, he oversaw Human Resources in the Public Accounts department of the French Ministry for the Budget. He held several managerial positions at the French Tax Administration. He joined Atos in 2009 as General Secretary of the Board of Directors in charge of legal functions, compliance, audit, security and social responsibility policy. In 2014, he became Head of Human Resources, then Head of Siemens Global Alliance. He is today Chief Digital & Transformation Officer. Philippe Mareine is also in charge of Group Corporate Social Responsibility (CSR). He is a graduate from the École Polytechnique and École Nationale d'Administration.

Paul Peterson, Head of Human Resources

Paul Peterson graduated from Brigham Young University and pursued graduate education at The Ohio State University. Paul joined Atos in 1998, early in his career, as the HR Director for the Major Events business unit. Over his career, Paul has worked and lived in North America, APAC, and across Europe, holding leadership roles in HR, IT, and Operations. Notable and more recent leadership roles include Head of HR and Talents in North America (2012), Head of HR for Global Infrastructure and Data Management (2018), and Deputy Head of Group HR (2019). Paul became Head of Group Human Resources in February 2020, leading a team of +1,500 worldwide HR professionals.

Sophie Proust, Group Chief Technology Officer

Sophie Proust is graduate of the École Supérieure d'Électricité "Supélec" of Paris. She joined Bull in 1989 where she held various technical managerial positions in the mainframe, IT administration solutions and HW server design. In 2010, Sophie headed the Tera100 Project which delivered the CEA with the first Petaflops-scale calculator in Europe. She joined the Atos Group in 2014 following the acquisition of Bull, where she held the position of Head of Research & Development for the Big Data & Cybersecurity Division from 2014 to January 2019. In January 2019, Sophie was appointed Group Chief Technology Officer (CTO), joining the Atos Executive Committee. Alongside this, Sophie is part of the Atos Quantum Advisory board. She has been a member of the Board of Directors of the Université Technologique de Troyes (UTT) since December 2018.

Alexandre Menais, General Secretary

Alexandre Menais joined Atos in 2011 as Group General Counsel. He is also in charge of Merger & Acquisitions and corporate development since 2015 and in addition has been appointed General Secretary in 2018. Before Atos, Alexandre Menais worked as Senior Associate at Hogan Lovells in Paris and London. In 2006, he became General Counsel at eBay France (eBay, Paypal and Skype) before being promoted as Europe Legal Director of eBay. In 2009, he joined Accenture as General Counsel France and Benelux. Alexandre holds a LLM in Business law from the University of Strasbourg and a MBA from HEC. Alexandre Menais has been nominated in March 2019 Board member of the French competition Authority.

Gilles Arditti, Head of Investor Relations and Responsible for Internal Audit

After six years at Bull and four years at KPMG, Gilles Arditti joined Atos in 1990, where until 2006 he was, successively, Director of Mergers & Acquisitions, Director of Finance and Human Resources for Atos Origin in France, and Chief Financial Officer of France, Germany and Central Europe. In 2007, Gilles Arditti became Head of Investors Relations for the Atos Group, a position he still holds. Since February 2020, he is also Head of Internal Audit. In March 2014, he was appointed Group Head of Mergers & Acquisitions and member of the Executive Committee. Since June 2014, Gilles Arditti is member of the Board of Directors of Worldline. Holding a master's degree in Finance from the University Paris-Dauphine and a master's degree in International Finance from HEC Paris, Gilles Arditti is also graduated from the engineer school École Nationale Supérieure de Techniques Industrielles et des Mines d'Alès (ENSTIMA) and is a Certified Public Accountant (CPA).

Marc Meyer, Head of Executives & Head of Marketing and Communications

Graduate from the Sorbonne University and INSEAD Business School, Marc Meyer joined Atos in 2009 coming from Dexia where he served as Head of Group Communications. Marc started his career working in the French Parliament Assemblée Nationale and joined the IT Group Bull Group in 1986, where he held several senior positions in corporate and marketing communications for 10 years. In 1997, he joined Thomson, a consumer electronics firm and in 2001 was promoted to the Company Executive Committee. Then, he joined the France Telecom/Orange Group as Executive Vice-President for Communications. Marc served as advisor to the Ministry of Economy, Finance and Industry in 2005. Marc Meyer has been promoted as Head of Executive & Talent Management, Communications in Atos in 2014. He has been decorated from the French Légion d'honneur (Chevalier) in 2007.

B

Atos positioning and strategy

B.1 Business Model

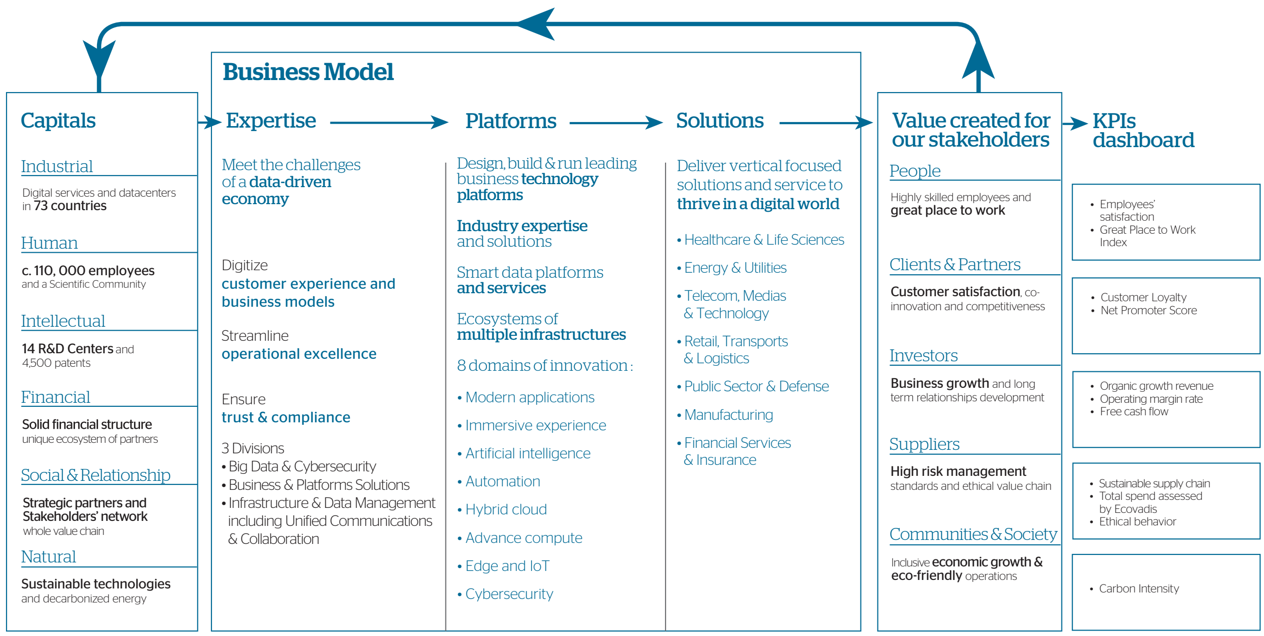
B.1.1 Sustainable Digital Transformation

Over the last decades, the **digital revolution** has transformed our lives as consumers. Now it begins to deeply transform our business world in all sectors. By 2022, analysts estimate that 60%+ of the global Gross Domestic Product (GDP) will be digitized, transforming offerings, operations, and business ecosystem relationships throughout the whole economy. Significant breakthroughs in exponential technologies such as the Internet of Things (IoT), Artificial Intelligence (AI) and blockchain are accelerating transformations in all verticals, offering both tremendous opportunities and challenges. For enterprises and public organizations, successfully navigating digital transformation is therefore of paramount importance in a world where digital is increasing connected and entangled with the physical world, and where business models and values must evolve - as highlighted by Atos in its "Journey 2022" vision. To succeed at scale, corporations need robust, innovative and sustainable partners.

As a global leader in digital transformation, Atos purpose is to be the **trusted partner of its clients for their sustainable digital transformation journey**. Atos' mission is to help design the future of the information technology space. Its services and competences are underpinned by excellence in the advance of scientific and technological knowledge and research and in its commitment to learning and education. Across the world Atos enables its customers and all who live and work in the industry, to grow and prosper in a safe, secure and sustainable environment.

In its mission, the Group leverages both powerful assets built overs years, and a solid business model based on distinctive expertise, platforms and vertical solutions. As a result, Atos consistently creates shared value for all its stakeholders: people, clients and partners, investors, suppliers, community and society, enabling the capability to attract new capitals into its sustainable growth model.

The following value creation model explains how Atos creates inclusive and sustainable value for all its stakeholders. Atos integrated management dashboard measures both financial and extra-financial performance.



B.1.2 Our capitals

Over the years, Atos has built strong assets that bring the Group a solid and distinctive position on the digital transformation market, and constitute a firm foundation its business model relies on:

- an **industrial capital** of digital service and data centers serving 73 countries. Gathering the latest hybrid cloud technologies and digital design, development and operation tools, processes and best practices, these centers enable to serve and support Atos customers 24x7 anytime anywhere, with the ability to provide either local, nearshore and offshore delivery;
- a **Human capital** of 110.000 business technologists. Distributed over 73 countries, Atos experts include consultants, developers, integrators and operation specialists, sourced from tier one universities worldwide, with many of which Atos has developed partnership programs. Highly skilled on the whole spectrum of digital technologies, Atos people benefit from a continuous and high investment in the latest technological and leadership trends through intensive and dedicated training programs;
- an **intellectual capital** leveraging the work of 14 R&D center, and € 235 million R&D investments, with a focus on strategic technologies. Atos excellence in R&D is illustrated by a world class portfolio of IP solutions and 4,500 patents. It is nurtured by a group wide community of 2,200 Experts and Fellows, and by a dedicated Scientific Community;
- a solid **financial capital** backed by strong financial assets and cash flow management processes. Atos proven financial discipline enables to deliver seamlessly the short, medium- and long-term investments needed for services and product development and operations. It offers all stakeholders a stable foundation for development and growth;
- an extended **Social and Relationship capital,** relying on a strong network of partners with leading technology providers (Google Cloud, Dell Technologies, Cisco, SAP, Microsoft, Red Hat, Oracle…), customers, research institutions and industry consortia. As a leading business technologist in a rapidly digitalizing world, Atos is committed to support the society as a whole, with strong contributions to diversity and social inclusion programs;
- a strong **natural capital** relying on Atos deep commitment to sustainability. Atos involvement in sustainability is embodied in pioneering and ambitious environmental program to reduce its carbon emissions through measurement, reporting, optimization, offsetting and the use of decarbonized energy sources. Circa 95% of the energy used by Atos' strategic datacenters is decarbonized, and 100% of the CO_2 emissions produced by Atos data centers are offset.

B.1.3 Our business model

As a whole, Atos capital assets support Atos business model to be the trusted partner of its clients and help them create the digital firm of the future. This business model relies on a deep expertise in meeting digital transformation challenges, and on powerful solutions, platforms and infrastructures to help firms design, build and run customer-centric, data-driven information systems, all delivered through industry vertical solutions and smart services.

An expertise: meeting the challenges of a data-driven economy

In a world disrupted by Digital, Atos has built specific know-how to help public and private organizations meet their digital transformation challenges. It has notably developed a business-driven approach to help its clients:

- digitize their **Customer Experience**, seamlessly orchestrating physical and digital channels to provide the best on-demand, contextual and personalized service to end customers and users; and foster **Business Reinvention** thinking and implementation, applying digital innovation to develop new monetization models;
- streamline **Operational Excellence** accordingly, using digital capabilities to radically re-align cost structures and generate efficiencies through all processes;
- guarantee **Trust & Compliance** to protect assets and data, but also and most importantly, to lay the global foundation for digital trust.

To do so, Atos leverages the deep expertise of its Divisions:

- **Infrastructure & Data Management**, dedicated to create business benefits through intelligently managed IT, cloud and digital services. From Data Centers to Edge Computing and IoT, as well as Digital Workplace, Atos Infrastructure & Data Management is recognized as a global leader in managed IT and Cloud services, as well as a key player in Business Process Outsourcing (BPO), notably in the Medical and Financial areas. It leverages the latest automation technologies to help clients achieve excellence in digital operations.

  In addition, the Division leverages on **Unified Communication & Collaboration** tools, combining voice, data and video, to help customers benefit from a unique collaboration experience. A recognized world-class player, integrated within the Infrastructure & Data Management activity, Atos Unify enables large and small organizations to make a leap forward in people efficiency and customer relations, and build the digital workplace of the future;
- **Business & Platform Solutions**, dedicated to transform strategic approaches to technology, combining innovative solutions with established ones. From consulting and applications development up to applications outsourcing, Atos Business & Platform Solutions (including Atos Syntel) leverages the latest intelligent platforms to help its clients deliver the best customer experience, while optimizing their processes and value chains;
- **Big Data & Cybersecurity**, dedicated to create competitive advantage for clients from Big Data and Artificial Intelligence (AI), and ensure data is delivered safely and securely to the right parties. With uniquely innovative solutions in critical domains such as High-Performance Computing (HPC), advanced threat protection and mission-critical systems, Atos Big Data & Cybersecurity is among the very few leaders worldwide able to help its clients succeed at scale in the data-deluge era.

Digital platforms: building the business systems of the future

When it comes to implementation, successful digital strategies require fast to value, agile and scalable solutions. To deliver the best results on time, at cost and at specification, Atos has developed ready to deploy, end-to-end blueprint and accelerators to help its customers design, build and run business technology platforms. Combining the expertise and resources of its Divisions, and the best mix of own and partner technologies, Atos solutions and services provide agile, scalable and trusted foundations to support customers in their digital journey, and are at the heart of Atos differentiation:

- **Ecosystems of multiple infrastructure** solutions enable the transition of customers' existing IT assets into the hybrid cloud, Edge and IoT, to create the foundations for digital business. They enable support for the agility, scalability and security required by any organization committed to digital transformation;
- **Smart data platforms and services** help enterprises build and run data-driven business processes in this Cloud, Edge and IoT environment, and transform the data flowing through these processes into business outcome and smart business services, helping corporations to unlock the value of their data today;
- **Industry expertise and solutions** allows customers to build future proofed, agile and scalable information system fitted to their own industry and ecosystems to improve competitiveness and accelerate business growth;
- across all these solutions, platforms and infrastructures, Atos **Cybersecurity** enables to set up end-to-end, prescriptive security solutions to identify and block threats before they may have a substantial impact.

All these solutions and services leverage innovations from Atos vast network of partners, and from Atos own R&D programs, notably around 8 strategic topics: Modern Applications and Blockchain, Immersive Experience, Artificial Intelligence (AI), Automation, Hybrid Cloud, Advance Compute, Edge & Internet of Things (IoT), and cybersecurity.

The market adaptation: addressing vertical specificities

As each business context is unique, Atos ultimately adapts its approach and go-to-market to the specific digital transformation strategies suited in each vertical. Through its markets, Atos notably addresses:

- **Healthcare & Life Sciences**, with a specific focus on clinical delivery, telehealth and genomic innovation to pave the way to precision medicine;
- **Energy & Utilities**, with innovation in distributed power generation, real-time grid management and smart services to move from commodities to high-value service;
- **Telecom, Media & Technology**, with emphasis in back-office innovation, next-generation networks and omnichannel customer engagement to thrive in the telecom and media platform war;
- **Retail, Transports & Logistics** with a focus on customer experience, supply, delivery & logistic chains, and payments & asset management to move to ubiquitous commerce and multimodal transports;
- **Public Sector & Defense** with innovations in public platforms modernization, digital experience, security & compliance to realize the promises of e-states and of smart defense;
- **Manufacturing** with emphasis on advanced R&D platforms, production systems and customer experience to accelerate the shift to product servitization strategies;
- **Financial Services & Insurance** with a focus on operating models transformation, financial platforms modernization, and process digitization to build next-generation financial services ecosystems.

Through smart services, Atos brings together people, business and technology to accompany clients in all sectors to help them thrive in a digital world and deliver sustainable growth.

B.1.4 The value we create for stakeholders

As a result of its capital assets and of its business model, Atos strives to generate massive value for all its stakeholders:

- **people**. Putting people first is the foundation of the Atos way of working and growth strategy. Atos is committed to attract and nurture today's most talented digital experts from diverse backgrounds, and offer them front row seats to building the new digital world. Atos is a responsible employer, promoting collaborative working, diversity and well-being at work. With dedicated programs for talented and high potential individuals, the Group offers tremendous opportunities to fast track career growth;
- **clients & partners**. Atos aims to be the trusted partner of its customers in their digital transformation journey. It is committed to providing them the best range of services and solutions to anticipate and meet their needs, co-innovate, and help them create the firm of the future. The Group also offers strong business growth and co-innovation opportunities to its large ecosystem of partners, ranging from large groups such as Dell Technologies or Google Cloud up to multiple start-up, that are deeply supported by Atos Labs and Business Technology Innovation Centers;
- **investors**. Combining organic growth and a proven know-how in large acquisitions in strategic markets, Atos strategy is underlined by a strict financial discipline, and strong culture of credibility and commitment. Atos is fully committed to generating long term, high value to investors and shareholders through continuous business and profit growth, enabling sustainable stock value growth and dividend distribution;
- **suppliers.** Atos is committed to delivering high value to its networks of suppliers. The Group has built solid governance, using ethics and compliance to drive organizational processes, and business, thereby securing a sustainable supply chain. Atos was also the first Information and Communication Technology (ICT) Company to obtain the approval of its Binding Corporate Rules (BCR) by European data protection authorities putting data protection as a key component of its business culture, for both customers, partners and suppliers;
- **community & society**. Atos aspires to excellence in its community and society contribution. For the seventh consecutive year, it has been selected as a member of the Dow Jones Sustainability Index (DJSI), and ranked as a leader in sustainability in the IT services sector for its corporate sustainability commitments and performance both globally (2018 DJSI World) and in Europe (2018 DJSI Europe), at Gold level (n°1 of its Industry sector). Atos is also recognized by international non-profit organization Carbon Disclosure Project (CDP) as a world leader for corporate action on climate change, supporting the transition to a low-carbon and climate resilient economy.

B.2 Market trends

B.2.1 Digital transformation momentum accelerates

With the acceleration of Digital transformation, we are entering a world of paradox, marked by extraordinary growth prospects, but also by significant challenges. Everywhere, the pace of change is increasing.

After having streamlined process management with ERPs, boosted communication and collaboration with the Internet, multiplied customer experience with social, mobile, analytics and cloud, digital is going the last mile: it invades things themselves with the Internet of Things (IoT) and Edge Computing, Artificial intelligence (AI), Automation and related exponential technologies such as Augmented Reality (AR)/ Virtual Reality (VR), Blockchain, Quantum Computing and more.

This dramatically changes the world as we know it. By 2025, the number of connected devices will reach 75 billion, three times than today, generating exponentially growing exchanges of data. At that time, the data universe will reach 175 zettabytes, 80% of which created and processed outside traditional data centers and cloud – in the new world of connected vehicles, smart cities, smart homes, smart grid and more. This will require exponential capabilities in intelligent automation to connect organizations, people and thing, transform data into insights, and guarantee trust & compliance.

In this more and more fluid and networked world, the rules of business are dramatically changing, creating multiple Schumpeterian earthquakes: Generations Y and Z reinvent customer and citizen behaviors. New competitors take advantage of disintermediation and of innovative business models. Automation and the gig economy change the economics of operations. Security, safety and privacy risks rise.

For years, digital transformation has been at the heart of C-level executives' agendas. The digital agenda is now at a turning point for companies and public organizations: how to survive and thrive in unchartered territories where customers, competitors and business models themselves evolve rapidly within complex, multi-players ecosystems across all industries? For organization, adapting to the new era will increasingly require a quantum leap:

- become fully customer or citizen experience-centric, moving from a pure 'produce and sell' to a 'sense-&-respond' customer-led approach;
- provide intelligent data-driven orchestration, being able to adapt to market changes and evolving customer or citizen demands in a real-time, prescriptive way;
- adopt open platform foundations and real-time process automation across physical and digital worlds, to deliver the best products and services at the lowest cost while being ready to adapt in hours or just seconds.

From manufacturing to transport, retail, utilities, telco, financial or public and healthcare domains, these evolutions are changing the game dramatically. In this context, the key questions for each Executive Board is: how to be a disrupter rather than being disrupted? How to position in the new value chains that are transformed by digital, and be in a central position in newly reshaped ecosystems? How to adapt business models, customer relations and operations to survive and thrive in this new economy? How to make the right strategic and tactical choices in a highly dynamic technical landscape?

To answer these questions, more than 80% organizations have put in place board-level digital strategies, and heavily invest in business technologies. To do so, they need digital partners that help them solve strategic and tactical digital dilemmas and design, build and run the business technology platforms needed to win in the changing era. This fuels a huge technology and services market growth, notably around industry-specific solutions, smart data platforms, ecosystems of multiple infrastructures, and the 8 core business technology domains pioneered by Atos: modern applications – including distributed blockchain-based platforms -, Immersive Experience, Artificial Intelligence (AI), Automation, Hybrid Cloud, Advance Computing, Edge and Internet of Things (IoT), and cybersecurity.

B.2.2 The race to new industry expertise and solutions

As the growth of the digital economy is irreversibly changing the way people live, consume and work, organizations need to deploy next generation business services and strategies, to meet tomorrow's demographic, economical, geopolitical, and environmental challenges. This is opening disruptive business opportunities in domains such as precision medicine, smart utilities, 5G powered telecom and medias, ubiquitous retail, autonomous transports, digital government and defense, Industry 4.0 and open banking and insurance. This represents a strong market demand for modern industry applications, where Atos brings a unique and very differentiated capacity to address both business and technology transformation. With a leading business technology expertise, tight partnership with multiple digital leaders such as Google, Siemens, Dell Technologies, and many others, Atos is uniquely positioned to help its clients thrive and harvest the digital opportunities of tomorrow.

B.2.3 The next big thing: smart data platforms and services

In tomorrow's interconnected digital economies, Data will be the new oil. The ability to acquire and analyze data from hundreds of billions of things, billions of people and millions of organizations will make the difference for digital winners. As a result, immersive technologies, Artificial Intelligence (AI), and Robotic Process Automation (RPA) are among the most rapidly growing segment in Digital, with notably more than 40% yearly market growth in Artificial Intelligence (AI). These domains, and their integration with new generation real time and distributed business platforms – on premise or in the cloud - are uniquely pioneered by Atos. The Group strongly differentiate on the market by combining expertise of business acceleration platforms from its large network of partners such as SAP, Microsoft, SalesForce, Oracle and more, with a uniquely powerful set of value-added services and technologies to build the smart data platforms of the future. Atos is notably highly recognized for its technology advance in automation – with Syntel Syntbots – Internet of Things (IoT), Artificial Intelligence (AI), pioneering innovation in High-Performance Analytics and Quantum Computing.

B.2.4 A boost in ecosystems of multiple infrastructures

Through new generation cloud-computing, Edge and Internet of Things (IoT) technologies, physical and digital infrastructures are becoming more and more entangled. This drives a strong demand in consulting, integration and management of hybrid infrastructures ecosystems, combining legacy data centers, private cloud, public cloud platforms from providers such as Google, AWS or Microsoft Azure, and the Internet of Things (IoT). More, Edge Computing is set to exponentially grow as the next digital frontier. The imperative for all organizations: consistently automate, manage and orchestrate these ecosystems of multiple infrastructures, to seamlessly design, build and run next generations business services and platforms with technologies such as DevOps and Microservices. There are all domains where Atos excels, and is recognized as a leader by industry analysts.

B.2.5 Trust at the heart of digital strategies

Digital brings in multiple opportunities for value creation. It also brings new risks, from fraudsters, "hacktivists", mafias and even hostile organizations and states. Cybercrime is already estimated to exceed the $ 1 trillion mark. This threatens not only business activities – notably in the most sensitive sectors such as finance, health and government. It also threatens compliance: new regulations such as GDPR (General Data Protection Regulation) enforce strong obligations for the protection of customer data, with possible fines up to 4% of revenue. Last but not least, breaches may even threaten human lives with the development of smart machines in Industry, Utilities, Transports, Defense… As a result, security is more than ever on the top of customer preoccupations, and is moving to the Artificial Intelligence (AI) era. The perspective is that organizations will move from a reactive security approach to AI-powered prescriptive security, leveraging next generation security-as-a-service platforms to detect and block threats before they can have an impact. By combining unique Security with Big Data/ Artificial Intelligence (AI) and Mission-Critical Systems expertise, Atos is among the world pioneers and the European leader of this fast-growing market.

B.3 Market sizing and competitive landscape

[GRI 102-6], [GRI 102-10]

B.3.1 Overall market size

Overall IT spending is estimated to be worth $ 4.32 trillion worldwide, with a 2.7% growth in constant currency in 2019. Due to the strong market transformation towards hybrid cloud infrastructures, the rise of artificial intelligence and automation based smart data platforms and the race to vertical specific digital processes and solutions, key segments have contrasting growth rates:

- communications services (consumer fixed services, consumer mobile services, enterprise fixed services and enterprise mobile services) represent today 37.3% of the IT market. In 2019, these services have seen an overall modest growth of 0.9% to $ 1.6 trillion at constant dollars;
- devices (PCs and tablets, mobile phones, and printers) represent 18.7% of the market, or $ 811 billion. This segment showed a decline of -1.6% in 2019;
- enterprise software (including security software products) represents 11.8% of the market, or $ 509 billion. It showed a strong growth of 10.7% in 2019, with progress notably nurtured by the development of analytics and Business Intelligence, Customer Relationship Management (CRM) and Supply Chain Management (SCM) software solutions;
- data center systems and servers represent 5.3% of the market, at $ 231 billion. They experienced a decline of -0.4% in 2019, due to the disruptive forces of software-defined infrastructure and public cloud delivery. High-end servers for High Performance Computing – in which Atos is positioned with its Bull Sequana offering - continues to outperform the overall segment growth, with 7.8% CAGR over the next 4 years;
- IT services (Business IT services and IT product support) represent 26.9% of the market, or $ 1.162 trillion. Worldwide, IT services grew by 6% in 2019, with a special traction in Business and Technology consulting and BPO. By 2023, IT services are expected to continue to grow globally at 5.7% CAGR. This offers solid growth perspectives for the Group.

Overall, IT spending results vary greatly by region. The largest region remains North America with $ 1.309 trillion and a 3.1% growth rate in 2019. With $ 858 billion in overall IT expenses, Western Europe is the second largest market, and grew at 2.0% in 2019. With a $ 2.151 trillion, the rest of the world experienced a 2.8% growth last year.

When looking only at IT services, the segment on which Atos is primarily positioned Americas and Europe are by far the two leading markets today:

2019 IT Services spend and growth	(in $ billion)	2019 growth
North America	457.6	+5.2%
Western Europe	330.3	+5.2%
Rest of the World	374.0	+7.5%
TOTAL	**1,161.9**	**+6.0%**

Source: Gartner IT Market Databook in constant currency - Q4 2019

The combination of North America and Western Europe therefore continue to represent the very largest share of the IT services market worldwide, even if regions such as Greater China and Emerging Asia Pacific – yet with limited local markets – are expected to experience substantial CAGR of 15.0% and 10.9% over the 2018-2023 timeframe.

B.3.2 Competitive landscape and new expected position of Atos

Looking at the global IT services market, Atos is ranked number 13 in the world, is a significant and growing player in the US, and is the third largest IT business services company in Europe with a market share of around 3.8%, just behind IBM and Accenture.

Atos is one of the few companies able to cover all the European geographies. In the largest European countries, the main competitors of Atos are IBM, Accenture, Capgemini, CGI, DXC and some local champions with strong regional footprint like Fujitsu (UK), T-Systems (Germany) and Indra (Spain). Indian based players start to have significant presence in Europe, but this is still predominantly in the UK (TCS, Cognizant, Infosys and Wipro).

In 2019, major industry analyst firms have assessed Atos capabilities and positioned Atos as follow:

- global leader in IT outsourcing;
- global leader in private cloud and European leader in hybrid cloud;
- global leader in SAP HANA and European leader in SAP services;
- major player in Artificial Intelligence and visionary provider in analytics;
- global leader in IoT services;
- global leader in digital workplace;
- major player and visionary in Unified Communications & Collaboration;
- major player and European leader in security.

B.3.3 Market size and Atos market share in North America and Western Europe

Atos is well positioned on the largest and most promising segments of the North America and Western European IT services market: Managed Services and Cloud Infrastructure services, where Atos is a leader ($ 309 billion, +4.8%year), Implementation services ($ 181 billion, +5.2%year), business and technology consulting ($ 166 billion, +8% year), and BPO ($ 130 billion, +3% year).

Atos market shares in each main country are presented below, reflecting the positioning of Atos as the European IT champion and a significant player in the US, where Syntel acquisition end 2018 has enabled Atos to reinforce in 2019 its strategic traction.

The figures are based on Gartner's 2019 estimates on yearly external end-user spending for IT Services.

	Market size			Atos	
(in $ billion)	2019	Weight	Growth vs. 2018	2019	Market share
USA	426	36.8%	5.2%	3.1	0.7%
United Kingdom & Ireland	100	8.6%	3.1%	1.9	1.9%
Germany	57	4.9%	5.5%	2.4	4.3%
France	42	3.6%	5.0%	2.0	4.8%
Benelux & The Nordics	64	5.5%	6.7%	1.2	1.8%
Rest of Europe	77	6.6%	6.9%	1.5	2.0%
Rest of the World	395	34.0%	7.3%	0.9	0.2%
TOTAL	**1,161**	**100%**	**6.0%**	**13.0**	**1.1%**

Based on Gartner Service line Forecast 2019 Q4, in constant currency, $Bn.

Note that Atos market share has significantly risen in 2019 in the US thanks to the full integration of Syntel revenue within Atos.

In addition, Atos is also competing in other markets where the Company is now perceived as a key player:

- in the information security market, Atos has been ranked by PAC as one of the top three leading security IT services providers in Europe, the Middle East & Africa. Worldwide spending on information security has reached $ 136 billions in 2019, an increase of +8.7% over 2018, according to Gartner. The increase in spending is being driven by government initiatives, increased legislation such as GDPR in Europe and high-profile data breaches. Cloud security, data security and infrastructure protection present among the biggest growth opportunities for technology providers, both domains in which Atos is a very strong player;
- Atos is the leading European player in the High-Performance Computing (HPC) technology market. According to hyperion research, the HPC market (which includes servers, storage, middleware, applications and services) will reach $ 39.2 billion in 2023, with 7.2% CAGR by that date. The largest HPC markets are government, defense and academic sector, followed by Manufacturing, BioScience and Geosciences forecasting. With its Bull Sequana offering, Atos is very well positioned on the high-end part of this market that will be further boosted by massive computing power needs linked to the development of Artificial Intelligence. The domain also offers promising synergies with the Hyperscale segment, involving large-scale infrastructures for Internet activities requiring the use of HPC technologies for efficiency at scale, at companies such as Google, Amazon, or Baidu.

B.4 Strategy and ADVANCE 2021

On January 30, 2019, the Group presented its plan Advance 2021 at the occasion of an Investor Day held in its Headquarters in Bezons (France). During this session, the following targets have been presented:

- **revenue organic growth:** +2% to +3% CAGR over the 2019-2021 period
- **operating margin rate:** 11% to 11.5% of revenue in 2021
- **free cash flow:** between € 0.8 billion and € 0.9 billion in 2021

To reach its ambition, and strategy, the Group focuses on 7 levers:

- complete the transition to Cloud/Hybrid Cloud of its main customers and accelerate the transformation of the IDM business towards the next growth drivers: Smart Data Management, IoT, Ecosystems of Infrastructures, Digital Workplace, Automation, Artificial Intelligence, and Machine Learning;
- accelerate the Industry Specific Digital business transformation of Atos' customers by successfully integrating Syntel and generate the synergies to reach a profitability level above 13% in Business & Platform Solutions;
- provide the high-end computing for Big Data algorithms, cybersecurity and Mission Critical technologies to help customers succeed in the gigantic data era and to sustain a solid double-digit growth over the next three years;
- delivering the next wave of Digital transformation, increasing the focus on industry verticals and solutions, deepening customer expertise and intimacy pulling through all Atos services and capability;
- RACE: A powerful combination of digital productivity levers and agile collaboration to sustain our compelling value creation;
- maintain excellence in People skills and CSR;
- continue to participate in the IT industry consolidation to expand its customer base and to strengthen its technological capabilities.

B.4.1 Complete the transition to Cloud/Hybrid Cloud of its main customers and accelerate the transformation of the Infrastructure & Data Management' business

While 68% of its TOP100 customers have already migrated to its Cloud and Hybrid Cloud offering, the Group considers that the transition of its customers will be very largely advanced by end of 2021. During the period of the three-year plan, beyond the lever of extension of Cloud and Hybrid cloud implementation, a new lever of growth will contribute to revenue: IoT and Edge Computing will start being the new lever of growth for IDM. It would represent 3% of Group revenue in 2021 and over 10% by 2025 with the expected explosion of connected smarter objects and edge computing. According to Gartner, by 2022, over 70% of enterprise-generated data will be created and processed outside the data center or cloud, up from 10% to 20% today. Beyond the accelerated growth of these new infrastructures that will need to be managed and operated, an exponential growth of data will have to be collected, processed, secured, integrated and possibly stored. These are services which are at the core of Atos IDM business.

B.4.2 Accelerate the Industry specific Digital business transformation of Atos' customers by successfully integrating Atos Syntel in Business & Platform Solutions

Further to the acquisition of Syntel, Business & Platform Solutions aims over the next 3 years to double its size in Digital (AI, Analytics, IOT, Automation, CX, Mobility, Cloud) to € 2.4 billion representing 50% of Business & Platform Solutions revenue. While the retention rate on Syntel's customers amounts to 100% since the announcement of its acquisition by Atos, the Group proceeds at a fast implementation of revenue synergies with first signatures already materialized and cross-sell initiatives valued at half billion euros in full pipeline.

Business & Platform Solutions targets to increase its offshore and nearshore rate on total headcount from 48% in 2018 to 60% in 2021.

B.4.3 Provide the high-end computing for Big Data algorithms, Cybersecurity and Mission Critical technologies to help customers succeed in the gigantic data era and to sustain a solid double-digit growth over the next three years

This end-to-end approach will enable Big Data & Cybersecurity to lead the consolidation of trusted intelligent platforms with cybersecurity products and services for the new machine age and to be the "Infra of Infras" security leader solutions.

To succeed in a fierce digital competition environment, customers will need to rapidly capitalize on the new technologies to generate business data, to leverage intelligence instantly so to turn data into automated actions, while protecting their end-user larger and more exposed digital information. In each of its business segments and by reinforcing its transversal and international expansion, ***Big Data & Cybersecurity* provides this new balance between digital efficiency and trust, and is expected to continue growing double-digit CAGR .**

B.4.4 Delevering the next wave of Digital transformation, increasing the focus on industry verticals and solutions, deepening customer expertise and intimacy pulling through all Atos' services and capability

Atos clients' needs are changing, they need to increasingly evolve their business models to deliver new experiences or engage with their customers in different ways. With the next wave of smart data, technology is playing an ever-greater role in those new business models. Delivering digital solutions needs to be coupled with industry expertise and client knowledge to ensure the right outcome for end customers in a secure and compliant way. Atos is strengthening its customer centricity through a reinforced vertical go-to-market approach, pulling through all of Atos' capabilities from Infrastructure & Data Management, Business & Platform Solutions, Big Data & Cybersecurity and Atos' partners.

This new approach is built on a robust Industry engagement and a strong focus on top account management with:

- a stronger focus on 7 key vertical markets; Manufacturing, Financial Services, Health, Public Sector, Retail & Logistics, Energy & Utilities and Technology, Media & Telecoms;
- centers of excellence built on vertical competencies, for example Life & Pensions in Edinburgh, or Manufacturing innovation in Austria;
- 200+ additional sales resources and Industry specific experts and consultants;
- more empowered senior client executives, assessed and developed to match industry top quartile;
- dedicated client delivery executives representing all Divisions;
- dedicated cyber specialists;
- new global distribution agreements and industry specific partnerships for Atos' technologies and products.

In order to accelerate the deployment of this vertical approach, the Group is preparing its workforce on the next wave of disruption. It has introduced new training programs building on the best practices in the Group and enabling its people to help customers take advantage of the next wave.

B.4.5 RACE: a powerful combination of digital productivity levers and agile collaboration to sustain our compelling value creation

With RACE, a new productivity & efficiency program launched to sustain the operating margin targeted trajectory, Atos benefits from tangible operational improvement by fully taking advantage of automation in all productivity levers, like the GOAL initiative where we combine Robotic Process Auomation (RPA) experts and libraries to amplify the impact of ongoing Lean waves.

Additionally, the Group is generating significant improvements with continuous integration of digital and automation into traditional levers like procurement, contract management, SG&A or workforce management.

Atos will continue transforming its workforce through agile collaboration and leveraging new Syntel talent and resource management to optimize its onshore/offshore headcount mix, enabling scaling of our digital services and offerings.

B.4.6 Maintain excellence in People skills and CSR

In order to realize its three-year plan, the Group relies on strong values and best practices in Corporate and Social Responsibility. These values are fully integrated in its operations.

To power its ambition, Atos is aiming to drive customer experience through best-in-class employee digital experience.

In this respect, its People strategy 2021 will leverage on 5 major Human Resources programs:

- *My future:* to combine Atos' strengths around Campus Management, Performance Management 2.0 and expert and talent programs and create a unique end-to-end value proposition for our employees;
- *Be digital:* to equip all our employees with certified digital skills by 2021;
- *MyExperience:* through the "We are Atos" engagement program, to leverage on the successful Wellbeing@work initiative putting specific emphasis on social value, diversity and inclusion. As far as gender diversity is concerned, Atos' objective is to double the percentage of women in the top management over the next 3 years while decreasing the gender compensation gap by 3% year;
- *Value Sharing:* to further engage - in addition to the already existing incentive plans for managers - all employees in the Company's success;
- *Entrepreneurship:* To explore new ways of collaboration with Atos, further leveraging on our eco system of start-up and contingent workers.

Atos set medium term extra-financial objectives including:

- a clear focus on customer satisfaction through sustainable and innovative solutions;
- as a sustainable player, Atos manages its operational efficiency in environmental footprint with the objective to further reduce by 7% to 20% CO_2 Emissions per revenue unit (tCO_2 per € million) by 2021.

B.4.7 Continue to participate to the IT industry consolidation to expand its customer base and to strengthen its technological capabilities

After a first phase of acquisitions in order to get scale, a second phase which ended last year was to get the right skills and resources. The M&A strategy for the next years is focused on specific verticals to acquire new clients and technological capabilities, and on cybersecurity where the Group intends to be a major player in the consolidation to come. The acquisitions will be performed with the same financial discipline as in the previous years.

C

Sales and delivery

C.1 Sales and business development approach

C.1.1 Atos sales and business development approach

[A12]

The Atos sales and business development approach is aligned with the Group strategy. As described in the "B.1 Business Model" section, Atos helps large organizations adapt, thrive, and leverage digital opportunities for competitiveness and growth in the upcoming digital era. To do so, its sales approach is underpinned by the understanding of the customers' digital transformation challenges, adapted to their business and market, and delivered with a portfolio of end-to-end offerings applying all of Atos expertise and experience.

C.1.2 Sales organization

At Group level, the sales organization is managed by the Chief Commercial Officer, with the global responsibility of steering the overall sales effort, driving Global Market heads, Global Business Units heads of Sales, Divisions sales heads, Global Strategic Sales Engagement, Global Alliances, Marketing and the "5C" program.

Atos is organized to be the trusted partner for its customers digital journey, with a strong focus on its client base across the various industry sectors (Financial Services, Manufacturing, Retail & Transportation, Public and defense, Health, Telecom & Media, Utilities, Siemens account).

Customers are at the heart of Atos go-to-market strategy and are an essential part in Atos growth approach, through cross-sell and up-sell initiatives, notably around its strategic vertical, data platform, infrastructure and security offerings as well as selected partnerships.

Since 2018, Atos "5C" sales program drives value for our customers and as such for the Atos Group, notably around:

- **Client centricity** with a Global Integrated Accounts (GIA) organization launched to further build a truly global and integrated customer-centric approach for major customers. Global Integrated Accounts have a Global Client Management (CEX) and a Global Divisional Executive (CDX) to ensure an integrated approach, bring the full Atos portfolio of capabilities and deliver distinct business value. A Client Innovation Director also drives innovation together with our clients, through customer co-creation workshops;
- **Closing Improvement** to systematically roll out sales process best practices, constantly further industrializing key deals management and end-to-end sales methodologies with the "Atos Planet" model and sales blueprints;
- **Channels and Partners** to boost products sales through a unified Group Channel and stepping up selected Partnerships, fully leveraging Atos partnership ecosystem to generate incremental new businesses;
- **Cybersecurity and digital sales** to boost Atos cybersecurity and digital sales by investing in cybersales teams to capture the full potential of the market;
- **Culture & capabilities** redesigning the compensation schemes and capabilities to support growth and digital sales, with changes in incentives to drive sales and attract, develop and retain the best talent to support top line transformation.

Within Sales, Marketing is organized as a group function reporting to the Chief Marketing Officer. It brings together client, demand and deal-based marketing in the geographical Business Units, vertical marketing, portfolio and offer marketing, the digital platforms & channels in corporate shared services as well as market & customer intelligence, sales enablement, and the network of the Business Technology and Innovation Centers (BTIC) for running the client innovation workshops. Finally, the Industry Analysts & Advisors team are ensuring that the Atos expertise is best placed in vendor assessments and other reports, as well as in key deals.

Global Alliances, as a Sales channel, ensures that Atos is fully leveraging its partnership ecosystem to generate incremental businesses.

C.2 Infrastructure & Data Management

Infrastructure & Data Management Division (IDM), is a recognized industry leader at the forefront of innovation and one of the few companies that can provide a complete design, build, migrate and operate capability globally coupled with technology transformation services to advance our customers environments to meet their digital ambitions.

C.2.1 Data Centers & Managed Infrastructures

Atos data centers are the powerhouses behind Atos customers' digital transformation. They house the Group's core infrastructure capabilities worldwide, and provide both classic and digital services across hybrid cloud, workplace, applications, mainframe and Internet of Things environments. Spanning 5 continents in 29 countries, Atos is active in 96 data centers providing Tier 1 levels of service quality and security for both traditional and digital services. Infrastructure & Data Management is able to move, migrate and transform customer workloads to the most appropriate environment depending on the business need, integrating with hyperscale public cloud providers to offer our customers true hybrid cloud capabilities.

The Infrastructure & Data Management global data center strategy is based on the 7 'C' key principles of Cloud, Carbon, Capacity, Continuity, Competitive, Cost and Cash. These principles ensure that Infrastructure & Data Management's data centers continue to provide its enterprise customers with the right services, the right capacity, at the right time, in the right location and for the right price.

In accordance with this strategy, Atos monitors and drives major programs for data center consolidation, renewal and acquisition. Since the end of 2011, Atos has migrated and closed (or part closed) 85 data centers, opened 34 new data centers, extended 10, upgraded 4 existing to Tier 3, and integrated 25 data centers from deals and acquisitions (McGraw Hill, Bull, Xerox, Anthelio and Arvato). Based on the current footprint, Atos intends to migrate and close a further 8 data centers by the end of 2021. In the beginning of 2020, Les Clayes core data center will be extended with a new module.

There is clear guidance for new Atos data centers that is based on delivering economies of scale. Specifically all new data centers will follow the TIA-942b Rated 3 standard, provide an average power density of 1.5kW/sqm with a possibility for high density zones, have a Power Usage Effectiveness (PUE) of approximately 1.2 or less if new built, and guarantee high security standards – VESDA (Very Early Smoke Detection Alarm), automatic fire extinguishing, access control, 24/7 monitoring and CCTV (Closed-Circuit TeleVision).

Innovation in environmentally responsible data center services is central to Atos data center planning and strategy and has helped maintain its green leadership position. For this purpose, 95% of the electricity used by our strategic data centers comes from decarbonized sources (nuclear + renewable) and 100% of all our data centers' carbon emissions is offset, enabling us to offer a market differentiating capability of zero carbon hosting services to our clients.

To further strengthen the leadership position of Atos in Data center Management, Atos is leveraging data center infrastructure management and cognitive technologies to take us towards truly holistic 'cognitive data center' approaches to enable:

- predictive maintenance (e.g. capacity usage forecasting);
- real time reporting, self-monitoring and healing;
- continued enhancements in energy efficiency;
- further strengthening of our green leadership position.

C.2.2 Hybrid Cloud

Hybrid Cloud computing underpins the digitalization of enterprise customers. Recent years have seen cloud strategies and frameworks becoming well established within Infrastructure & Data Management customers, such that "Cloud First" and "Cloud Native" are now the default considerations in initiating and sustaining digital transformation.

The adoption of Hybrid Cloud is driven by three key benefits that it enables:

- Hybrid Cloud ensures that business and application requirements are optimally addressed through appropriate combinations of cloud deployment and delivery models, enabling the maximum benefit of cloud whilst mitigating associated risk and reusing existing investments;

- Hybrid Cloud drives the rapid emergence of new, cloud native application landscapes that can deploy, scale and evolve very quickly, allowing enterprises to reinvent their businesses and improve their customers' experiences;
- Hybrid Cloud enables unified orchestration and management of entire IT environments across common platforms, improving user experience and ensuring the fastest time to value of digital initiatives.

To fully achieve these benefits, enterprises must adopt hybrid clouds with combinations of private and public parts, which must also co-exist with traditional platforms. This provides an environment for the development and operation of both cloud native and traditional applications, as well as those which may never move to cloud, yet remain critical to customers' businesses.

Atos' Orchestrated Hybrid Cloud portfolio fully addresses the demand for enterprise grade hybrid cloud and transformation services by delivering a set of comprehensive industrialized end-to-end cloud products and capabilities. These are supported by enterprise SLAs (Service Level Agreements) and multiple service management options that ensure enterprise agility without compromising security.

Atos delivers a true *Hybrid Cloud* experience by integration of leading clouds like AWS (Amazon Web Services), Microsoft Azure and GCP (Google Cloud Platform), alongside private cloud solutions based on technologies such as VMware and OpenStack. Platform orchestration and management is then delivered with best in class technologies, including ServiceNow, Ansible and CloudBees Jenkins.

Going forward, with the ongoing permeation of digital business models throughout enterprises, the focus on applications and end user experience over cloud infrastructure will continue to increase in enterprise IT decision making. As such, Atos will evolve its expertise in industry verticals with an aim to offering targeted solutions that closely address enterprise challenges at both the application and business levels. In parallel, Atos will continue to adopt and mature cloud operational approaches such as infrastructure as code, continuous delivery and devops, to ensure the value proposition described is underpinned by an integrated set of cloud operations.

Following our cloud strategy, *Atos Digital Hybrid Cloud* was launched in 2019 which is a trusted, scalable and future-proofed multi-cloud solution that combines the innovation and scale of a public cloud, with the security and control of a private cloud.

Throughout 2019 Atos has continued to evolve its global partnership with Google Cloud, as announced in 2018. Going beyond the traditional IT landscape, today's data-centric digital transformation generates an ever-increasing need for data lakes, Data Management, analytics and cognitive technologies. Machine Learning (ML) is key to discovering and leveraging new business and marketing opportunities, but also demands secure solutions to protect data against cyber risks and ensure compliance.

Addressing this fast-growing demand, and as recognized by the award of 'Google Cloud Global Breakthrough Partner of the Year', Atos is working successfully with Google Cloud to provide businesses worldwide with secure cutting-edge solutions such as:

- Secured Hybrid Cloud: Atos is developing and expanding its *Hybrid Cloud* with Google Cloud Platform as Atos' preferred public Cloud platform, leveraging its scale, security, reliability and availability while ensuring data localization. This includes Atos' recognition as a global leader in the Google Cloud Certification Program, its partnership with Google Cloud and CloudBees to modernize application practices, and selection as a Google Cloud high performance computing service partner;
- Oracle database on Google Cloud: Atos strengthened its strategic partnership with Google Cloud with two high-performance regional extensions of existing Google Cloud data centers in Frankfurt (Germany) and Ashburn VA (North America), to support Oracle database customers. These two regional extensions are equipped with Atos' high-performance BullSequana S servers and enable Oracle database customers to run their workloads efficiently and effectively, benefitting from Google Cloud Platform;
- Data Analytics, Machine Learning and Artificial Intelligence (AI): Atos is developing a machine learning practice that will leverage Google Cloud's Machine Learning Application Programming Interfaces (ML APIs) to create industry specific solutions across multiple verticals. Artificial Intelligence Labs have been opened, including in Dallas (United States of America, 2019), London (United Kingdom, 2018), Paris (France, 2019), Frankfurt and Munich (Germany, both in 2019);
- see Digital Workplace and Help & Interaction Center for Google G Suite enhancements.

To enable hybrid cloud and help customers transform workloads, Atos has developed an industrialized cloud workload migration portfolio of services to move and transform applications to Hybrid Cloud as needed. This is leveraging state-of-the-art platform as a service technologies and automation tools. Workload migration has been further enhanced by intellectual property and technology acquired as part of Atos' acquisition of Syntel.

Through these and other initiatives, Atos has delivered a 30% year-on-year growth in cloud services for the last 3 years whilst delivering 20% to 30% price reduction to its customers in line with the 2021 cloud growth ambition, whilst continuously improving its recognition as a Leader in Cloud from leading analyst firms. In 2020, Infrastructure & Data Management will continue to evolve its hybrid cloud service capabilities and products to deliver the digital platform required by our enterprise customers.

C.2.3 Digital Workplace and Help & Interaction Center

Atos Digital Workplace Services provides modular and innovative end-user services to transform employee experience. Based on extensive, proven experience in all industry sectors, Atos support more than 3.8 million end-users, from a combination of global and local service desk, handling more than 36 million tickets annually in 38 languages. This is combined with an onsite support capability in over 100 countries, enables Infrastructure & Data Management to deliver a true global workplace services footprint with a global delivery organization with a total headcount of more than 10,000 staff.

The business requirement to make our customers employees more engaged has resulted in a significant interest in Digital Workplace services. It is a must in every major workplace transformation program today. Atos strong focus on customer care and the total end-user experience including omni-channel support with self-help, virtual assistant, chat, and self-healing solutions, has a direct impact on the user's experience. In line with its vision for the future, Atos relies on data-driven approach to deliver proactive support.

Key solutions such as Unified Endpoint Management and intelligent collaboration solutions deliver a different way of working, with the functionality and security required anytime, anywhere and from any device.

Intelligent collaboration is at the heart of the Digital Workplace to engage employees and enable new ways of working. Atos integrates SaaS (Software as a Service) based workplace offerings, including Microsoft with Office 365, Google with G-suite, Unify with Circuit and others and delivers a transformational consulting-led approach for customers to maximize the benefits from their investment.

Atos has a key focus to improve user productivity and experience in order to deliver value to the business through technology, embedding wearables, IoT, mixed reality, cognitive computing and analytics. We are also recognized by industry analysts for our leadership in workplace vision and capabilities.

Atos will continue to build a Digital Workplace of the future which includes offering "workplace as a service" business models and extending the scope of its services to embrace the full scope of employee experience, from smart offices to Voice of the employee solutions.

C.2.4 Business Accelerator Capabilities

Atos Business Accelerators help companies to set up a roadmap for evolving to the real-time intelligent enterprise, thanks to our partnership with SAP. SAP HANA offers a platform for effective real-time business, and Atos provides the business insight and technical skill our customers need to exploit its full potential.

The Atos Infrastructure & Data Management services cover assessments, technical migrations and management of SAP Applications in combination with the SAP HANA as well as the traditional databases, based on private, shared and/or public cloud. Atos uses its highly automated SAP toolset to manage these environments with an Olympic grade security measures toolbox. Atos Infrastructure & Data Management service scope includes the full stack of end-to-end services up to and including application operations which offers a compelling alternative to in-house application support due to the breadth and scale of Atos application capabilities and wide scope of options available. The services capabilities span database services, middleware, application technical management, and SAP application services. Business & Platform Solutions Division complements Infrastructure & Data Management application operations and application technical management by providing consulting, functional migrations and application functional management, thereby ensuring customers receive a complete and seamless end-to-end service from Atos. Infrastructure & Data Management *Orchestrated Hybrid Cloud* for SAP is the full stack SAP Application Technical Management service which combines Public Cloud like the Microsoft Azure platform with Atos private cloud platforms using our own high-performance appliances. Atos has its own Bull Sequana S hardware, certified by SAP for HANA, which is a key differentiator for Atos being one of the most scalable, SAP HANA hardware platforms in the industry.

Atos and SAP have a unique partnership regarding SAP Cloud Platform (SCP) Private Edition. SCP is the platform for hosting SAP and third-party applications where customization and integration are required for business processes. Atos is the preferred partner in the Europe, Middle East and Africa region, to deploy and operate this platform. SCP Private Edition is a key part of the SAP intelligent enterprise vision. It will be used to develop and test new applications, customize existing SAP applications and integrate these with third party capabilities, to develop new business models and new services that incorporate innovative technologies. Atos combines this with its Codex data and analytics service portfolio which enable business to build analytic accelerators and offer new differentiating customer experiences and services. SAP Cloud Platform private edition by Atos provides the capability to leverage SCP in environments where regulation, privacy or technical concerns prohibit the use of public cloud services.

SAP and Atos are Global Strategic Service Partners and Global Technology Partners. SAP and Atos have a history of success together that spans over more than 30 years and that enables both companies to combine their respective capabilities and jointly deliver superior customer solutions. Atos is a global certified SAP partner for Hosting, SAP Business Suite, SAP S/4HANA, SAP Hana Operations and Cloud and Infrastructure, with more than 13,000 skilled SAP professionals and more than 40 local SAP teams.

C.2.5 Networks

Infrastructure & Data Management Network services provide customers with fully managed connectivity services to meet their customer's digital transformational challenges. Network services, both traditional and software defined, are the enablers for digital transformation for Cloud and SaaS (Software as a Service) services, and are a fundamental component of all Atos digital transformation solutions across Digital Workplace, Hybrid Cloud, Connected Intelligence and Business Accelerators.

Our range of network services provide the speed and flexibility required by our customers to transform to and maximize the benefits from digital services. In short, they are the network enablers for Digital Transformation. The evolution of software defined technologies has enabled Cloud WAN (Wide Area Network) services to abstract and virtualize the WAN resulting in the ability to make changes faster, provide greater analytics and visibility into network traffic and report performance and problems.

Network services include our 'Digital Connect' suite of services covering software defined services such as Cloud-WAN which provides an orchestration layer to efficiently manage existing, transport layer, network connectivity services through centralized policy enforcement and single pane of glass management. Software Defined services have the potential to save costs, through offloading of non-critical data from MPLS (MultiProtocol Label Switching) to other network connectivity services and to provide cloud-on-ramping secure connectivity to SaaS and IaaS (infrastructure as a service) providers.

Atos has also enhanced in 2019 the way we provide network connectivity through our Integrated Cloud Edge service upgrading flexibility and performance between our own data centers, customer private cloud environments, public cloud providers, partners and WAN providers.

Atos operational capabilities in networking cover 3 globally operated delivery centers complemented by 9 local production centers which manage the operations of data center network infrastructure in over 100 data center locations. Atos has 2,200 network experts supporting over 1.6 million LAN ports, 55,000 switches, over 450,000 voice port users and over 700,000 web conference users in more than 100 countries worldwide.

C.2.6 Codex IoT

The Internet of Things (IoT) is now all around us, reaching an estimated 25 billion of connected objects in 2021. And it continues to spread with an exploding number of devices interconnected via diverse infrastructures and platforms, with respectively 75 and 100 billion connected devices in 2025 and in 2030. The consequence of this exploding number of connected devices is an explosion of data created: from 50 zettabytes in 2020 and 175 zettabytes in 2025 to 1 yottabyte in 2027, and more and more of them will be produced and processed outside the data centers and Cloud infrastructures (in 2025, 80% of enterprise-generated data will be created and processed in the Edge, meaning outside the data centers and Cloud infrastructures, versus 20% today), so IoT and Edge are the new levers of growth for Atos Infrastructure & Data Management business.

IoT is a key enabler for digital transformation in every industry. IoT is an integral part of our *Codex Connected Intelligence*, portfolio enabling customers to continuously create value from their assets, resulting in greater efficiency, intelligent decision-making, new revenue sources and enabling new business models. Our business outcome focused approach delivers fast time-to-market of new use-cases that are scalable and reliable through our extensive experience of managing and running complex large IoT deployments.

With *Codex Managed IoT* we provide a catalogue of services to manage the full IoT value chain from things to edge to data center. Our IoT Service Management Framework includes management of devices, edge connectivity, data and storage, change and release control, incident management, service desk and support, and the operations to increase resilience against failures or disturbances. These services will be delivered with business-defined service levels, including the necessary cybersecurity measures.

We support our customers in accelerating IoT adoption with clear focus on sector-specific opportunities, such as in Retail, Transportation, Manufacturing, Energy, Utilities, Pharma and Smart Cities.

Codex Connected IoT solutions provide our clients complete end-to-end managed business solutions that deliver valuable improvements in their operational efficiency and competitiveness. With our own innovative services and best of breed partner ecosystem, we create end-to-end business solutions to easily connect, collect, and manage the data from connected assets. These connected IoT Solutions cover generic and industry specific pre-integrated IoT solutions, ranging from connected retail to connected cities to connected production. Example solutions are Connected Cooler, Connected Vessels and Connected Control Room.

Atos has a special focus on Industry 4.0 within our comprehensive Internet-of-Things approach. To deliver maximum value to our customers, Atos and Siemens are in a strategic partnership around MindSphere, the open ecosystem for optimizing and transforming plant performance by collecting, analyzing and monetizing large datasets in industry. Atos delivers a broad set of IT and digital services around MindSphere and has launched this year a Private Cloud option for Mindsphere.

Codex Infrastructure Services for MindSphere provides a suite of services to connect, secure, deploy, operate and manage MindSphere on-premise or on private or hybrid cloud, enabling and supporting IoT solutions on the MindSphere platform. With Codex Private IoT Platform powered by MindSphere, Atos targets customers that have high requirements for a secure data environment, latency time, or compliance with legal regulations.

According to several Industry Analyst firms, Atos has one of the most well-rounded, industry leading, offerings in the IoT services market, spanning across the range of services from consulting, integration to Managed Services both on its own and third-party platforms. Our extensive IoT partner ecosystem includes not only Industry leaders such as Siemens, Google, Microsoft, AWS and Dell Technologies, but also specialist technology firms, start-ups and research institutes. This is key to successfully deliver and manage the full IoT value chain.

Atos also invested in hardware products to support the move to edge. We recently launched the BullSequana Edge, the highest performing edge computing server on the market worldwide to manage data at the edge. The BullSequana Edge has been designed to be used securely for IoT, in environments in which fast response times are critical, such as manufacturing 4.0, autonomous vehicles, healthcare and retail/airport security where data needs to be processed and analysed at the edge in real-time.

Atos is clearly not a new player in the field of IoT as for more than a decade our IoT solutions and large-scale IoT deployments helped a growing number of Atos' business customers improve bottom lines, enhance products, streamline operations and create new revenue streams.

Some concrete business outcomes we have achieved for our customers include:

- 36% fuel loss reduction for a leading national oil company;
- 50% faster Go-to-Market for and Appliance manufacturer;
- 5% fuel efficiency for a major shipping company;
- 2-7% opportunity for sales increase for a drink manufacturer;
- 10% more product margin for a Pharmaceutical company;
- 20% improvement men time to response for Wind Turbine operator.

A lot of assets and intellectual property has been developed over the last few years and we have credible references and proven scale with millions of devices securely in production, such as smart grid end points, connected home appliances, connected trucks and vehicles, connected coolers, smart lighting, connected fuel pumps and other industrial connections.

The future will put IoT and Edge architectures center stage of the digital enterprise. Our innovations in Edge and Swarm Computing, Artificial Intelligence and Machine Learning, Security, Digital Twin and Smart Data Services combined with an extended focus on industry expertise will pave the way to strategically position Atos as one of the major digital service providers in the 2020s. We have strongly invested to build the foundation and to become a trusted operator for the next generation of digital business ecosystems.

C.2.7 Technology Transformation Services

Infrastructure & Data Management' comprehensive Technology Transformation Services (TTS) portfolio assists clients embrace business reinvention through digital transformation. Technology Transformation Services new solutions are architecting, provisioning, building and integrating a future state technology eco-system which supports Infrastructure & Data Management clients' agility and sustainability for IT and business growth. Infrastructure & Data Management approach and best practices leverage proven blueprints that deliver expected outcomes and create business and IT value with a focus on industry specific business requirements. Technology Transformation Services solutions are customizable and flexible to help clients create their workplace of the future, innovate the way they work, build the foundation for their cloud environment, and transform for tomorrow's computing and digital service needs. Services and solutions delivered by Technology Transformation Services span the IT spectrum from the workplace to the data center and from the data center to the cloud to meet the demands of today's digital business:

- **Workplace Transformation services** provide cloud, fixed and mobile solutions for a Digital Workplace, with the latest innovations in delivering end-user compute environments, native cloud office services, and unified communications for consumption on any device at any time for an enhanced user experience;
- **Data Center Transformation services** provide a set of project services and turnkey solutions from the Data Center over the Edge to the Cloud to enable your hybrid/multi-cloud IT backbone for todays and tomorrows application landscapes. This includes Private & Public cloud leveraging market leading technology partners. The set of services is complemented by turnkey solutions like Enterprise DevOps Infrastructure as landing platform for digital native applications and Data Center modernization assessment services to ensure future readiness of the customers Data Center landscape;
- **Application Platforming services** provide application migration, platform enablement and DevOps enablement services to empower customers to master the digital Software supply chain delivering business and critical applications – future-ready, cost efficient and secure. The scope of services is complemented by a set of assessment and performance management services to help customers to get insights on the as-is environment and to ensure business continuity and customer experience during the application lifetime. The services are leveraging market leading technology partners;
- **Service Integration** provides the fundamental implementation and orchestration of IT Management and Enterprise Services, using the ServiceNow solutions suite to enable seamless integration and automation of traditional IT and business services, for enterprise management. Following the acquisition of the ServiceNow Gold Partners, Engage ESM and imaKumo, we have created a global center of excellence, providing a true 24x7 "follow the sun" consulting and operational support capability as a key service for global customers.

All Technology Transformation Services project services are executed by certified experts and following our output driven standard transformation covering assessment, advisory, design, build, implementation and integration.

Together with the strong ecosystem of partners, Technology Transformation Services core offerings provide the infrastructure technology, and the optional services to maintain, monitor, and proactively manage the infrastructure to ensure transformed environments are operational and available 24x7.

C.2.8 Business Transformation Services

Atos has one of the leading Business Process Outsourcing (BPO) businesses in the United Kingdom especially in Business Transformation Services. The combined direct headcount represents over 4,000 staff, with a sizeable proportion of offshore utilization through a dedicated Business Process Outsourcing team in its Global Delivery Centre. One of the key differentiators, particularly in Public Services, Financial Services and Health, is that in these sectors Infrastructure & Data Management manages the full end-to-end service, deploying digital technology, transformation and employees with specific technical and industry expertise. This enables Infrastructure & Data Management to add value via its domain expertise in addition to the traditional benefits associated with Business Process Outsourcing.

Atos continued to capture business thanks to continued success in industry leading customer contact centers, case and document management and print operations, as well as bookings and account relationship management systems that are unique in the marketplace. Atos' growing focus and expertise in customer experience is also providing Atos' clients and their customers with a unique understanding of the transformation required and its huge impact on service and quality.

Atos also foresees that the integration of Robotic Process Automation (RPA) is vital to apply as it will outmatch the operational cost savings in comparison to the cost benefits of an old-style Business Process Outsourcing labor arbitrage. Atos intends to be at the forefront of this development by leveraging its new Robotic Process Automation (RPA) capabilities and strategic partnerships with Robotic Process Automation (RPA) technology and service providers such as Thoughtonomy and UiPath.

C.2.9 Automation

With customer centric approach to automation through a dedicated, account aligned teams and streamlined methodology, Infrastructure & Data Management has industrialized deployment of automation. With a unique modularized automation toolset strategy, centered around machine learning enabled Artificial Intelligence (AI) engine and deep learning, structured processes like incident management, ticket resolution, service desk requests like password reset are set to be fully automated.

As a next evolutionary step, leveraging true machine learning, predictive analytic Artificial Intelligence (AI) engines are being piloted to anticipate potential failures and to initiate proactive remediation.

C.3 Business & Platform Solutions

In today's digital world, the place where technology and business come together is the platform. The Atos Business & Platform Solutions (B&PS) Division works with its clients to enable them to deliver on their own digital journey. The integration of Atos Syntel into our Business & Platform Solutions business brings with it "Digital at Scale" to strengthen our Business & Platform Solutions offering portfolio. Atos Syntel brings industrial-strength execution capabilities in North America and the Financial Services market, as well as world-class Global Delivery Centers designed with the needs of our global clients in mind. Our Global accounts benefit from the Global capabilities Atos Syntel. The Public and Regional business in Business & Platform Solutions focuses on Public Sector and Local clients, bringing the value of our local expertise close to the client and Global capabilities to deliver business and technology change and transformation.

C.3.1 Digital Transformation continues to reshape the Business & Platform Solutions market

The digital revolution continues to accelerate, and accordingly, our digital solution framework continues to gain market traction.

The scale of the changes brought by digitalization across every industry has reshaped the way Atos clients consume technology and services. Our clients continue to shift their priorities and budgets to digital initiatives that support their business, and implement business-driven technologies for customer experience, process automation and data insights.

Business & Platform Solutions provides the business platforms, skills and experience that our clients need to meet all of these challenges, as relationships in their own business environment change through customer experience, automation and digital insights using data analytics and machine-based data.

Throughout 2019, Business & Platform Solutions has continued to evolve its portfolio of offerings, along with all the associated portfolio assets.

Business & Platform Solutions continues to support Atos' clients with its business applications landscape. Business & Platform Solutions delivers cost reduction through legacy application modernization, cloud-based applications, the use of automation, and artificial intelligence. Our integrated approach is delivering on our client's needs — whether they are buying as part of an outsourcing arrangement or on a project-by-project basis.

Guided by our mission to be a trusted partner for our customers in these times of rapid change, Business & Platform Solutions engaged with our customers on some significant digitalization projects in 2019, such as:

- leading European Defence manufacturer: Atos are delivering a fully automated IoT (Internet of Things) platform on a secure cloud-based application environment enabling their customers to share information, applications and machine learning securely across multiple countries;
- Autobahn GmbH des Bundes: Atos will design and develop the future ERP system based on SAP S/4HANA as well as consolidate existing systems and roll-out them;
- French Government Agency: Atos are delivering end to end Cloud transformation services leveraging Syntel Native development expertise with Pivotal;
- gobal distributor of Electronic, Electrical & Industrial components: Atos set up a Digital Twin for their e-commerce site; to enable smoother deployments, without failure, using Global Cloud as a platform for change;
- global conglomerate for Transport, Logistics and Energy: Atos developed and deployed a Vessel Optimization Platform based on a Pre-Integrated IoT (Internet of Things) solution and development of advanced analytics business use cases. This enabled our client to optimize their fuel consumption and CO_2 emissions, savings through predictive maintenance, asset utilization and availability;
- leading luxury car manufacturer: Atos delivered a Connected Car & Mobility Platform bringing a scalable, on-demand solution aligned with the business needs including the full security & data privacy requirements using Cloud Foundry.

C.3.2 Business & Platform Solutions organization matching customer needs

A new unit has been created within the Atos Business & Platform Solutions organization, operating under the Atos Syntel brand to deliver "Digital at Scale" to clients. This unit is focused on the existing Atos Syntel accounts and expanded to include North America, UK Private Sector, Global and Strategic Accounts.

Alongside Atos Syntel, the Business & Platform Solutions Public and Regional business focuses on the Public Sector, Defence and Private Sector clients across the globe. Application Services focus on scale, industrial delivery and cost, while Digital Transformation mobilizes a local and agile workforce with digital skills and expertise.

C.3.2.1 Atos-Syntel

Atos Syntel's hallmark is industrial-strength capabilities in North America and in the Financial Services. In addition, it increases our automation and artificial intelligence capabilities through the SyntBots platform, and brings Global Delivery Centers with class-leading capabilities.

Atos Syntel delivers "Digital at Scale" to clients through three value levers:

- **accelerate the digital journey:** increase enterprise agility and business performance through end-to-end accountability for digital transformation. Key services include digital customer experience, mobile applications, analytics for insight-driven decisions, Agile development on cloud native platforms, smart devices and IoT, and industry-specific digital solutions;
- **serve mission-critical business**: evolve clients' infrastructure and applications to "Digital Native" standards to help them exceed customer expectations. Key services include application modernization, microservices, cybersecurity, cloud, big data analytics and cognitive automation;
- **Deliver scale and flexibility**: meet fast-changing business requirements combining local context and operational excellence at scale through global delivery and a digital-ready workforce.

C.3.2.2 Business & Platform Solutions Public and Regional

Our Business & Platform Solutions Public and Regional business focuses on those clients in Public and Private sector where close proximity is important, leveraging both Atos Global and Local capabilities to bring business change and new business outcomes.

Business & Platform Solutions Public and Regional business brings Application Transformation Services, Digital Transformation Services and Atos Consulting practices to serve our clients in both the Public and Private Sectors.

C.3.2.2.1 Application Transformation Services

The focus of Application Transformation Services is improving our clients' competitiveness though business and application transformation and cost reduction.

Application Transformation Services combine service transformation, application modernization, operational excellence and efficiencies using automation and artificial intelligence, including the Atos Intelligent Automation Platform (AIAP) and the Atos Syntel SyntBots Platform.

Global factories guarantee consistency, standardization and cost competitive delivery on a global scale. Our Global Delivery Centers in India, Poland and Bulgaria, supported by our regional delivery centers, provide our clients with an end-to-end network offering the highest business value in the most cost-efficient model with a uniform process.

Atos' global factory in India has been combined into the Atos Syntel Delivery Center to deliver scale and flexibility for our global clients' requirements.

Our Enterprise Platform Solutions practice helps clients integrate multiple platforms and products (like SAP, Oracle and Microsoft) into a single business solution.

The Application Transformation Services manage end-to-end services and commit to business outcomes.

C.3.2.2.2 Digital Transformation Services

In this area, Business & Platform Solutions is exploiting its proximity to its clients as 15,000 staff work close to them, leveraging investments in digital technologies, and digital platforms and solutions.

The Business & Platform Solutions Digital offering consists of an end-to-end approach covering the entire digital ecosystem, from Consulting Services to full Digital Transformation, addressing business areas such as Digital Commerce, Digital Integration, Cloud Solutions and Services, Analytics and IoT through *Codex*, Atos' fully integrated and cross market end-to-end analytics solutions for connected intelligence.

The Atos Digital offering provides services and solutions that enable organizations to maximize the value of their data quickly and cost efficiently. It specifically focuses on the following key aspects of digital transformation for Atos clients:

- increasingly connected solutions that are specific to the client and the market they operate in;
- improved business efficiency through digitalization of processes;
- customer and business insights through *Codex* connected intelligence, leveraging IoT platforms;
- secure mobile solutions integrated into their wider business applications;
- increased connections with consumers through Social Media;
- the advantages of cloud in terms of innovation, agility and flexibility;
- the end-to-end capability to address both the needs of the client in the digital world and connect to or transform their existing legacy estates;
- using the latest delivery methods such as DevOps and Agile with market-leading technology partners.

C.3.2.2.3 Atos Consulting

Atos Consulting's role is to help clients deliver measurable business value through the smart application of business technology. The consulting unit offers a range of cost effective transformation and innovative solutions which support clients on their digital transformation journey. The unit combines its depth of knowledge in business and technology areas to deliver industry specific solutions - especially for the public, healthcare, manufacturing, retail, and transport sectors.

Atos consulting offerings are managed in five global practices:

- **Digital Transformation**, which focuses on helping clients to move forward their digital business agenda by, amongst others, advising how they digitally engage with customers, improving collaboration, and applying data analytics to derive business insights;
- **Digital Technology Unit**, which works in conjunction with the other practices to define a digital technology strategy and show value quickly through proofs of concept;
- **IT Strategy & Transformation**, supporting executive teams in the transformation of their organizations by optimizing the IT landscape, leveraging cloud-based solutions, and introducing agile ways of application development;
- **Information Governance, Risk, and Compliance**, which helps clients manage the risks and threats associated with information security, privacy, and data protection;
- **Business Performance Improvement**, which focuses on helping clients reduce costs and improve performance through operational excellence.

C.3.3 Key changes that will allow for margin uplift

Atos Business & Platform Solutions has integrated Atos Syntel into the Business & Platform Solutions operating model. Our Global Accounts have been migrated into Atos Syntel to deliver the next step in performance and business synergies through the use of Atos Syntel global capabilities.

C.3.3.1 Operating model changes

Atos Syntel combines Atos' scale, market presence, and capabilities in Orchestrated Hybrid Cloud, big data, business applications, and digital workplace solutions with Syntel's industry focus, global delivery model, and core and digital services powered by intelligent automation. Atos Syntel partners with clients in the financial services, insurance, manufacturing, retail, logistics, healthcare, telecom, media and technology industries.

Atos Syntel provides advantages and synergies to deliver enhanced capabilities with Business & Platform Solutions. These include a larger footprint in North America, a portfolio of longstanding partnerships with blue chip clients, increased expertise in financial services, insurance, and healthcare, innovative new IP for digital transformation and intelligent automation, greater scalability in staffing and resource planning, and a best-in-class global delivery platform with one of the highest margins in the industry.

C.3.3.2 Increasing the account segmentation

The account segmentation has continued through 2019 across Atos Syntel and Business & Platform Solutions Public and Regional driving growth and profitability through industry specific and "digital at scale" propositions:

- **strategic international private sector clients.** Business & Platform Solutions have expanded the global approach and industrialization into these accounts. Indeed, this set of accounts, along with the North America and UK Private Sector clients, are now in the Atos Syntel unit to drive next-level business growth and margins through synergies;
- **public and regional clients** benefit from industrialization best practices and offshoring. They are benefiting from the implementation of Atos industry solutions, Business & Platform Solutions local and global capabilities, embedding artificial intelligence and automation;
- **local accounts** require client proximity which is boosted by Business & Platform Solutions' onshore capabilities. For this type of client, Business & Platform Solutions is focused mainly on staffing and delivering flexible services.

C.4 Big Data & Cybersecurity

Big Data & Cybersecurity (BDS) Division gathers the Big Data, Security and Mission-Critical Systems expertise developed in house. This advanced know-how meets critical customer challenges in processing today's and tomorrow's gigantic volumes of data, connect people, data and things to create business value, and fully protect all of them. As such, it deeply contributes to make Atos the trusted partner of organizations that intend to leverage the benefits of the new "Economy of Data" that is rising today, notably through the development of "Artificial Intelligence" and the Internet of Things (IoT).

The Division is structured in five complementary businesses that help customers build trusted intelligent platforms:

- Big Data: uniquely powerful Hardware/Software solutions and services to compute massive data flows and turn them into business outcomes;
- HPC: High-performance technologies for computing, digital simulation and Artificial Intelligence;
- Cybersecurity products: intelligent platforms for digital security, trust & compliance;
- Cybersecurity services: expertise of business technologists to build ongoing up to date extreme security;
- Mission Critical Systems: highly efficient mission systems for organizations that ensure the wellbeing of people, protection of nations and integrity of infrastructures. They particularly address the homeland security, defense, telco, aerospace and transportation sectors.

The Division relies on R&D teams whose expertise is recognized internationally and strongly contributes to the development of Atos technology portfolio, from infrastructures to smart data platforms and industry solutions.

C.4.1 Big Data & HPC: from the value of the data to the power of Artificial Intelligence

Big Data & Cybersecurity is the only European designer and manufacturer in HPC (High Performance Computing) and Big Data, and a pioneer of next generation analytic platforms ("trusted intelligent platforms") that will be at the heart of tomorrow's business information systems, notably with the development of the Internet of Things (IoT) and Artificial Intelligence (AI). These domains represent a strategic, and very high growth market. By providing high-performance infrastructures and platforms for real time computing and specific designed server for AI, analytics, real time computing and cloud delivery, Big Data & Cybersecurity offerings are at the heart of Atos innovations in next generation infrastructures, smart data platforms and industry solutions:

- **Big Data software and services**: through its expertise in parallel computing and in Big Data, the Division designs on-measure analytic, simulation algorithms and software platforms. These offerings rely on the Division global mastery of the Data Management chain (from acquisition to decision-making) and of the various analysis modes that can be used, depending on business context and needs (real time event processing, complex analytics, massive data analysis, machine learning and deep learning). This breadth of offerings enables customers to unleash the value of data and get true competitive advantage in all strategic domains from innovative customer relationship, business reinvention, operational excellence to trust and compliance, as the exponential growth of intelligent sensors and devices is generating an unprecedent amount of data in all industries;
- **high-performance computing and high-end platforms:** as one of the main players in High Performance Computing (HPC) and a pioneer in Quantum Computing, Big Data & Cybersecurity is the designer, maker and integrator of numerous of the most powerful supercomputers worldwide. In 2019, the Division has won new markets around the world with the leading exascale-class supercomputers & servers, BullSequana Series X. The new BullSequana XH 2000 is a hybrid supercomputer which responds to today's demand for high-performance computing power that can handle converged workloads simultaneously, and offers the flexibility to run these workloads in the Cloud or on-premises. Also recognized as the #1 European solution in large open servers, BullSequana S series enables real time analysis for very large data sets, notably for new generation "in memory" software such as SAP HANA environment for which BullSequana S series supports the largest implementation worldwide. BullSequana S series also targets intensive computing usages such as the consolidation of Oracle databases and new generation converged infrastructures for "datalakes", Artificial Intelligence, private clouds and virtualization. As a strong signal of such top-class technology, three world class companies signed with Atos a reselling agreement: Cisco, Dell-EMC & Hitachi Vantara. Powerful processing and machine learning inference are required at the edge of the networks to enable transformative AI and IoT applications: by 2025, 75% of data will be created and processed at the edge, compared to only 10% today. BullSequana Edge servers have been launched in 2019 to meet these challenges, targeting this very high-growth, highly strategic market for the future. Lastbut not least, taking advantage of its expertise in HPC and cyber security, the Division continues its commitment in the second quantum revolution signing additional deals with key technology partners (Hartree in the UK&I), as part of an ambitious cross-functional research project, Atos delivered the world's highest-performing quantum simulator to Total

(multinational energy company). In 2019, Atos partnered with Zapata, a leading enterprise software company for quantum applications, to address the vertical markets and deliver complete quantum computing solution to the enterprise;

- **GCOS servers and Legacy modernization solutions:** the Division provides new generation servers and software solutions that leverage existing Bull GCOS mainframe environments for the long run and migrate competing mainframe environments (notably IBM) towards open environments. As a whole, these solutions enable organizations to leverage their historical application and data capital, while increasing business agility and reducing costs. The BullSequana M is the new generation of servers supporting the GCOS software.

C.4.2 Cybersecurity

In the security domain, Atos is considered as the n°1 European player and as a world-class leader in digital cybersecurity, in a high-growth market. The cybersecurity business unit is covering cybersecurity services as well as cybersecurity products for which we own the intellectual property. With the latter Atos is bringing an additional layer of trust to support its customers in their digital transformation.

This end-to-end security expertise, strengthened by a very active R&D in Identity and Access Management, encryption, PKI (Public Key Infrastructure) and Internet of Things (IoT) security as well as an expertise in analytics technologies enables Atos to go beyond predictive security with prescriptive security analytic solutions that are very innovative on the market. For its customers, Atos can therefore manage the whole security process, from consulting to operation, and position as a trusted partner of organizations benefitting from its own technologies and meeting both the concerns of security specialists, executive management, and business functions.

C.4.2.1 Cybersecurity services: the expertise of business technologists to build ongoing up to date extreme security

The cybersecurity services activity is split in two different activities:

- **security advisor:** these services enable organizations to audit their security and compliance levels (PCI DSS, ISO 27001, etc.) to define and integrate the most adapted security policies and solutions – depending on their business context and needs. With the convergence of the IT (Information Technology) and OT (Operational Technology) world, Atos has developed a strong expertise in consulting to support its customers in the Industrial security journey. Atos experts help their customers understand their risk exposure and build their cybersecurity strategy by strengthening the security level of the organization with security services and solutions;
- **integration & operation services:** to face the increasing number of ever more sophisticated cyberattacks, (such as ransomware, DDOs (Distributed Denial of Service), botnet, Advanced Persistent Threats, cryptomining, phishing), customers require constant and efficient security solutions so that they can remain focused on their core business. With its Prescriptive Security Operations Center (PSOC) combined with Atos Big Data analytics capabilities and powered by BullSequana S servers, the new security solution makes it possible for customers to predict security threats before they even occur. Detection and neutralization time are improved significantly compared to existing solutions. The Atos Data Lake Appliance powered by BullSequana S and Atos research in Artificial Intelligence is at the heart of what makes our Prescriptive Security Operations Center (PSOC) unique. With the growing number of connected objects in the Operational Technology (OT) and the Internet of Things (IoT) world, Atos is also developing orchestration and monitoring of the connected objects to ensure to manufacturing companies a comprehensive view of their OT (Operational Technology) landscape. Cloud adoption and digital transformation being at the heart of the companies' strategies, Big Data & Cybersecurity is proposing security services and technologies to strengthen, support and manage the security of those new environments.

C.4.2.2 Cybersecurity products: the niche state of the art technology for extreme security

The cybersecurity products include four different activities:

- **Identity Governance & Management Software: make sure right people access right resource at the right time.** Big Data & Cybersecurity is recognized as the major European player in Identity Governance and Management (IGA: directory, user provisioning, access control…) by industry analysts such as Gartner and Kuppingercole with notably its Evidian offerings. This high growth strategic domain enables organizations to manage their employees and customers with a high level of protection, compliance and trust. Big Data & Cybersecurity has taken the "as a service" mode with Evidian Web Access Management as-a-Service (WAM aaS) and Evidian Enterprise Single Sign-On as-a-Service (E-SSO aaS). This is the only solution on the market that enables users to access their applications, without the need to enter passwords, on both Cloud-based and on-premises applications. In 2019, Evidian has obtained the France Cybersecurity label for its Evidian products recognizing the high level of security of the product;
- **Data Security Products: encryption, the key to protect your data.** Big Data & Cybersecurity offers comprehensive data encryption solutions, to protect sensitive data and effectively manage data security relying on its Trustway range of products. This powerful platform enables businesses to protect, manage securely and migrate sensitive data wherever it resides, on-premises or in virtual, public, private or hybrid Cloud environments. With its Trustway Dataprotect solution, which is a combination of Trustway Hardware Security Module (HSM) with a "Thalès Software Inside" Data Protection suite, Big Data & Cybersecurity is providing clients with a complete end-to-end and interoperable data encryption solution. With its Trustway IP Protect encryptor range, the Division is providing data protection in motion. This 100% European solution, assembles the most advanced security features to enable businesses to effectively protect themselves against the theft of sensitive data;
- **IoT Security Solutions: trusted identities for people and devices.** The Internet of Things (IoT) is leading the way for a digital transformation in all sectors: SmartCity, SmartGrid, SmartHealth, SmartFactory, SmartCar… In this complex context, Big Data & Cybersecurity with its Horus solutions provides trust services of the Internet of Everything (IoE) and ensures the safety of the Internet of Things on every level. Our Digital Identities offer guarantees that exchanges of Data are totally protected, by enabling applications to integrate authentication, non-repudiation and confidentiality services. Big Data & Cybersecurity is providing trust infrastructures appliances, a complete range of pre-configured software appliances to support the deployment of trust services based on digital identities. There are five in total: Public Key Infrastructure (PKI), electronic signatures, timestamping, user explicit consent for qualified signature and blockchain services;
- **trusted digital identities.** Big Data & Cybersecurity has reinforced its cybersecurity products offering with the acquisition of IDnomic, a Public Key Infrastructure (PKI) software vendor. The IDnomic product range is covering three main areas: businesses, states and connected devices. In businesses, Big Data & Cybersecurity secures access of companies' employees and subcontractors to services and data from any network, wherever they may be. With the growth of digitalization in states, Big Data & Cybersecurity is protecting the digital identities of citizens who need identity documents for verification purposes, travelling or accessing e-government services. With IDnomic, the Division is also reinforcing its positioning on Internet of Things security for connected devices complementing the Horus product range.

C.4.3 Mission Critical Systems: providing efficiency and safety for mission-critical activities

Big Data & Cybersecurity is positioned as a major European player for mission-critical systems in defense, homeland security, telecom and critical industries. Big Data & Cybersecurity Mission-Critical Systems (MCS) supplies products and systems in three main areas:

- **Critical Communications:** Atos designs and produces a range of solutions that deliver secure, resilient communication systems for field operations in Homeland Security and Defense, as well as critical connectivity for Industry 4.0, energy, transportation and smart cities. The offering delivers 4G/5G connectivity in a form factor designed for critical usage, integrated with legacy PMR/LMR (Private/Land Mobile Radio) solutions. This includes compact transportable private LTE (Long Term Evolution) networks, secure smartphones, portable modules ensuring communication resilience, mission recorders and gateways to legacy PMR/LMR (Private/Land Mobile Radio). In June 2019 at Critical Communications World in Kuala Lumpur, Atos presented its first converged offerings resulting from the 2018 acquisition of Siemens Convergence Creators and Air-Lynx. In addition, Atos supplies a broad range of integration and support services for professional mobile radio systems. Atos position itself as technology provider as well as telecom system supplier with a strong ambition to expand in new geographies especially Asia and North America. As a result, Atos and energy company Ørsted signed in 2019 a frame agreement to supply critical communications to offshore wind farms;

- **Command, Control and Intelligence**: Atos supplies innovative and proven solutions in Command and Control for defense and homeland security. This activity is grounded in Atos-developed software designed to be integrated with sensors and field communication modules. The Bull BMS (Battle Management System) software was selected by the French Army as the basis of SICS, France's single unified battle management system within the SCORPION program. The GEMMA software equips Public Safety Answering Points (PSAP) for emergency management, protecting millions of citizens in Europe. Atos also delivers Codex for Intelligence, an integrated software platform using big data technology to handle the information gathered by intelligence processes, providing intelligence analysts with an alerting, analysis and decision-making environment. In May 2019 was announced the selection of Atos for Phase II of project Artemis, the future sovereign 'infostructure' of the French Ministry of the Armed Forces;
- **Aerospace and Defense Electronics:** Atos designs and manufactures a range of modules designed to be integrated into defense and civilian systems. The BEN Marine range of navigation instruments equips many civilian and military ships worldwide, including most active French military ships. The Avantix line of electronic warfare modules delivers signals intelligence, including a line of ELINT radar characterization and analysis. The Air-Land-Sea electronics activity supplies onboard equipment for communication, processing and analysis. The Atos SkyMon system offers several interference mitigation tools. It detects, analyze and localize interferences affecting satellites and its ground stations. Lastly, the Atos EGSE line of satellite ground support equipment helps to validate the power and radio subsystems of satellites before launch. Targeted at the developing offer of satellite and payload manufacturers, Atos EGSE is used in validating the OneWeb satellites that were first launched in February 2019.

The mission-critical systems activity benefits from a strong convergence with Atos cybersecurity, analytics, High Performance Computing (HPC) and Big Data technologies to create the intelligent defense, homeland security and industrial systems of tomorrow.

C.4.4 R&D in the DNA of the Division

Big Data & Cybersecurity R&D is a multidisciplinary team mainly composed of engineers and PHDs. It has developed expertise in software development (in Cyber Security, critical systems, IoT, parallel computing, Artificial Intelligence, operating systems, specialized information systems, user solutions/as a Service, telecommunications), design of complex hardware systems (supercomputers, motherboards, Hardware Security Module), in the design of specialized components such as ASIC (interconnect, node controller), Quantum computing (algorithms, simulation), mechanical design (servers), fluid mechanics and thermal engineering (pumps, cooling, power supplies, specialized space systems).

The R&D team is involved in major global or European innovation programs in Digital Simulation, Big Data, Artificial Intelligence, Quantum, Cyber Security. In addition, the team collaborates with Atos Group clients by implementing co-development projects, in particular with the CEA (Commissariat à l'Énergie Atomique et aux énergies alternatives), recognized as one of the best public research organizations in the world, or with Siemens through a joint research and development program on artificial intelligence, data analysis and the design of "Edge" servers.

The R&D team collaborates with the world's leading R&D teams, such as AMD, Intel, nVidia, Dell EMC, VMware, Google, McAfee, Hitachi.

In 2019, the Division broke four world performance records on its BullSequana X hot water-cooled architecture. Thus, the Atos Group supercomputer associated with the processor AMD EPYC 7H12 has set a new benchmark for Linpack HPL performance by exceeding previous best performances by 11%.

In 2019, the Division began a transformation of its R&D around three main axes to anticipate future developments:

- **automation**: at the end of 2019, 95% of non-regression tests were automated and allowed the test and validation teams to focus on higher value tasks. Depending on the solutions, 50 to 80% of all integration tests are also automated, which reduces the overall development cycle of the solutions and makes it more predictable;
- **artificial intelligence**: with more than 50 engineers and specialized PHDs, and organized around an R&D laboratory dedicated to AI located in Echirolles (France) and dedicated to the development of the Division's solutions on Cyber Security (identification of abnormal behavior, prediction and prescription), on Vision (real-time image analysis), on Application Profiling (analysis of application behavior to optimize code execution in large infrastructures/supercomputers, reduce the ecological footprint, improve energy efficiency), on Data Center management (incident prediction, root cause analysis, preventive measures prescription);
- **software**: by deeply redeveloping several software blocks either to switch to a modular design (micro services and API), or to enable multi-tenancy (as a Service) support mainly in its Identification and Authentication solutions and supercomputing products.

In 2019, the R&D teams carried out a tape-out of the second generation of the BXI interconnect, which will be available in bulk in 2020, and which will unload the calculation components of the communication tasks by implementing them in the interconnect equipment.

2019 also saw the finalization of the full version of the BullSequana S server with the node controller to support up to 32 Intel processors. This server has been implemented in one of the world's largest public cloud providers, and has significantly improved performance compared to previous solutions.

The Quantum Learning Machine, launched in 2016, has a simplified open source myQLM version, available to existing customers, and allowing Quantum Simulation to be accessible to as many people as possible through the ability to be installed on any x86 compatible machine, including a simple laptop computer. It now allows researchers and students to take their Quantum simulations outside the university or laboratory network, and to carry out their developments without any network access constraints.

The development of as a Services functionalities for identification and authentication solutions are still ongoing. It makes possible to effectively complement functionalities that were previously only available on site (on premise).

2019 also saw the finalization of 2 IT-oriented solutions at the Edge (calculation as close as possible to the systems producing the data such as sensors, telephones, cameras, etc.):

- BullSequana Edge: the server that can be installed outside the Data Center, dedicated to Edge Computing type uses and with real computing power to support the execution of artificial intelligence inferences or local re-training of AI models;
- Embedded HSM: the miniaturized HSM (Hardware Security Module) solution, providing a physical layer of security and secret management.

C.5 Innovation and partnerships

Atos invests heavily in innovation in order to anticipate new trends so that it may develop IT solutions that fulfill clients' and stakeholders' expectations. Atos' position as a global leader in digital services has been reinforced through the acquisition of companies with strong technological mindset and expertise, in particular on cloud, Big Data, mobility, and cyber security in order to help Atos' clients to transform their businesses globally through the use of digital technologies. Atos' R&D spend of circa € 235 million per annum builds market-facing solutions which are developed around eight strategic technologies, driving a portfolio underpinned by 4,500 patents and a unique partner ecosystem.

The group innovation strategy is driven by the CTO office, supported by two key communities: the Scientific Community, created in 2009, and the Expert Community, created in 2017.

The Scientific Community, which celebrated its 10th anniversary in 2019, brings together more than 160 of the best business technologists from all Atos geographies and businesses. With their rich mix of skills and backgrounds, community members work together to anticipate upcoming technology disruptions and to craft Atos' vision of the future business and the technological challenges that its clients will face. They are 'creators of change'.

Atos Scientific Community members participate in a wide range of Atos activities:

- crafting the group's vision for the future of technology in business and anticipating the upcoming trends and technologies that will reshape businesses and society in the years ahead through the publication of its Journey Thought Leadership report. Journey 2022 'Resolving Digital Dilemmas' is the most recent publication in the series available online atos.net/journey-2022;
- contributing to other Atos Thought Leadership papers, including the Ascent Magazine, Look Out Industry trends report and White papers available online at atos.net/insights-and-innovation;
- mentoring the Atos IT Challenge, an annual competition encouraging the next generation of IT talents from universities across the world; 15 final teams emerged from the 2019 subject on Machine Learning for Sustainability, with the winner from TU Berlin submitting a project to reduce the amount of fertilizer and pesticide used in agriculture;
- in addition to solving clients' business challenges, they also support patent creation, participate in innovation workshops with clients and partners, and develop cutting-edge proofs of concept.

The 3-to-5-year vision of the Scientific Community has evolved into a 1-to-3-year perspective by the Expert Community which analyzes the key emerging technologies and develops adoption strategies for both short and long term. The Expert Community comprises of more than 2,200 experts across more than 51 countries at 4 grades of expertise (Expert, Senior Expert, Distinguished Expert and Fellow). All experts belong to a specific Technology Domain which addresses a specific vision and scope and anticipates its evolution. The Expert Community develops the expertise and skills of our key experts, providing an environment within which they can learn and collaborate, enabling disruptive innovation across organizational boundaries.

Our Advance 2021 portfolio is fueled by our long-term vision, detailed in Atos Journey 2022, and underpinned by the Atos' eight strategic technologies (more on next section C.5.1) fuels, in a data-driven and cyber security by design approach, around:

- ecosystem of multiple infrastructures;
- smart data platforms & services;
- industry expertise & solutions.

From this approach, and vision of technologies, concrete innovations have been launched and made available to our customers over the past year. In particular, Atos launched at its institutional and annual event celebrating innovation, Atos Technology Days 2019, myQLM, a new program providing researchers, students and developers quantum programming tools for free, and BullSequana Edge, the highest-performing edge computing server on the market worldwide to manage data at the edge.

Atos has also delivered other major innovations in the domain of cloud, the launch of a new Digital Hybrid Cloud offering with VMware and developed a secure space using Google Cloud's G Suite collaborative suite for highly sensitive information.

C.5.1 Research & Development

The cornerstone of our innovation strategy is the development of market facing solutions developed around our eight strategic technologies in our 18 Atos R&D labs across 8 countries, with a sustainable, ethical and cybersecurity by design approach.

These investments create value for our customers in their digital transformation journey, bringing services and solutions to market that are breakthroughs for their industries.

Our 8 strategic technologies are the following:

- **Advance Computing**: advanced HW systems (HPC, enterprise, edge) + associated SW stack and Quantum program;
- **AI**: Artificial Intelligence related programs, including AI models, algorithms and ML;
- **automation**: design of all the tooling for automation and the technology to enable IT operations automation;
- **Edge**: design and management of edge devices including IOT sensors and local compute capabilities (HW, SW);
- **immersive experience**: solutions that address digital workplace evolution including communication, collaboration and any SW enabling human interactions driving the future of work;
- **Hybrid Cloud**: agnostic multi cloud management as well as dedicated solutions with our hyperscaler partners;
- **modern applications**: encompassing the design, development, deployment and management of "cloud native" applications allowing faster time to market, taking full advantage of cloud-based infrastructures and platforms;
- **Cyber Security**: technologies enabling E2E threat management in SOC, ID & access management and IT/OT encryption.

The development of those eight strategic technologies is supported by an ecosystem of partners and startups. A number of Atos' R&D projects are also part of governmental or European initiatives, demonstrating our capability to federate ecosystems and the forward-looking nature of our research topics. For instance, Atos will supply its BullSequana XH2000 supercomputers, one of the most powerful meteorological supercomputers in the world to the European Centre for Medium-Range Weather Forecasts (ECMWF). It will increase ECMWF's computing power by a factor of around 5 and will support hundreds of researchers from over 30 countries across Europe in their work on medium and long-range weather forecasting and prediction.

Our continuous investment in R&D has also enabled Atos to offer the best of our technologies to our clients:

- Veolia chose Atos to develop its secure collaborative environment with G Suite from Google Cloud. The controlled space will allow Veolia employees to confidently manage their documents through a collaborative environment based securely in the cloud - and benefit from the G Suite user experience;
- public organizations, like State of California and Dutch municipalities, trusted Atos to deliver leading-edge communication platforms. State of California selected Atos to transform the state's 9-1-1 emergency services system to leading-edge broadband communication platforms. Through this, California will have the ability to intelligently route, manage and deliver a broad array of real-time information, including SMS and Real Time Text (RTT) to 9-1-1. Dutch municipalities, as part of their GT-Connect project, selected Atos to provide an innovative collaborative platform for governmental communications;
- many companies, from the health, financial or insurance sectors, trusted Atos to deliver automated solutions coupled with AI. As an example, Atos' automated fraud detection solution offers our clients an AI monitored and processed B2B payment alerts for suspicious transactions.

Through R&D, Atos is able to create strong value for its customers and to leverage it together with its technology partners.

C.5.2 A unique ecosystem of technological partners

Alliances and partnerships are key in the Group's strategy to further grow its market share in specific services and markets that can fully benefit from combining and leveraging skills, resources and/or local knowledge for innovation.

Atos partnership approach consists of collaborating with a selected eco-system of partners, both market leaders and innovative new entrants. This leverages an extensive technology portfolio to deliver world-class solutions that bring tangible business benefits to clients across our geographies and markets.

As part of the **Atos Siemens alliance**, there is a joint go to market strategy in several identified fields (Manufacturing, Healthcare, Energy, Mobility…) to address new opportunities. Siemens is Atos' largest client and shareholder. Siemens and Atos recently put a special emphasis on cybersecurity for industrial companies. The offer ranges from security assessment, installation of protective mechanisms to the continuous monitoring of plants and offices. This is a fine example of building and providing integrated solutions to the market.

Here are some of our alliances that drive business forward:

- **Atos and Worldline:** This partnership has strong synergies in digital & payment services enabling us to deliver unrivalled value propositions. Our Alliance spans across multiple domains, including sales and marketing, R&D and innovation, HR and talent management, and Procurement;
- **Atos and Dell Technologies**: Atos and Dell EMC will resell Atos' high-end 8 to 16 sockets x86 Bull SequanaS servers and also sell Digital Hybrid Cloud (DHC) offering, a fully-managed hybrid cloud solution, with VMware, offering customers a path to a multi-cloud solution to accelerate time-to-market and reduce TCO. Jointly, Atos and Dell Technologies will digitally empower the Enterprise of tomorrow with world-class Managed Services with a scalable end-to-end approach;
- **Atos and Google Cloud:** The partnership supports customers through the Atos Digital Transformation Factory in three key areas: secure hybrid cloud, artificial intelligence (AI) and machine learning (ML), and productivity and collaboration solutions. Atos has created four Innovation Labs in Europe and North America to focus on ML and AI (Paris, London, Munich, Dallas);
- **Atos and SAP:** Atos is an end-to-end service provider for SAP services, including S/4 HANA transformation, SAP licenses, SAP Operation and Hosting and HANA hardware with our Bullion Appliances. The partnership also addresses business requirements across sectors. For example, under manufacturing covering discrete manufacturing and automotive, IoT integration scenarios using SAP Leonardo e.g. Predictive/Prescriptive Maintenance;
- **Atos and Microsoft:** This partnership covers an array of services including digital workplace services based on O365, hybrid cloud management using the power and agility of Azure, cloudification to Azure involving migration of legacy applications, intelligent collaboration using tools such as SharePoint ECM, Skype etc and last but not the least innovative use cases covering Codex analytics/IOT and Azure stack solutions;
- **Atos and AWS:** Atos in partnership with AWS has capabilities ranging from digital transformation and cloud advisory consulting, to migration and application transformation services, to next generation Managed Services leveraging automation and DevOps.

Bottomline: Each partner in the ecosystem can majorly contribute to delivering value faster, better and cheaper. Irrespective of the category of partnership, the key is to maintain trusted level of transparency and spirit of partnership at various levels/stages to ensure a win-win sustainable journey.

D

Corporate Responsibility

D.1 Extra financial performance in Atos 2019 Ambition

D.1.1 Building an integrated thinking

[GRI 102-18], [GRI 102-19], [GRI 102-20], [GRI 102-21], [GRI 102-26], [GRI 102-27], [GRI 102-29], [GRI 102-30], [GRI 102-31], [GRI 102-32], [GRI 103-2 Economic performance], [GRI 103-2 Market presence], [GRI 103-2 Indirect economic impacts], [GRI 103-2 Procurement practices], [GRI 103-2 Anti-Corruption], [GRI 103-2 Energy], [GRI 103-2 Emissions], [GRI 103-2 Employment], [GRI 103-2 Training and education], [GRI 103-2 Diversity and equal opportunity], [GRI 103-2 Customer privacy], [GRI 103-2 Socio-economic compliance], [GRI 103-2 Atos specific indicators]

D.1.1.1 Vision

[GRI 103-2 Economic performance], [GRI 103-2 Market presence], [GRI 103-2 Indirect economic impacts], [GRI 103-2 Procurement practices], [GRI 103-2 Anti-Corruption], [GRI 103-2 Energy], [GRI 103-2 Emissions], [GRI 103-2 Employment], [GRI 103-2 Training and education], [GRI 103-2 Diversity and equal opportunity], [GRI 103-2 Customer privacy], [GRI 103-2 Socio-economic compliance], [GRI 103-2 Atos specific indicators]

As the data economy grows, so too is the opportunity growing for Atos to create value for its customers, stakeholders and society in general from its leadership in CSR.

Within the IT sector, Atos is a recognized pioneer in rising to the sustainability challenges faced by the industry. From carbon-neutral hosting services to compliance with data privacy regulations to supporting diversity and accessibility in the workforce, Atos has always been in the vanguard of CSR innovation.

At a time of rising concern over climate change and social inequity, Atos' commitment to CSR has become a significant business enabler. CSR is an integrated part of our development strategy. With strengths in areas ranging from digital ethics to energy-efficient software, we are innovating for customers, meeting the expectations of investors, and attracting and retaining a new generation of employees.

This vision is reflected in the "*raison d'être*" or "statement of purpose" approved by Atos shareholders in 2019:

At Atos, our mission is to help design the future of the information technology space.

Our services and expertise, multiculturally delivered, support the advance of knowledge, education and science and contribute to the development of scientific and technological excellence.

Across the world, we enable our customers, employees and as many people as possible to live, work and develop sustainably and confidently in the information technology space.

Also through its CSR Committee, established in December 2018, Atos consolidated its position as a leader in the ethical and sustainable development of digital technology throughout the year 2019.

The Mission of the CSR Committee is to support the Board of Directors in developing Atos' CSR strategy, evaluating risks and opportunities, reviewing commitments and performance, and rolling out the initiatives that will preserve and enhance Atos' global leadership in CSR.

Atos strategic decisions are shaped by the twin goals of achieving profitable growth while doing so in an ethical, environmentally and socially responsible way. Therefore, Atos applies an integrated thinking approach from the decision-making phase to the definition of strategic action plans and performance monitoring dashboards, covering financial and non-financial issues that enable the creation of value over the short, medium and long term.

D.1.1.2 Strategy

[GRI 103-2 Economic performance], [GRI 103-2 Market presence], [GRI 103-2 Indirect economic impacts], [GRI 103-2 Procurement practices], [GRI 103-2 Anti-Corruption], [GRI 103-2 Energy], [GRI 103-2 Emissions], [GRI 103-2 Employment], [GRI 103-2 Training and education], [GRI 103-2 Diversity and equal opportunity], [GRI 103-2 Customer privacy], [GRI 103-2 Socio-economic compliance], [GRI 103-2 Atos specific indicators]

The foundation of Atos Corporate Social Responsibility and sustainability principles is embedded in Atos strategy and is structured in four axes and key non-financial performance targets:

- **People & Diversity**: operate as a **responsible and ambitious employer** that inspires its people to innovate for its clients, guided by the principles of its We are Atos Program (former Wellbeing@work program), Atos is encouraging and promoting a flexible, family-friendly and ethical workplace. Atos intends to create a truly "Great Place to Work" and to be recognized as one of the best employers in the IT sector and to build best-in-class employee digital experience. In this field, Atos' ambition is to keep increasing the Atos Great Place To Work TrustIndex® reflecting employee satisfaction to the top 10% industry benchmark, based on the number of rewarded countries as Great Place To Work®;
- **Business & Innovation**: being a long-term trusted partner, ensuring the highest levels of customer satisfaction by providing targeted services to transform our clients' businesses and anticipate their needs; as clients confront the challenges of new digital dilemmas, customer satisfaction has become a major driver of Atos' strategy for growth and value creation, with an objective to continue to raise the Net Promoter Score above 50% for all Atos clients by 2021; Leveraging a global ecosystem of partners, Atos creates innovative and sustainable solutions to deliver value for clients while ensuring the highest levels of security and data protection and promoting a culture of digital responsibility. Atos is considered as the n°1 European player and as a world-class leader in digital cybersecurity, in a high-growth market;
- **Ethics & Governance**: behave as an ethical and fair player within Atos' sphere of influence. In the field of ethics and data protection, the Group intends to train all its employees in its Code of Ethics and on GDPR (General Data Protection Regualtion). The Atos group also plans to have its external providers asessed by EcoVadis so that a 70% level of its total/external spend is covered by 2021. In terms of gender parity, Atos intends to double the number of women in top management positions to 25% by 2021;
- **Environment**: support the transition to a low-carbon economy. As a sustainable leader, Atos manages its operational efficiency in environmental footprint with an objective to reduce by 7% to 20% CO_2 emissions per revenue unit (tCO_2e per € million) by 2021 (baseline 2016). Atos fully compensates its emissions, offering 100% carbon offset services to its customers and its supercomputers and next-generation datacenters are among the most energy efficient in the market. Atos aims to share its expertise and to grow together with clients and partners on the best Green IT and Sustainable Solutions that allow us to move towards a low-carbon economy.

Atos Corporate Social Responsibility strategy aims to:

- maintain **corporate social leadership in the IT sector**: consolidation of and increasing Atos' position in recognized sustainable rankings and ratings such as Great Place To Work, Dow Jones Sustainability Index (DJSI), the Carbon Disclosure Project (CDP), Ecovadis, Morgan Stanley ESG rating (MSCI ESG Rating) etc. are continuous exercises for Atos to challenge its corporate social performance and consolidate credibility in the market. Numerous awards received during the year, people and diversity related and in economic, social, ethics, governance and business spheres walk along with the commitments, renewed each year since 2010, to the ten principles of the United Nations Global Compact and show the increased worldwide commitment of the Group, and its ambition to consolidate position within best-in-class sustainable companies worldwide;
- place **corporate responsibility at the core of Atos business and processes**: Atos drives sustainability in the company's DNA through corporate values, innovation, green operational excellence, social responsibility and business development. Atos has also developed robust systems and procedures to embed corporate responsibility consistently and effectively in its business operations following integrated thinking and reporting principles. Corporate responsibility matters are specially embedded in Atos risks and opportunities management, compliance requirements, quality and customer satisfaction processes and human capital management;

  Atos aims to progressively embed corporate responsibility in our employees' daily working life regardless of where they are located. Continuous efforts are made to provide the regions with a coherent approach that strengthens Atos' positioning as a multi-national group, integrating local needs and concerns;
- identifying **challenges, establishing priorities,** and **measuring performance**: Atos' ambition is to strengthen open stakeholder dialogue in order to endorse strategic challenges for the Company, as well as key performance indicators that will measure and publicly report the advancements of Atos Corporate Social Responsibility program. The review of the challenges is undertaken annually through a material assessment that prioritizes the areas where the Group must focus on incorporating best practices in the market, trends in the Information and Communication Technology sector, and compliance with existing regulations and international standards.

D.1.1.3 Governance

[GRI 103-2 Economic performance], [GRI 103-2 Market presence], [GRI 103-2 Indirect economic impacts], [GRI 103-2 Procurement practices], [GRI 103-2 Anti-Corruption], [GRI 103-2 Energy], [GRI 103-2 Emissions], [GRI 103-2 Employment], [GRI 103-2 Training and education], [GRI 103-2 Diversity and equal opportunity], [GRI 103-2 Customer privacy], [GRI 103-2 Socio-economic compliance], [GRI 103-2 Atos specific indicators]

The Corporate Social Responsibility (CSR) Committee, created in 2018 at Board of Directors' level, and led by Mrs. Valérie Bernis (Chairman), is dedicated to Atos´corporate and social responsibility matters. The CSR Committee is directly involved in defining the CSR strategy and priorities.

At upper management level, the Chief Digital & Transformation Officer, Head of CSR, member of the general management Committee and the Executive Committee, reporting directly to the CEO, provides guidance and supervises the Atos Corporate Social Responsibility Program.

He presents on a regular basis to the general management Committee and to the Executive Committee the latest achievements and planned objectives both at global and regional levels on the environmental and social initiatives of the Group.

The Group Executive Committee is associated with the validation of the CSR strategy and implementation program.

The global core CSR Team is lead by the SVP Head of Group CSR with a core international team, as well as representatives of all support functions. Weekly and monthly reviews are organized to design, implement, and monitor main axes of actions and targets. Specific channels are in place to facilitate communications across Business Units and regions. Concerning the communications with external parties it is interesting to mention that the SEC (Societas Europaea Council) founded a CSR Committee which has started a regular dialogue with the Atos CSR Group Head.

Atos talent group and the Scientific Community members are active think tanks providing the Program with innovative ideas and project proposals to strengthen corporate commitments and positioning in the market.

D.1.2 Atos' stakeholder approach

[GRI 102-13], [GRI 103-1 Economic performance], [GRI 103-1 Market presence], [GRI 103-1 Indirect economic impacts], [GRI 103-1 Procurement practices], [GRI 103-1 Anti-Corruption], [GRI 103-1 Energy], [GRI 103-1 Emissions], [GRI 103-1 Employment], [GRI 103-1 Training and education], [GRI 103-1 Diversity and equal opportunity], [GRI 103-1 Customer privacy], [GRI 103-1 Socio-economic compliance], [GRI 103-1 Atos specific indicators]

Atos' corporate responsibility process is supported by on-going dialogue with all stakeholders, including clients, employees, employee representatives, business partners and suppliers, as well as communities and public authorities. Stakeholder dialogue plays a critical role not only in the corporate responsibility process, but also in business operations, either by showcasing Atos' capacity for innovation, enhancing its appeal among clients, investors and employees, creating opportunities to develop services and solutions with high growth potential or by protecting the Group's reputation.

Dialogue takes place at every level of the organization:

- at a global level, teams at corporate headquarters serve as the primary interface for various international organizations and coordinate all the initiatives undertaken within Atos;
- at a country level, local teams strive to foster close ties with local stakeholders, especially national authorities.

The Atos' framework regarding relations with stakeholders has three main purposes:

- mapping stakeholders' expectations;
- prioritizing corporate responsibility issues in accordance with their relative importance to stakeholders, likeliness to occur, and criticality to business operations;
- defining Key Performance Indicators that assess Atos' Corporate Responsibility performance.

This approach is defined according to several international referential and standards such as the AA1000 Standards and the Global Reporting Initiative Standard guidelines on which Atos has based its actions in order to:

- structure its stakeholders' approach;
- manage its annual materiality review;
- guide its reporting process.

Every three years, an external consultancy firm supports Atos to update its materiality assessment. For this year, this process has included a round of external and internal stakeholders' direct interviews to get their expectations in terms of extra-financial performance expectations. In addition, a materiality review is performed internally every year. The next materiality assessment by external consultancy will be conducted in 2020. Since 2017, Atos performs an impact evaluation assessment with the objective to measure most relevant externalities.

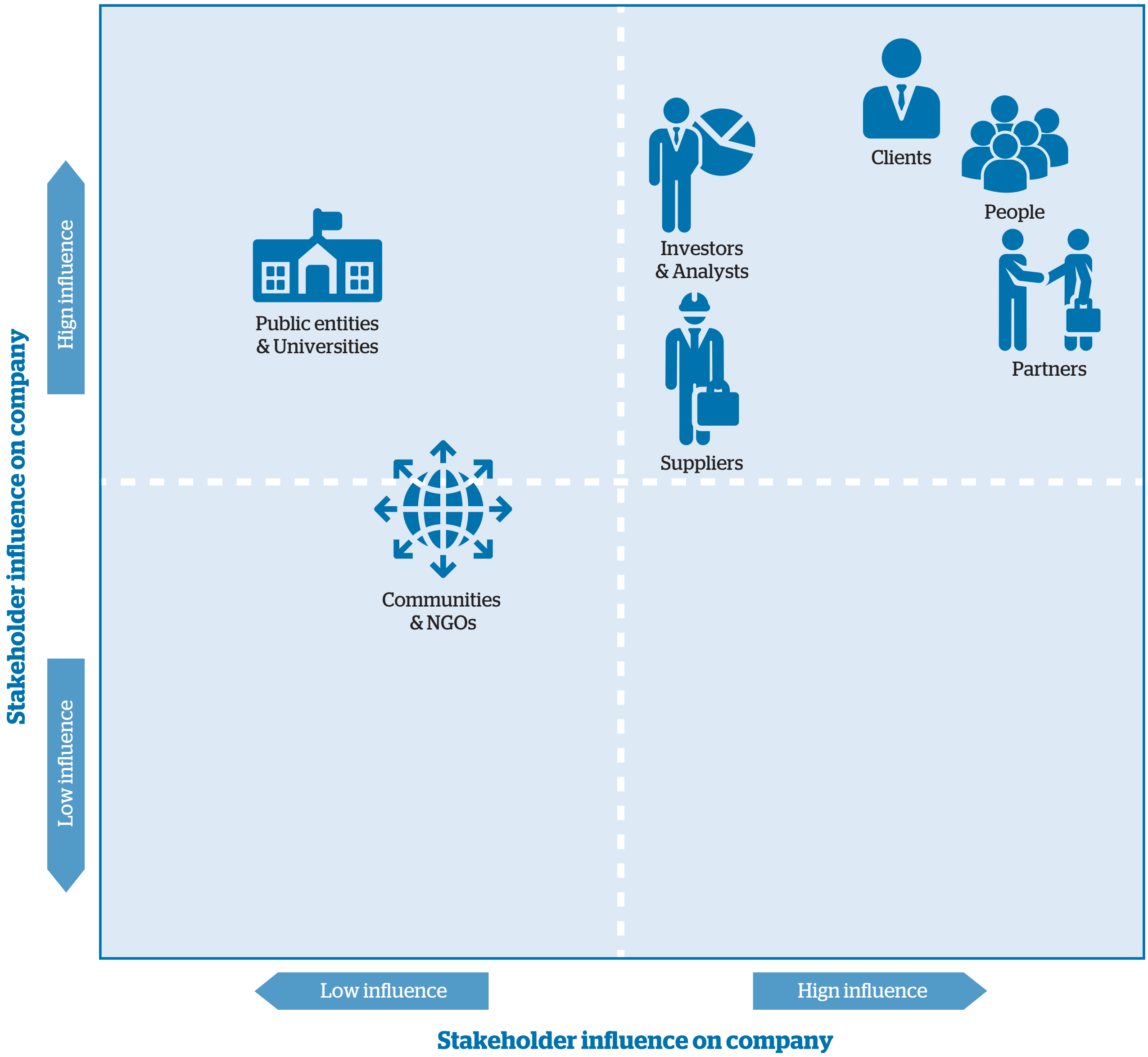
D.1.2.1 Mapping of stakeholders' expectations

[GRI 203-2], [GRI 102-40], [GRI 102-42], [GRI 102-44]

The table below presents Atos' main stakeholders and their key expectations.

Clients	Investors & Analysts
Atos' clients expect to benefit from the right digital tools and expertise to meet their own challenges. In order to adapt and develop in a constantly evolving marketplace, their expectation of innovation is steadily increasing. They also rightly request a very high level of data protection and cybersecurity.	Atos' Investors expect profitability and efficiency. They need to be informed about the Group strategy and its corporate responsibility component(s) including achievements and objectives. Above all they request clarity and transparency.
Partners	**Internal stakeholders**
Collaboration with Atos' partners is key to face the challenges of the global IT sector and ensure the development of innovation. Atos works with its business partners, research institutes and universities to face these challenges and help customers achieve their goals. **Public entities & Universities** Public bodies deliver administrative authorizations and determine the regulatory context in which Atos does business.	Atos' employees want to work in the best possible environment and to have the opportunity to evolve and grow inside the Company. They expect genuine recognition for their work. The protection of their personal data is also key for Atos' employees. Internal stakeholders include young talent (selected members of the Juniors Group and the Wellbeing@work council) and management whose business activities are closely linked to Atos sustainability strategy and initiatives (HR at Group and local level).
Suppliers	**Communities & NGOs**
Atos' suppliers want to benefit from access to new markets, revenue growth and fair margins. They expect a long-term relationship and the respect of their contracts.	The main expectations that society in general and local communities in particular have towards Atos include: socio-economic impacts of Atos' operations, job creation, new technologies and smart solutions enabling both progress and a limited environmental footprint. NGOs may also have specific requests and seek to collaborate with Atos to share best practices and positively benefit from initiatives at the local level.

To define its level of engagement towards each stakeholder, Atos analyzes their influence on strategic topics and their dependence on the company:



D.1.2.2 Stakeholder dialogue

[GRI 102-42], [GRI 102-43], [GRI 102-44]

Atos has intensified conversations and engagement with customers, investors and analysts, universities and public institutions, partners and suppliers, NGOs and other societal groups to strengthen the group commitments to society and its different constituents.

Every year, since 2011, Atos has organized an annual Global Stakeholders' meeting to review and openly discuss strategic topics on social responsibility and sustainability and enrich the materiality exercise.

A stakeholders' workshop was conducted in June 2019 to share and discuss new challenges in digital transformation and information technology and to provide an update on Atos' materiality assessment. Digital dilemmas resulting from interaction between ethics and artificial intelligence advances, how technology and the use of data impact on our every day life were among the topics discussed. Other issues included diversity and inclusion as drivers for business performance and corporate digital responsibility in action with our customers.

Atos has a four-step approach to engage in dialogue with its stakeholders:

1. consult: Atos consults stakeholders on its business, its sustainability strategy and its impacts;
2. involve: Atos occasionally involves its stakeholders in defining or deploying action plans;
3. collaborate: Atos develops long-term relationships with some of its stakeholders with the objective of collaborating on innovation and across the value creation chain;
4. negotiate: depending on the influence of the stakeholders on the Company, Atos can initiate negotiations to find the best approach for combining stakeholder expectations and Atos business interest.

D.1.3 Atos materiality assessment and the Corporate Responsibility dashboard

[GRI 102-46], [GRI 102-47], [GRI 103-1 Economic performance], [GRI 103-1 Market presence], [GRI 103-1 Indirect economic impacts], [GRI 103-1 Procurement practices], [GRI 103-1 Anti-Corruption], [GRI 103-1 Energy], [GRI 103-1 Emissions], [GRI 103-1 Employment], [GRI 103-1 Training and education], [GRI 103-1 Diversity and equal opportunity], [GRI 103-1 Customer privacy], [GRI 103-1 Socio-economic compliance], [GRI 103-1 Atos specific indicators]

Atos' Corporate Social Responsibility approach is based on a materiality analysis in order to prioritize its actions and this takes into account its business activities and stakeholders' expectations. In this context, materiality analysis is a tool used to connect and prioritize financial and non-financial considerations. It permits Atos to focus on those issues that are truly critical in order to achieve the organization's goals, secure its business model, and manage its impact on society.

Atos aims to continuously progress towards an integrated reporting approach by aligning with the International Integrated Reporting Framework.

In 2019, for the tenth consecutive year, Atos fulfilled the highest requirement of Global Reporting Initiative (GRI) application level, the GRI Comprehensive level, for its Corporate Responsibility Integrated reporting (Universal Registration Document and Integrated Report).

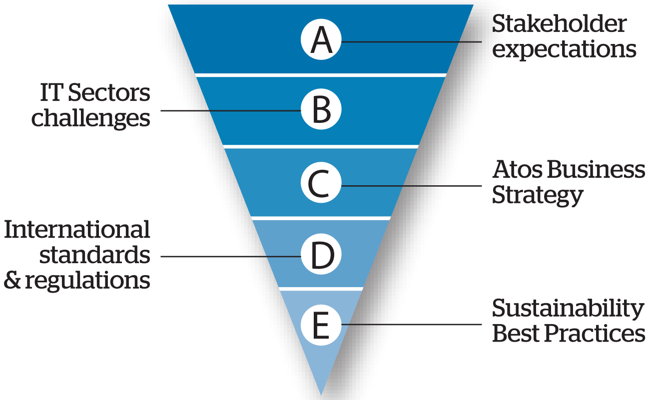
The overall report was prepared by an external auditor. Atos successfully completed the GRI Content Index Service. The content of the report and the methodology applied according to AA1000 principle are assured by an external auditor. Atos aims to demonstrate that the additional financial performance disclosures are accurate and exhaustive, and in line with the GRI Standard requirements.

As a member of the International Integrated Reporting Council (IIRC), Atos participates in the Business Network and in the work of Special Interest Groups such as the "Technical Initiative" in order to assess how IT and new digital tools can support the implementation of Integrated Reporting/Thinking in corporations.

D.1.3.1. Identification and prioritization of relevant Corporate Responsibility issues

[GRI 102-49], [GRI 103-1 Economic Performance], [GRI 103-1 Market presence], [GRI 103-1 Indirect economic impacts], [GRI 103-1 Procurement practices], [GRI 103-1 Anti-Corruption], [GRI 103-1 Energy], [GRI 103-1 Emissions], [GRI 103-1 Employment], [GRI 103-1 Training and education], [GRI 103-1 Diversity and equal opportunity], [GRI 103-1 Customer privacy], [GRI 103-1 Socio-economic compliance], [GRI 103-1 Atos specific indicators]

IDENTIFICATION AND PRIORITIZATION OF RELEVANT TOPICS



Since 2010, the Group has performed regular materiality assessments in order to identify the principal challenges that the market and key stakeholders consider as essential for Atos. The CSR Committee, created at Board of Director level, joined this process in 2019.

The main steps for identifying and prioritizing relevant topics are as follows:

A Atos considers stakeholders' expectations based on regular communications with them in workshops, meetings, events, etc.;

B Atos collaborates with IT sector partners to promote innovation and contribute to global thinking on sector-specific challenges;

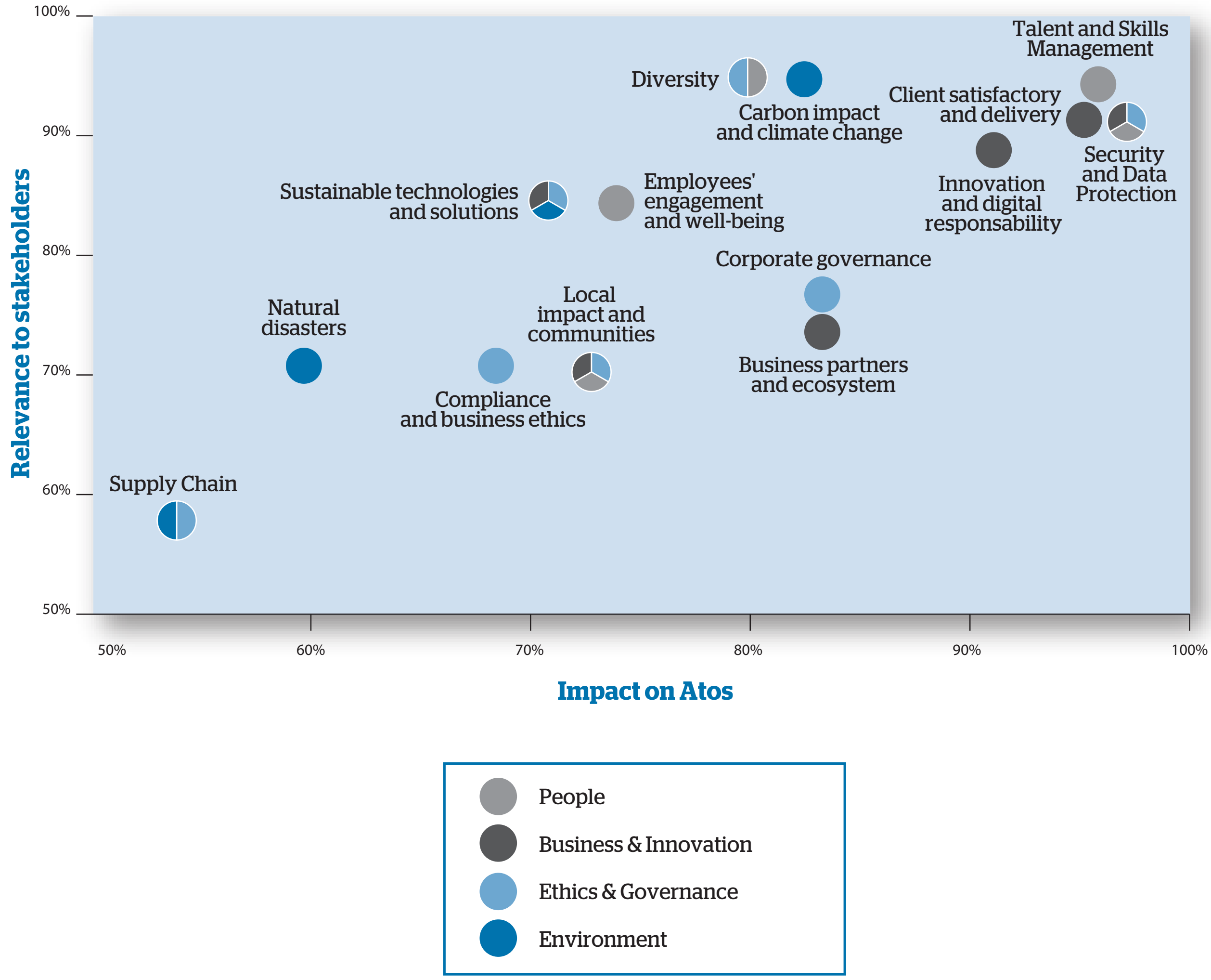
C Atos holds annual interviews with Executive Committee members, including Business Unit managers, on the Atos Group's material issues and corporate responsibility strategy. The main objectives of these interviews are to understand top management's commitment level, specific local issues and to validate the materiality analysis;

D international standards and regulations were also taken into account in the materiality review to help management and the CSR teams prioritize the different challenges;

E finally, a benchmarking exercise of our main competitors in the IT sector is carried out to identify sectorial best practices regarding sustainability strategies and reporting.

D.1.3.2 Atos materiality matrix

[GRI 102-14], [GRI 102-15], [GRI 102-47], [GRI 102-44], [GRI 103-1 Economic performance], [GRI 103-1 Market presence], [GRI 103-1 Indirect economic impacts], [GRI 103-1 Procurement practices], [GRI 103-1 Energy], [GRI 103-1 Emissions], [GRI 103-1 Employment], [GRI 103-1 Training and education], [GRI 103-1 Diversity and equal opportunity], [GRI 103-1 Anti-corruption], [GRI 103-1 Customer privacy], [GRI 103-1 Socio-economic compliance], [GRI 103-1 Atos specific indicators]



Based on the results of 2018, the analysis conducted by Atos in 2019 with both internal and external stakeholders led to the design of the Materiality Index, shown above, which summarizes Atos' Corporate Social Responsibility challenges as they relate to each key stakeholder group.

As a result, four focus areas were selected and reprioritized according to the stakeholders' expectations. For each area, Atos adopts a structured approach that includes developing internal policies and strategies, monitoring of objectives and managingperformance. These four focus areas and their deployment rely on Atos' engagement towards stakeholders:

- PEOPLE & DIVERSITY – Being a responsible employer: Atos has the responsibility and ambition to constantly support a diverse, talented and motivated workforce, and provide employees with relevant skills necessary for digital transformation;
- BUSINESS & INNOVATION – Generating value to clients through sustainable and innovative solutions: Atos is expected to provide added value to its customers, through innovative and sustainable solutions, and to protect their valuable data. Atos also has a responsibility to build a better digital world;

- ETHICS & GOVERNANCE - Being an ethical and fair player within Atos' sphere of influence: as a global company, Atos is expected to have strong corporate governance and ethical standards, applied from the top and disseminated to its stakeholders;
- ENVIRONMENT – Supporting the transition to a low-carbon economy: Atos has to be able to mitigate the risks arising from natural disasters, and to improve the efficiency of operations, in order to support the transition to a low-carbon economy.

Being a responsible employer

Challenge	Material issues	Areas of action and objectives
At Atos, human capital and talent management are key assets to ensure the effective use of employee expertise in providing high quality services. The main purpose of a People value chain is to ensure that the right people with the right skills are in the right place at the right time and are able to accompany clients through the digital journey. It also provides well-being at work and overall employee commitment and satisfaction. It follows that employees' commitment is critical to meeting clients' needs. The capacity of the Group to fulfill its employees' expectations is key to developing its leadership and to building a strong brand to attract the best talents in the market.	The material issues for Atos in relation to its employees are: • Talent & skills management • Diversity • Employee engagement and well-being. Regarding GRI Standard aspects, these main issues correspond to: • Employment; • Training and Education; • Diversity and Equal opportunity; • Equal remuneration for women and men. For more information on GRI Standard aspects, see section D.7.1.	**People Management:** Atos has developed a well-articulated and optimized employee management approach spanning the critical steps of an employee lifecycle: recruitment system, performance management process, learning and development offerings, and mobility and succession planning, all orchestrated by talent workforce planning. To achieve maximum collective efficiency, one of our main objectives is to ensure that all our employees receive an annual performance and career development review with the Individual Development Plan as an output. **Employee engagement and well-being:** Atos' belief is that the overall performance of the Company stems from the commitment of every single employee, which derives fromour HR policy, Learning & Development and Care. A modern material work environment is a prerequisite, and the Atos Campus Offices concept is yielding high benefits with a growing number of sites deploying this concept. This campus approach is part of the newly named We Are Atos program that offers a range of fruitful services to employees to ensure that they operate in the best-in-class working environment. **Diversity:** Atos has deployed a Diversity and Inclusion program worldwide with the objective of sharing best practices around the globe on gender equity, disability, seniority and other facets of diversity.

Generating value for clients through sustainable and innovative solutions

Challenge	Material issues	Areas of action and objectives
In an evolving world, Information Communication Technology (ICT) is not only a lever for optimizing operational and financial performance, but also an enabler for transforming the business, organizational processes and working methods. Leveraging a worldwide ecosystem, Atos creates inspired and innovative solutions to deliver increasing value for clients. This must be done in a way that ensures a high level of safety, security and data protection. Atos also takes on the responsibility to prioritize a culture of digital responsibility, from design to delivery of solutions.	The material issues for Atos in relation to its customers are: • Client satisfaction and delivery • Security & data protection • Innovation • Business partners and ecosystem • Sustainable technologies and solutions Regarding GRI Standard aspects, these main issues correspond to: • Product responsibility labeling; • Customer Privacy. For more information on GRI Standard aspects, see section D.7.1.	**Client satisfaction:** Atos is committed to ensuring a high level of customer satisfaction and improving scores every year. **Security and data protection:** Atos has developed a comprehensive data protection approach that relies on the Group Data Protection Policy, the principle of privacy by design in its technologies and the continuous development of outstanding skills. The overall objective is to reduce the number of security incidents and to avoid any breaches of customer privacy and losses of customer data. **Innovation and digital responsibility:** The Group is continually strengthening its portfolio of offerings to better meet sustainable challenges of its clients. Innovation is encouraged via the development of relationships with industrial analysts, partners, start-ups and academics. To accelerate open innovation with clients, Atos sets yearly objectives for innovation workshops. Moreover, the involvement of the Scientific Committee members with its clients is part of this approach. **Business partners & ecosystem:** The Group forges long-term partnerships with major IT industry players while increasingly involving start-ups in solution design and delivery. Continuously strengthening this ecosystem furthers the ambition to design solutions that combine a disruptive mindset with best-in-class technologies, at the same time as being able to cope with the demands of a sustainable digital transformation. **Sustainable technologies and solutions:** Atos is committed to design solutions that are not only eco-designed and energy-efficient, but that also contribute directly or indirectly to the 17 UN sustainable development Goals. In this respect, the technologies developed by Atos enable small, medium or large organizations to address crucial sustainability challenges affecting issues such as the climate and environment, economic and value creation, people and well-being as well as trust and governance. The approach is to encourage the use of digital in all sectors, and to estimate the impact of the solutions from a sustainability point of view.

Strive for exemplary business within all of Atos' spheres of influence

Challenge	Material issues	Areas of action and objectives
The Group has to comply with an increasingly regulatory framework. This also means ensuring that business across the value chain is done in an ethical and responsible way. With its offerings, Atos contributes to developing local economies and involving communities is therefore critical.	The material issues for Atos in relation to its value chain and local communities are: • Corporate governance • Compliance and business ethics; • Supply chain management; • Local impact and communities Regarding GRI Standard aspects, these main issues correspond to: • Economic Performance; • Market Presence; • Indirect Economic Impact; • Procurement Practices; • Anti-corruption; • Compliance. For more information on GRI Standard aspects, see section D.7.1.	**Corporate governance:** In 2019 the Board of Directors was composed of 40% of women, in compliance with the threshold of Copé-Zimmerman law. 5 nationalities were represented in the Board. In 2019, the Board held 10 meetings. **Compliance and business ethics:** At Atos, high ethical standards, supported by Group-wide strategy, policy and training procedures, underpin the delivery of excellent business technology solutions. Atos' objective is to always be compliant and to act as a fair player in business. **Supply chain:** Atos has developed a permanent dialogue with its suppliers to enforce strong and fair relationships and to ensure the respect of its values and rules. Working together in these conditions is a prerequisite for building trust and long-term relationships. By assessing its suppliers, Atos aims to monitor and ensure compliance with its values. Atos' objective is to carry out assessments on key new suppliers originating for example from acquisitions. **Local impact and communities:** With the development of innovative ICT solutions that help reduce the digital divide, Atos contributes to improving the Company's social impact in the community. The Group also supports volunteer programs, university relations and corporate citizenship actions in order to improve social links and provide positive impact at local level.

Take part in the transition toward a low carbon economy

Challenge	Material issues	Areas of action and objectives
Environmental efficiency is key for limiting the impact of the Group's activities, improving its operational excellence and supporting its clients in the necessary transition to a low-carbon economy. Improving the Group's environmental efficiency notably entails reducing its energy and carbon intensities and limiting the impact of business travel. Supporting the transition to a low-carbon economy relates to the positive impacts of new sustainable solutions. In a warming climate, resilience to extreme natural events is also becoming more and more material.	The material issues for Atos in relation to environment are: • Carbon impact and climate change • Resiliance to natural disaster Regarding GRI Standard aspects, these main issues correspond to: • Energy; • Emission; • Product Responsibility compliance. For more information on GRI Standard aspects, see D.7.1.	**Environmental impact:** Atos monitors a global Environmental Program to measure and reduce its overall environmental impact. It designs, promotes and consolidates specific initiatives addressing its main environmental challenges: carbon intensity, energy efficiency, low-carbon and renewable energy, travel impact and sustainable solutions. **Carbon impact and climate change:** Since 2008, the Group has reduced its carbon emissions by 50% both in intensity and absolute. Its new carbon targets to limit the rise of climate change to 2°C have been approved by the Science-Based Target Institute and the CDP ranks Atos as one of the best-in-class for its actions to combat climate change. **Natural disasters:** The specific risks related to natural disasters are monitored through tools and processes. Dedicated processes aimed at assessing employees' safety and at ensuring business continuity have been implemented.

D.1.3.3 Atos Corporate Responsibility Key Performance Indicators

The following dashboard is the overall list of performance indicators. Atos' main KPIs are highlighted in blue.

Topic	List of the main challenges identified	Indicators	GRI Standard Label	Chapter
People	Talent and Skills Management	Average hours of training that employees have undertaken during the year	404-1	D.2.3 Right People with the right skills
		Number of employees' digital competency certifications	404-2	D.2.3 Right People with the right skills
		Percentage of employees with and Individual Development Plan	404-3	D.2.3 Right People with the right skills
		Programs for skills Management and lifelong learning that support the continued employability of employees and assist hem in managing career endings	404-2	D.2.3 Right People with the right skills
		Number of internships	404-1	D.2 Being a Responsible employer
		Number of employees with an Individual Development plan	404-3	D.2.3 Right People with the right skills
		Number of certifications obtained	404-2	D.2.3 Right People with the right skills
		Internal fulfilment	404-3	D.2.3 Right People with the right skills
		Percentage of total employees who received a regular performance and career development review during the year	404-3	D.2.3 Right People with the right skills
	Diversity	Percentage of females within Atos	405-1	D.2.6 Employees, Atos main asset
		Percentage of women identified in talent pools	405-1	D.2.4 Enhance the Wellbeing@work
		Diversity of employees: Employee category according to gender, age group, and other indicators of diversity (seniority, nationalities, minorities)	405-1	D.2.4.3 Promote diversity
		Diversity of employees: Number of disabled employees	405-1	D.2.4.3 Promote diversity
		Ratio of basic salary and remuneration of women to men	405-2	D.2.4.3 Promote diversity
	Employees' engagement and well-being	GPTW diversity perception	A6	D.2.7 Being a responsible employer - KPI overview
		Absenteeism Rate (%)	A16	D.2.4.2 Recognition and Loyalty
		Return to work and retention rates after parental leave	401-3	D.2.7 Being a responsible employer - KPI overview
		Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	A2	D.2.7 Being a responsible employer - KPI overview
		Atos Trust Index® informed by Great Place to Work (GPTW)	A2	D.2.5.2 Awareness and involving employees
		Coverage of the organization's defined benefit plan obligations	201-3	D.2.4.2 Recognition and Loyalty
		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	401-2	D.2.4.2 Recognition and Loyalty
		Percentage of voluntary attrition	401-1	D.2.7 Being a responsible employer - KPI overview

Topic	List of the main challenges identified	Indicators	GRI Standard Label	Chapter
Business & Innovation	Client satisfaction and delivery capability	Net Promoter Score	102-43; 102-44	D.3.2 Meeting client needs and expectations
		Results of surveys measuring customer satisfaction	102-43; 102-44	D.3.2.1 Permanent improvements of the clients satisfaction
	Innovation and digital responsibility	Client innovation workshops	A10	D.3.4 Innovative approach of sustainable business
		Development and impact of infrastructure investments and services supported	203-1	D.3.5 Meeting sustainability challenges of clients through offerings
	Security and data protection	Percentage of coverage ISO 27001 certifications	A3	D.3.7 Generating value with co-innovation and sustainable business solutions – KPI overview
		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	418-1	D.3.3.2 Protecting Personal data in a data driven world
		Information security	A3	D.3.3 Building client trust through Security and Data Protection
	Business partners and ecosystem	Digital* Transformation factory revenue (M Eur)	A12	D.3.7 Generating value with co-innovation and innovative business solutions - KPI overview
		New business generated with partners	A23	D.3.7 Generating value with co-innovation and innovative business solutions - KPI overview
	Sustainable technologies and solutions	Total Revenue of 'sustainability offering' (M Eur)	A7	D.3.7 Generating value with co-innovation and innovative business solutions - KPI overview
		Global average PUE (Power Usage Effectiveness) of the strategic datacenters	302-5	D.5.1 Environmental extra-financial performance
		Reductions in energy requirements of products and services	302-4	D.7.1.5 Methodological detailed information
		Offsetting of all data centers GHG emissions (%)	305-5	D.3.1 Business and Innovation extra-financial performance
		WEEE collected or recovered and reused/recycled (in Kg)	AO19	D.5.4.5 Other generic environmental challenges
Ethics & Governance	Corporate governance	Percentage of females within the Board of Directors	405-1	D.2.4.3 Promote Diversity
		Attendance rate at Board meetings	102-28	D.4.5 Ethical & Governance excellence in Atos' sphere of influence – KPI overview
	Compliance and business ethics	Percentage of employees trained in Code of Ethics e-learning	205-2	D.4.2.4 Ethics & Compliance Assessing and Preventive Measures
		Number of significant fines (higher than 100K EUR) and total number of non monetary sanctions for non compliance with laws and regulation	419-1	D.4.5 Ethical and Governance excellence in Atos' sphere of influence - KPI overview
		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	205-1	D.4.3.2 Enhance sustainable relations
		Confirmed incidents of corruption and actions taken	205-3	D.4.5 Ethical and Governance excellence in Atos' sphere of influence - KPI overview
	Supply chain	Percentage of strategic suppliers evaluated by EcoVadis	A17	D.4.3.2 Enhance sustainable relations
		Total percentage of spend assessed by EcoVadis	A17	D.4.3.2 Enhance sustainable relations
		Proportion of spending on local suppliers	204-1	D.4.3.1 A permanent dialogue with Atos suppliers

** The digital solutions are: Hybrid Cloud, Business Accelerators, Digital Workplace and Connected Intelligence*

Topic	List of the main challenges identified	Indicators	GRI Standard Label	Chapter
Ethics & Governance	Local impact and communities	Total number of employees recruited	401-1	D.2.2 Attract and develop talents
		Percentage of graduates recruited	401-1	D.2.7 Being a responsible employer - KPI overview
		Ratios of standard entry level wage by gender compared to local minimum wage	202-1	D.2.7 Being a responsible employer - KPI overview
		Direct economic value generated and distributed - Community Investments	201-1	D.4.4 A trusted partner for the benefits of the local ecosystem
		Significant indirect economic impacts, including the extents of impacts	203-2	D.4.3.1 A permanent dialogue with Atos suppliers
		Proportion of senior management hired from the local community at significant locations of operation	202-2	D.2.4.3 Promote diversity
		Financial assistance from governments	201-4	D.4.4 A trusted partner for the benefits of the local ecosystem
Environment	Carbon impact and climate change	Energy consumption within the organization	302-1	D.5.4.3 Energy consumption and intensity ratios
		Energy intensity by revenue (GJ per Million EUR)	302-3	D.5.4.3 Energy consumption and intensity ratios
		Energy intensity by employee (GJ per employee)	302-3	D.5.4.3 Energy consumption and intensity ratios
		Global GHG intensity ratio by revenue	305-4	D.5.4.1 Carbon emissions
		Global GHG intensity ratio by employee	305-4	D.5.4.1 Carbon emiss
		Number of sites certified ISO 14001	A14	D.5.2.3 Environmental Management System and ISO 14001 certification
		Energy consumption outside the organization	302-2	D.5.4.2 Travel and new ways of working
		Reduction of energy consumption	302-4	D.5.4.3 Energy consumption and intensity ratios
		GHG emissions - Scope 1 (tones of CO_2e)	305-1	D.5.4.1 Carbon emissions
		GHG emissions - Scope 2 (tones of CO_2e)	305-2	D.5.4.1 Carbon emissions
		GHG emissions - "Operational" Scope 3* (tones of CO_2e)	305-3	D.5.4.1 Carbon emissions
		Total GHG reductions achieved (tones of CO_2e)	305-5	D.5.4.1 Carbon emissions
		Monetary value of significant fines and total number of non monetary sanctions for non compliance with laws and regulations concerning the provision and use of products and services	419-1	D.5.5 Supporting the transition to a low-carbon economy – KPI overview
		Financial implications and other risks and opportunities due to climate change	201-2	D.5.3 Main environmental risks and opportunities
	Natural disasters	Percentage of the core data centers that have synchronous data replication capacities	A20	D.5.3 Main environmental risks and opportunities

** Operational Scope 3 includes the energy provided by 3rd parties such as landlords of the Atos´ sites and the business travel*

D.2 Being a Responsible Employer

D.2.1 People management extra-financial performance

Technology is a fast-moving job market that has globally shifted the power from employer to employee. Global sociological trends have been impacting the behaviors of talents on the market and there is a consensus that an employer's (or a potential employer's) engagement in Social Responsibility is now a key differentiator between companies.

In order to attract talents whose accumulated abilities, skills and expertise, enable Atos to prosper further and to continue to provide state-of-the-art solutions to its customers, Atos places great importance on the development of values and programs that are externally recognized and respected by our prospective employees.

Alongside the financial and operational performance of the company that is central to its long-term viability and financial health, Atos has defined its "Sense of purpose" which is now a full component of the group by-laws after unanimous approval by the Board of Directors and a vote of the General assembly in May 2019. This "Sense of purpose" provides a unifying theme that links the Atos Group programs and is a vital component of its DNA:

- We Are Atos programs (formerly known as Wellbeing@work) offer our employees a workplace where they can grow and flourish (professionally and personally) thanks to an ad hoc working environment, and to the reassurance that all situations are managed with fairness and in accordance with prevailing rules around ethics and human rights;
- Diversity and Inclusion programs aim to accelerate the inclusion of all in our work teams and to overcome any bias (including unconscious bias) that may occur in decision making around recruitment or promotion.
- Acsessibility program is our proactive working to ensure that the technology of tomorrow is designed and delivered with inclusive and people centered principles embedded. We recognise that as an organization, involved in both the delivery and the design of emerging technologies that we can ensure ease of use by people with varying capabilities, empower and enable people to reach their full potential as employees, customers and stakeholders.

Thanks to these comprehensive programs, Atos has grown as an internationally renowned key player, with an unwavering commitment to:

- promoting human rights: by adhering fully to international labor standards by applying the principles of the International Labor Organization Conventions and adhering to the Global Compact of the United Nations;
- enhancing diversity: by sponsoring all diversity initiatives within the Group in the framework of the Diversity program;
- offering career perspectives and sustainable employability to each of its employees through programs such as Internal First, the Expert Community, and numerous other up-skilling programs endorsed by our Centers of Expertise.

Besides the growth in headcount resulting from the many acquisitions and deals gained by Atos, the Group is successfully adapting to a changing job market where millennials are aspiring to career experience - quite different to the aspirations of previous generations.

In line with its strong commitment to playing a key part in the education of the future of young professionals, Atos has developed strong institutional partnerships with major universities on a worldwide basis. Every year the Group offers thousands of opportunities to enhance students' education via internships or apprenticeships. Working closely with future young professionals is crucial for Atos so that when the time comes for them to choose a new employer, we can offer them a project that matches their profiles and professional interests.

- Thanks to this upstream presence, and through its dedicated programs around diversity, Atos on-boards year on year 12,051 new joiners.
- Through the Atos Welcome App, new joiners are provided with an enhanced digital onboarding experience to get engaged and learn about Atos and its vision.
- These new employees represent how our drive for diversity is having effect. Besides the geographical spread, the proportion of females to males is 33,50% (above the % of female within Atos' global population, and even more significant, this is higher than last year's (2018) numbers by 1.26%).
- In 2019, 13,043 employees departed from the Company. Such an attrition is normal and does not impact adversely the value-proposal offered to our customers given that Atos' retention of top talents and experts is 95%, which is above industry benchmarks, and represents an increase of 3% from 2018.

Atos also runs extensive reward programs to ensure that part of the value created by the Company with its clients is distributed to employees in a mid- to long-term perspective.

In addition to monetary rewards, Atos also prides itself in acknowledging that the Group is first and foremost a community of people and that each of us should be in a position to thank colleagues for their commitment, dedication and contribution. In 2019, Atos launched a digital App named "Spot award" so that employees can show their appreciation to other colleagues in connection with a specific action, task or contribution.

With a total headcount of 107,602 in 2019 Atos is reinforcing its drive towards enhanced social collaboration. The Group believes employees should be regularly consulted:

- via a direct mode, ensuring that employees can deliver direct and regular feedback through internal consultations, such as the Great Place to Work survey and the internal Customers satisfaction survey (CSAT) - where employees and managers are invited to express their views and appreciations;
- or via employee representative organizations through responsible social dialogue.

Managing such an organization requires common values and rules to be known and accepted by all. It is imperative that these values, and the fundamental principles according to which the Company wants to operate, are summarized in the Ethics policy that all employees fully understand.

D.2.2 Attract and develop talents

[GRI 103-1 Training and education]

Recruitment

During 2019, Atos hired 12,051 employees to support the growth of the Group.

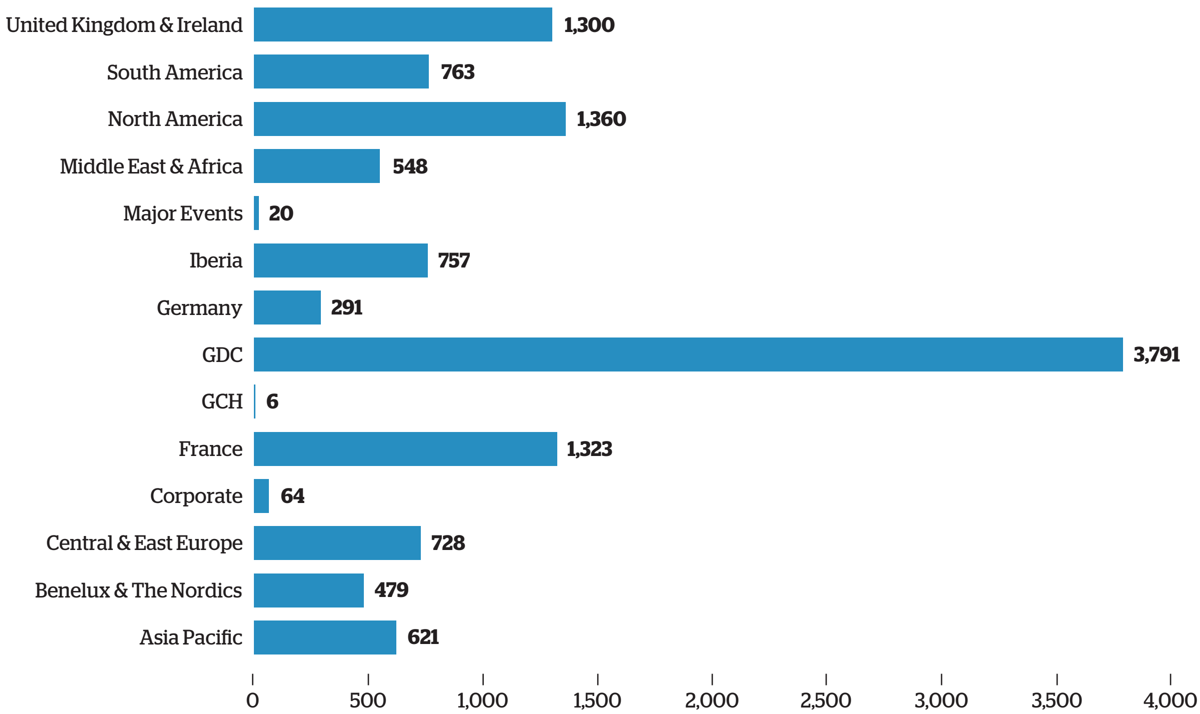
In its drive to increase the excellence of the services delivered to its clients, the Group continued its tier-one university program and developed a working plan with 125 top universities (recognized worldwide) with the full sponsorship and monitoring of Group Executive Committee. This approach has resulted in an increase of over 300% since 2016 in the hiring of graduates coming from this selected pool of tier-one universities, with more than 1,100 recent graduates joining the Group in 2019.

As part of Atos' commitment to offer career opportunities to recent graduates, Atos partners with 150 universities worldwide, focusing on key skills and expertise. In addition, Atos collaborates with and supports international student associations to share knowledge and interact with best-in-class students globally. In 2019, Atos on-boarded 5,046 graduates as interns/apprentices to work along Atos' team, and grow their understanding of the industry and of their own skillsets and ability to contribute to teamwork with professionals. The trust Atos displays in opening internships and apprenticeships to individuals who are yet to graduate is greatly appreciated by students. The positive outcomes of these efforts can be monitored in the "Happy Trainees Label" awarded for many consecutive years to GBU France, as well as in the high conversion ratio at the end of internships when interns or apprentices become employees (circa 60%) and, of course, in the steady increase of the Junior Hire versus total Hires.

Keen to offer to its staff career perspectives, Atos initiated in 2016 an "Internal First" program. The purpose of the program is to promote internal mobility when filling any vacant position. This means that employees can develop their experience, skills and employability within new career opportunities and through mobility. Atos filled 81% of its positions (GCM 4-9) with its own employees in 2019. This program is considered a major success as it is a key enabler for pro-active career progression and continuous skills development.

The Atos Recruitment function supports Atos policy with a team able to introduce cross-country initiatives and global strategies, as well as share and implement best practices across the function. Key projects in 2019 included the launch of a partnership with Glassdoor, one of the world's largest job and recruiting websites, as well as intensified activities with social media and career platforms such as LinkedIn.

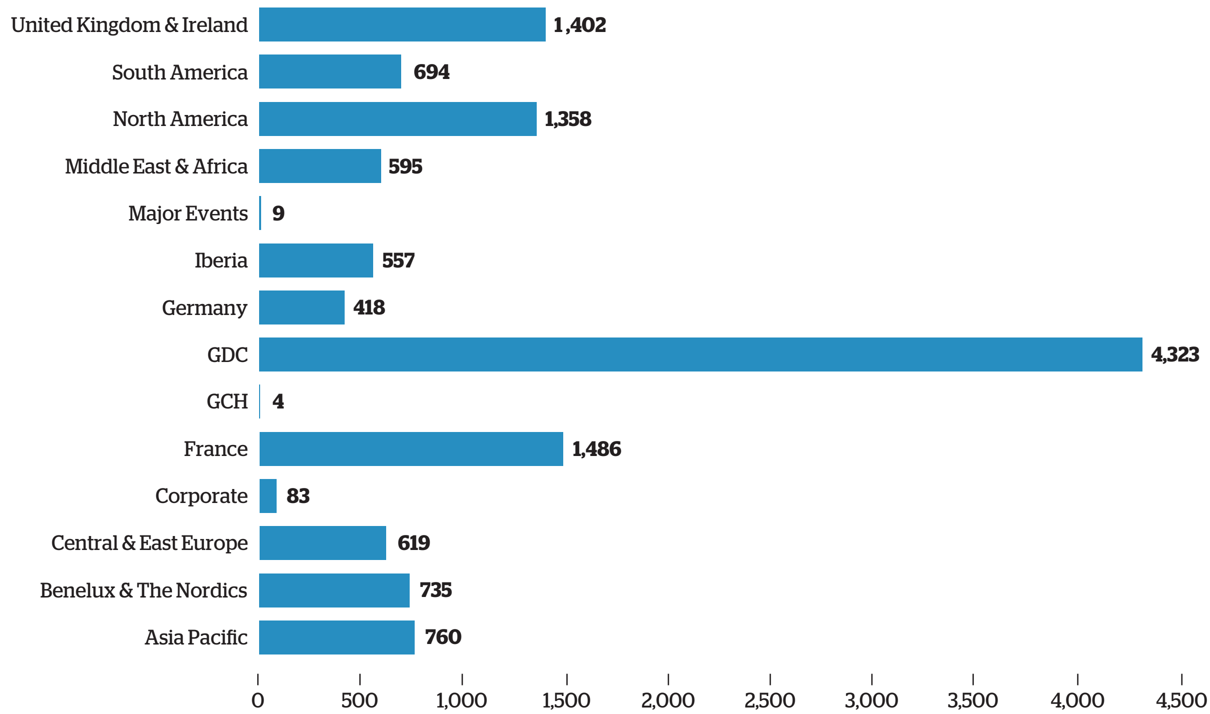
NUMBER OF PEOPLE ENTERING THE COMPANY PER BUSINESS UNIT
[GRI 401-1]



NUMBER AND RATE OF PEOPLE ENTERING THE COMPANY PER GENDER AND AGE
[GRI 401-1]

	Female	% total employees Female	Male	% total employees Male	Female and Male	% total employees
<=30	2,316	19%	3,932	33%	6,248	52%
30><=50	1,430	12%	3,518	29%	4,948	41%
>50	291	2%	564	5%	855	7%
TOTAL	**4,037**	**33%**	**8,014**	**67%**	**12,051**	**100%**

NUMBER OF PEOPLE LEAVING THE COMPANY PER BUSINESS UNIT
[GRI 401-1]



NUMBER AND RATE OF PEOPLE LEAVING THE COMPANY PER GENDER AND AGE
[GRI 401-1]

	Female	% total employees Female	Male	% total employees Male	Female and Male	% total employees
<=30	1,855	14%	3,096	24%	4,951	38%
30><=50	1,719	13%	4,567	35%	6,286	48%
>50	536	4%	1,270	10%	1,806	14%
TOTAL	**4,110**	**32%**	**8,933**	**68%**	**13,043**	**100%**

Talent Development

The sustainable and long-term employability of staff is the cornerstone of Atos' Talent & Training policies. Further enhanced in 2019, the Atos Talent Development programs reinforce our talents' capabilities and accompany them along their successful career paths.

Each of these programs is directly sponsored by an Executive Committee member to ensure a strong link between talent development and growth strategies. These programs include:

LAUNCH for future leaders

Part of Atos' talent management, LAUNCH is a global initiative, based on a worldwide framework, and delivered in a growing number of local and regional settings. In 2019 there were ten LAUNCH programs running, and LAUNCH has been prepared for initiation in at least three more regions for 2020.

LAUNCH focuses on identified talents with limited experience. It is self-organized and international in its set up. LAUNCH's mission is to develop at Global Business Unit (GBU) level the best individual potential of its members through a combination of personal development sessions, networking opportunities with top management and international colleagues, as well as working on innovative projects that contribute to Atos' business performance.

FUEL for emerging leaders

The FUEL program is offered to selected Atos talents, in possession of at least six years' experience in the Group but still a limited number of years of work experience. In 2019 we updated the set-up of FUEL which is now run in cooperation with Cambridge University (UK), ECS-Institute for Manufacturing and the HEC business school in France. Participants also join the Franklin Covey leadership and personal development online sessions and are invited to engage in personal coaching sessions and to benefit from a global mentor throughout the year. In

2019, approximately 60 FUEL participants participated in person in international meetings in addition to online webinars and calls.

All in all, this development program creates a virtual network of innovative and highly motivated individuals working as an international and cross-functional team. They gain visibility and recognition through networking opportunities with top management. They develop further a manager's mindset, by obtaining the big picture of Atos as a global Company, and gain the opportunity to extend their experience through working in multicultural and diverse teams.

GOLD for Business Leaders

Nominated by the Atos executive and top management annually, 80 members of the Group's identified talents are invited to take part in the prestigious Gold for Business Leaders program. In cooperation with HEC Paris, Europe's leading business school, Gold for Business Leaders aims to develop the future leaders of the Company and create ambassadors for the Company's values.

The global Atos Gold for Business Leaders program consists of three face-to-face modules in three different international locations (Germany, India, France), and several online elements. The program was recognized with an award by the European Foundation for Management Development (EFMD) in the Talent Development category in 2013.

GOLD for Technology Leaders

The Gold for Technology Leaders program was launched in 2013 in cooperation with the Institute for Manufacturing Education and Consultancy Services (IfM ECS) of Cambridge University in the United Kingdom, and the Software Innovation Camopus Paderborn (SICP) of the Paderborn University in Germany. The goal is to give to Atos talents with Expert profiles the vision and capability to define innovative end-to-end solutions, helping clients to gain competitive advantage. 60 Atos talents from across the world were invited to join this global program annually for three physical sessions in the UK and in Germany, and a number of additional "virtual" and online program elements. In 2018 the program received an award from the European Foundation for Management Development (EFMD) in the Talent Development category.

VALUE for Executive Leaders

Developed in partnership with INSEAD, the world-famous business school in France, this training is taken by most of the 350 (approximately) Atos Group executive leaders (Vice-President and above). In 2018 and 2019, close to 300 of this cohort undertook a preliminary online module to develop their awareness and capability to design strategies in the age of digital disruption. They also joined a classroom module to engage in the transformations needed to drive this change. In addition, they participated in an online module to further develop the relevant leadership, communication and agility towards cultural diversity in order to drive the transformation of their teams. The program will be completed in 2020, and a quality level follow-up is being prepared.

Atos University – Business Technology Learning Center

Establishing the Business Technology Learning Center (BTLC) of the Atos University in Bangalore in 2018 was an important step for the Group to realize the strategic importance and impact of training and education for its employees. After a successful ramp-up phase in 2018 with more than 8,000 training days, the BTLC reached full impact in 2019 with more than 17,000 training days delivered to participants from India and worldwide.

In addition to the physical and vitual training delivery, the BTLC also has a team of instructional designers who develop innovative virtual training programs for the entire group as well as Atos' customers.

In total, more than 250 training courses and curricula (onsite, blended, virtual) have been developed by the BTLC team since its foundation.

Project Management Academy

In 2019, Atos placed key emphasis on Project Management training and education. The objective was to effectively train Atos Project Managers and Program Directors in Agile Methodologies as well as updated Atos internal processes and tools. In total more than 7,800 Project Managers participated in the different programs and training courses. The well-established training programs "Project Management Academy" and "PRM Masterclass" have been updated with latest content and further improved in delivery methodology. In 2019, 55 Atos employees increased their skills and knowledge in a project and program management Masterclass (PRM Masterclass) which was delivered in partnership with the Cranfield University School of Management. In addition, Atos successfully trained more than 120 Project Managers and Senior Project Managers in a similar internal Program.

SDM Academy

In 2019, Atos continued to deliver the Service Delivery Management Academy in cooperation with the ESCP Business School. This strategic training program focused on all aspects of Service Delivery and Client Management. More than 260 participants from all GBUs participated in this program during the year.

Expert Career Path & Community

Development of technology expertise is critical to help our customers succeed in their digital transformation. Atos launched in 2016 an Expert dedicated career path and community with the objectives of developing and retaining the best technology expertise.

Experts are identified during dedicated yearly application campaigns, where they can apply to one of the four levels of the career path - from Expert to Senior Expert, Distinguished Expert and Fellow.

Candidate files are reviewed internally by validation bodies composed of technical attendees (experts of the highest levels), Chief Technical Officers, R&D Head, GBU Management and Human Resources.

This process is monitored by the Group CTO Office. It has allowed Atos to identify, since 2016, more than 2,200 experts in 13 technological domains, who are now acting as a solid community and taking part in dedicated events throughout the year.

Experts are selected for two years; 2019 is the first year where an Expert renewal campaign has taken place. Experts selected in 2017 were asked to reapply to continue to be part of the community at the same or higher level in the career path, based on their contributions to the Expert Community, to the business and to Atos overall.

Madrid was the city chosen for the 2019 Atos Expert Convention, in September. It welcomed 300 Atos Experts worldwide and some of our most strategic partners during a one-of-a-kind event.

Technology expertise is also spread throughout the Group management teams thanks to dedicated webinars by Technology Domains organized by Group CTO and by the Domain leader. A strong effort is also made by the Expert Community to support our best customers' technology development.

D.2.3 Right People with the right skills

[GRI -1 Training and education], [GRI 404-1], [GRI 404-2], [GRI 404-3]

In a business as usual mode, a vast number of certified learning paths are made available to all employees. These certified learning programs are specific to the needs of the various target groups within the Company: Sales, Delivery, Project & Program Management, technical Experts as well as Management and Support Functions. These learning programs are often offered online, by academic institutions or by educational technology companies (often partnering with academic institutions or industry leaders).

People and skills development is a key priority for Atos and a cornerstone of the Group Strategy. As a key enabler for the successful realization of the "ADVANCE 2021" strategy, the group has launched the "Be Digital" program with the objective to equip every employee with the required digital skills. In 2019, the first year of this new strategy cycle, the Group has progressed well and trained more than 41,700 people on digital topics, out of which 30,000 have been certified. The total number of digital certifications has grown by more than 20% up to 51,700. This program is based on well-proven methodology to offer specific training curricula and certifications for Sales, Pre-Sales, Management and Delivery.

Certificates are typically earned by completing college or college-like courses, often with lectures, assignments and exams. The level, involvement and duration vary, based on the objectives and the content of the program.

In addition to the Be Digital program, to generate a detailed and professional understanding of their role and the respective requirements of their job in the digital age, employees have access to various Atos University Academy programs:

- Architect Academy;
- Contract Management Academy;
- Finance Academy;
- HR Academy;
- Leadership Academy;
- Lean Academy;
- Project Management Academy;
- Procurement Academy;
- Quality Management Academy;
- Sales Academy;
- Service Delivery Management Academy;
- Workforce Management Academy.

Those Academies offer different learning programs and curricula as well as certifications. This is often done in partnership with leading universities and business.

Overall, in 2019 the Atos workforce benefited from an average 21.70 hours of formal training per employee [GRI 404-1].

Furthermore, because employees spend much more time learning informally on-the-job, in a digital environment or collaboratively in coaching or peer communities, Atos is planning to report such learning based on the hours of education recorded in the ESS time-sheeting tool. In 2019, Atos estimated the number of hours of informal training as greater than 38 hours per employee. Accordingly, there were more than 4.21 million hours of education reported for 2019 (3.37 in 2018). This represents an average of 38.76 hours per employee. The Company plans to capture this effort even more effectively in line with the clear path to digitization.

Sales capabilities

Selling digital services requires a trustworthy, consultative and digitally literate sales force. After implementing a common sales methodology, Atos focused the sales training in 2019 on the introduction to vertical and industry specific content. This was supported also by the use of the new Adaptive Learning solution Atos has put in place globally for Atos e-learnings. In addition, Atos launched some adaptive trainings sessions around key portfolio offerings, so that Atos Sales team members can acquire the required knowledge as quickly and effectively as possible.

Service delivery capabilities

To equip its workforce with digital solutions design and delivery capabilities, Atos invests heavily in training and certification programs focusing on key technologies and skills required for Digital Transformation (e.g. virtualization, Internet of Things, big data, hybrid cloud, high performance computing). This effort is also supported by Atos' eco-system of technology partners (e.g. EMC² Federation, Microsoft, SAP) and strategic alliances (e.g. Siemens or Google Cloud).

At the end of 2019, Atos had an average of 23 different skills identified per employee [GRI 404-2].

Management capabilities

D

In 2018 and 2019 the Company put in place a variety of new management development programs in order to have a consistent and globally standardized approach for Leadership Development. All levels of management are now supported with training curricula: Young talents can be invited to participate in the LAUNCH for Future Leaders and FUEL for Emerging Leaders programs, Team Leaders can join the "Team Leader Curriculum", Senior Managers participate in "Leading in the Digital Age", Directors and Senior talents in the "GOLD for Business Leaders or GOLD for Technology Leaders programs, and Executives extend their knowledge and experience with the "VALUE – Vision and Leadership Unfolding Excellence" program. In addition to those specific enabling programs Atos has enhanced its offerings of Management Training for all employees with the introduction of "Harvard Manage Mentor" – an e-learning solution that helps leaders to improve their capabilities in 40 different areas.

The uptake and success of these initiatives is outstanding. More than 5,000 individuals have been trained in the various programs.

Careers within Atos

In order to meet its strategic market development ambition, Atos intends to attract and develop talented professionals. For this, Atos needs to build end-to-end vision and processes related to career development and mobility. To foster individual engagement and to make internal job rotation easier and more effective, Atos launched the "Atos Evolve" App for all employees in 2019. This App delivers targeted vacancies and job offerings to the mobile phone of the respective employee, based on their career aspiration and development goals.

Every Atos employee is entitled to an Individual Development Plan, as part of their regular career and performance-related conversations with management. Atos reinforces systematic and consistent semester-based objectives setting and appraisal reviews, supported by policies and tools. 87% of employees received regular performance and career development reviews in the last 12 months [GRI 404-3]. This not only secures a solid basis for further development of Atos employees; it also helps with the alignment of people objectives across the organization, increases clarity and transparency in workforce capabilities, and helps to identify potential gaps. Those gaps are then intended to be filled primarily with internal candidates, to further enhance the development opportunities for Atos' employees. More than 12% of our staff received a horizontal or vertical promotion in 2019.

Using Atos Syntel as a best practice, Atos strives to make skills development an integrated part of the performance management cycle. For that purpose, a list of approximately 300 business critical skills has been developed and agreed with all business owners. This list will be updated on a regular basis. To each of those skills, dedicated training and development programs are linked, so that the individual can engage in very effective upskilling.

A pilot of this approach has been put in place in BDS UK in 2019 and the plan is to further deploy this approach across the Group in 2020.

Global mobility

In the wake of 2016, where the Mobility Function was globalized within Atos to keep pace with the maturation of the service delivery model, Atos enjoyed in 2017 all the benefits from a sustainable and risk managed delivery model providing more efficiency, clarity, and accountability in supporting business mobility requirements. This model has also delivered increased flexibility to anticipate future needs and support Group strategy. It is also more transparent to the employees on mobility options and provides them the opportunity to pro-actively further their career ambitions.

The media and collaboration platform "MyFuture@Atos", introduced in 2015, now has over 40,000 followers and cites more than 30,000 visits per month. From a personal perspective, Atos offers monthly career webinars for employees and managers with over 2,000 participants in the 2019 sessions. Employees and managers are guided on how to manage their careers and take advantage of the support Atos can offer. Atos have also launched a digital platform called 'Evolve' that enables employees to access job opportunities in a convenient app and register for the Company 'hands up program' where Atos supports internal mobility, these interventions all providing a clear examples of the efforts Atos is deploying in this area.

D.2.4 Enhancing Wellbeing@work

The Atos Wellbeing@work program, operational from 2010, has grown and become a recognizable and constant part of the Atos culture. In 2019 Atos launched a renewed program called We are Atos.

"We are Atos" is the Employee Experience program of Atos. It is a key Group transformation program for the continuous improvement of our way of working together, building on the success of the Atos Wellbeing@work program which was operational from 2010. The renewed program looks at a wider scope of employee experience combining the existing initiatives on Wellbeing and Life@work with an additional focus on Diversity & Inclusion and Social Value. It accounts for the constantly changing expectations of current and future employees and is aligned with our client priorities and mutual objectives, improving customer experience at the same time.

The program is driven by a network of people from all parts of the organization with local leaders covering every part of the organizational matrix.

This network approach supports local priorities, local context and shares best practice from across our company.

To strengthen the program, an Atos ExCom member oversees the plans and activities to materialize the ambition and objectives of the five essential tracks: Diversity & Inclusion, Social Value, Wellbeing, Life@work and Employee Experience with our customers.

D.2.4.1 Working conditions
[GRI 102-12], [GRI 102-13]

General statement of respect of international labor rights
[GRI 102-12]

The protection of labor rights has long been a part of Atos policy. The Atos Code of Ethics confirms that Atos will always make decisions based on competencies without consideration of nationality, sex, age, handicap or any other distinctive trait. Participating in the UN Global Compact since 2010 is another way that Atos shows its willingness to ensure such protection. As an active participant, Atos ensures the respect of the following principles:

- supporting and respecting the protection of internationally proclaimed human rights;
- ensuring that Atos is not complicit in human rights abuses;
- upholding the freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced and compulsory labour;
- effectively participating into the abolishment of child labour.

In addition, in order to apply for public tenders, Atos follows the requirements of local labor laws.

Atos initiated several initiatives which aim to guarantee a better balance between the professional and personal lives of Atos employees.

Health

The Health@work blueprint which was drawn up in 2016 led to the development of a new framework which embodies the term 'Care' at its core. This has been developed with the aim of ensuring that everyone at Atos understands the importance of looking after and caring for colleagues, and ensuring our managers always show positive team-oriented behaviors. This 'Care' pillar highlights best practices undertaken accross Atos' geographies, whilst taking into account their local legal and social factors.

Atos is committed to ensure it continues to comply with legal standards and also strives to meet best practices. For example, it has been awarded the Gold Award for Health and Safety in successive years by the UK Royal Society for the Prevention of Accidents (RoSPA).

On top of this, Atos offers a large variety of mandatory and non-mandatory e-learning materials which cover health and wellbeing topics.

Even given that Atos is not seen as a high risk for occupational diseases, it is vital that it keeps in place a proactive or preventative approach to manage any issues, especially regarding psychosocial risks. The Health@work and Care pillar are therefore vital programs to ensure that psychosocial risks are managed appropriately.

E-learning programs are part of the proactive systems of support, especially in relation to 'soft skills' such as communication skills, working across cultural differences, working effectively from a remote base and managers having effective coaching skills. There are also e-learning programs to help employees understand and detect psychosocial risks such as stress. These e-learnings are available in all countries, and in multiple languages.

In addition, across many European countries and in North America, Atos has put in place employee health checks to ensure that any issues of stress are identified quickly so that a health intervention can be promptly put in place. Some additional actions may include the involvement of management if the employee agrees in order to address any perceived work-related stress.

D.2.4.2 Recognition and Loyalty

[GRI 103-1 Market presence]

Minimum wage comparison

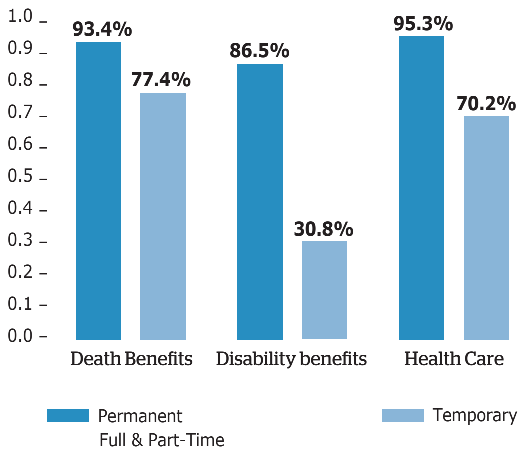
In all countries where the Group operates, Atos entry level wage (lowest wage in Atos paid to a permanent. full-time employee) is in line with local policies and above the local minimum wage.

Atos is operating in 68+ geographies and 90% of these countries have minimum wages dictated by law: where a minimum wage is dictated by law, Atos pays more than this level of wage [GRI 202-1].

Health care coverage, death and disability benefits

Health care is offered to 95% of permanent employees and disability benefits are offered to 86% of permanent employees [GRI 401-2]. Additional occupational medical/health benefits are rare in Germany, Austria, Switzerland and Sweden. In these countries, the compulsory health insurance is fairly comprehensive, so supplementary medical benefits are generally not necessary.

Death benefits are offered to 93% of permanent employees [GRI 401-2]. In Austria, Germany and Switzerland, death benefits are included in the pension plans and provided in the form of pension for spouse and children. In other countries, death benefits are mainly provided in the form of lump sum payments. The principal lump sum amount is sometimes increased according to the family status (France, Morocco, Denmark) and sometimes doubled for a death as a result of an accident (China, Japan, Thailand, Poland, Spain, Brazil, Chile, Mexico, and UAE).



Coverage of the organization's defined benefit plan obligations

[GRI 201-3]

Funding strategies for defined benefit pension plans vary per plan and country and are set up to reflect the relevant local funding requirements, respecting legally required timelines for recovery plans for plans in deficit.

Atos Group Compensation Policy is designed to reinforce its position as a tier-one company for IT services, and referenced as a Wellbeing@work Company.

The compensation policy is based on Atos' human resources values and aims to:

- attract and retain talents;
- reward performance and innovation collectively and individually in a balanced and competitive way.

To ensure that Atos continuously reaches these objectives, the compensation policy is regularly reviewed and deployed in all countries where Atos operates according to local specificities and regulations. All acquired companies are transitioned to Atos' compensation policy. The Group conducts an annual benchmarking exercise with Atos competitors in the ICT (Information and Communication Technology) market to ensure competitiveness, both in level and structure, and ensure that compensation packages are in line with market practices in every location.

The Atos Total Compensation Package includes a fixed salary, a variable bonus for eligible employees and benefits aligned with market practice. Key individuals may also receive long-term incentives such as stock-options and performance shares.

Atos variable remuneration

For all Atos employees that are eligible for bonus policy, variable compensation has been determined for several years now on a semester (rather than an annual) basis. This approach fosters ambitious objectives setting, and contributes to the alignment of business and strategic goals with missions assigned to employees.

Targets are split into four major categories:

- financial objectives, cascading Group targets at the relevant employee's scope (mainly Total Revenue, Order Entry, Cash objectives – FCF or Billing objective– and Operating Margin);
- customer satisfaction survey results;
- people objectives, such as objectives linked to internal promotions, graduate hiring and/or Great Place To Work® survey results;
- individual performance, based on the semester individual objectives set up and assessed by the direct manager.

Each semester, the Group Executive Committee reviews the Global Variable Compensation Policy to make sure that it is aligned with the Group's operational strategy and that objectives are SMART (Specific, Measurable, Achievable, Relevant and Time-bound). The Executive Committee ensures that the Variable Compensation Policy encourages the Group's employees to deliver the best collective and individual performance. Atos' financial results have a real impact on bonus payouts at all levels and for all functions. In addition, in the GBU France and in Netherlands, Atos set up local collective profit-sharing schemes, mainly based on the financial performance of the entity.

Reward and Recognition Programs

Recognition is a key motivating factor. In order to allow every great contributor to be recognized at fair value, the Group rolls out major programs, as part of the Wellbeing@work initiative, such as:

- "Accolade" which empowers employees to nominate their colleagues and gives managers the possibility to instantaneously reward their teams according to three levels (Bronze, Silver and Gold) for exceptional performance;
- in 2019, the "Spot awards" were launched in the We are Atos program and implemented globally for all employees to use. Spot Awards is an online module in MyAtos and also available on mobile phones. It is aimed at creating a culture of appreciation across the organization, which helps employees to acknowledge their colleagues' exceptional efforts and instantly share their appreciation through this recognition award;
  - it aims at timely recognition and there are no approvals required,
  - these awards do not follow a hierarchy and can be given out across levels/functions and geographie,
  - the focus is on recognition and it is a non-monetary award.

Remuneration analysis

Atos ensures its competitiveness in the market. In 2019, 49% of the Atos population was working in a country where the ratio between the highest OTE and the median one is below 10 [GRI 102-38].

[GRI 102-39]

Ratio between the highest OTE and the median OTE	% of the Headcount
Under 10	49%
10<X<20	46%
More than 20	5%
TOTAL	**100%**

In 2019, in line with Atos' policy to reinforce evolution of remuneration levels in local employment markets, both the categories of "20" have somewhat increased, with more employees now reflected in these two categories in comparison to 2018, and consequently a smaller percentage of the workforce is categorized in "10 < X > 20".

Employee stock ownership and management: long term incentive plans

Employee stock ownership plans

In 2011, 2012 and 2014, Atos offered Employee Stock Ownership plans, open to a large number of employees. These plans, called Sprint, gave employees the opportunity to buy Atos shares through two vehicles:

"Sprint Dynamic" (which offered a 20% discount on Atos reference share price plus matching shares) and "Sprint Secure" (which allowed employees to buy units of a leveraged product benefiting from the share value growth, providing also a capital guarantee in euros).

To positively affect the program's overall success, Atos introduced a new plan in 2016: "Share 2016" offered the opportunity for employees to buy Atos shares at a 20% discount on the reference share price plus Company matching shares. This plan was a real success garnering more than 10,500 participants in 23 countries and leading to a participation rate of more than 12%.

To build on the success of "Share 2016", Atos launched a similar Employee Stock Ownership program in 2018: "Share 2018". The scope of the plan reached an unprecedented coverage of more than 98.5% of Atos employees based in 46 countries. The opportunity to participate was also given to employees from the recently acquired companies in 2018.

"Share 2018" confirmed the success of "Share 2016" with a participation of more than 12,500 Atos employees.

Atos' ambition is to continue to offer such successful Employee Stock Ownership programs in 2020.

Management equity plans

In order to reward and retain key talents and top managers, Atos implemented stock option plans and performance share plans, detailed in section G.3 Executive compensation and stock ownership.

On July 24, 2019, in line with the Group's main strategic guidelines, around 1,200 Atos employees - comprised of senior managers, executives, selected technical experts and high-potential employees – participated in the 2019 Long Term Incentive Plans.

Smart working conditions
[GRI 102-8]

Atos provides permanent, full time working relationships with its employees: 99% of the total workforce are on permanent employment contracts and 93% are full time. Atos accepts working part time where an employee considers that it is better for their work life balance; part time is at the initiative of the employee, not of the company.

Atos operates in a collaborative mode, which allows remote working which offers more flexibility for employees in achieving a work life balance. The whole set of initiatives to promote a smart, healthy work environment has reduced the absentee rate of the company.

The absenteeism percentage regarding the direct operational workforce in 2019 was 2.42% [A16]. In addition, the total work-related accidents numbered 174.

D.2.4.3 Promote diversity
[GRI 103-1 Diversity and equal opportunity], [GRI 202-2], [GRI 405-1], [GRI 405-2]

Atos is strongly convinced of the importance of diversity as a key driver for the Group's continuous growth and competitiveness. Diversity is firmly embedded into our People Strategy and is focused on embracing people's differences to create a productive environment, where diverse talents are identified and retained, and employees can bring their authentic selves to work. We position ourselves as an innovative, inclusive, and ethical employer of choice, tying our Diversity & Inclusion programs back to business imperatives and showing our appreciation for the work our people do on behalf of our clients and the Group. To that end, we added this statement at the end of our global job postings:

Here at Atos, we want all of our employees to feel valued, appreciated, and free to be who they are at work. Our employee lifecycle processes are designed to prevent discrimination against our people regardless of gender identity or expression, sexual orientation, religion, ethnicity, age, neurodiversity, disability status, citizenship, or any other aspect which makes them unique. Across the globe, we have created a variety of programs to embed our Atos culture of inclusivity, and work hard to ensure that all of our employees have an equal opportunity to contribute and feel that they are exactly where they belong.

The Diversity Program contemplates four main dimensions: Gender, Cultural Diversity, Accessibility, and Generations serving as the foundation of excellence in people management to improve the Group's operational performance through engagement. The Program is sponsored by a Global Steering Committee with Group Executive Committee members.

Throughout 2019, Atos continued the development of the Diversity Program, offering webinars, mentoring opportunities, community outreach efforts, and book clubs that focus on the above four dimensions and which include the following:

- Affinity Group Book Clubs: employee-led groups read business-related books and meet to discuss them;
- launch of the NA Latin American AG: sponsored by Global Chief Diversity Officer, focused on celebrating our Latinx employees and creating videos that feature their accomplishments and contributions;
  - launch of the Return to Work Networks in the UK, Greece and India to support employees coming back after a career break;
  - establishment of the accountability Buddies Program;
  - implementation of the BAME mentoring programs sponsored by the Together Network in the UK;
  - expansion of our relationship with the United Nations as pertains to the Standards of Conduct of Business in support of LGBTI employees through think tanks and webinars;
- creation of RAD Chat (recruitment and diversity chat): LinkedIn podcasts sponsored by Global Chief Diversity Officer and Group Head of Recruiting that showcase Atos employee programs to attract a more diverse pool of applicants;

- addition of universities that offer a diverse student base to recruit from: Bringing in Rochester Institute of Technology means we can offer business communication mentoring to their neuro-diverse students and resume development assistance for their Veerans Upward Bound program. We also established a partnership with the women's group of the National Technical Institute for the Deaf to provide career guidance;
- addition of HBCUs to our Campus Management program to recruit people of color more effectively;
- partnership with Textio to revise our global job descriptions using gender neutral, inclusive languaging;
- signature of several charters affirming our support of our people:
  - parity.org: advancing women into senior roles (first French company to sign),
  - valuable 500: supporting the accessibilty needs of our employees (first CAC 40 company to sign),
  - the Hispanic Promise: developing our Latinx employees for advancement,
  - l'Autre Cercle: advancing LGBTI rights,
  - the AARP Pledge: supporting our employees over 50;
- the Inclusive Leader diversity and inclusion certification program: a 5-part series attended by over 1,400 global learners, where women comprised 49% of the audience and 93% of those who completed the internal certification process;
- creation of programs to support women's development and advancement:
  - women in Sales,
  - women in B&PS;
- establishment of the first-ever global women's leadership development program at Atos which is divided into three experience levels;
- leadership at first-ever Gender Equality in Computing conference in Greece;
- named in The Times' Top 50 List for Gender in the UK;
- selected as a top company in the US for Employee Engagement;
- recipient of the Great Place to Work Award in Bulgaria;
- awards for women:
  - women in IT for Diversity and Inclusion Programming
  - Rochester Women's Network for engaging and supporting women
  - Brandon Hall Bronze for Diversity and Inclusion Programming
  - Techplaymaker's Digital Tech Leader 2019
  - HITEC 100
  - CRN Power 30 Women of the Channel;
- establishment of pen pal programs with State University Of New York at Genese's School of Business and Atos women;
- NAO Veterans Appreciation Day: creation and employee distribution of a thank you card for Atos employees who served, or are serving, in the military, providing community connections through the US Marine Corp's Toys For Tots program, and conducting resume development workshops for local veterans groups;
- women in TechNOWlogy webinar series: quarterly panel discussion of topics affecting/enhancing women's development;
- volunteer efforts with:
  - UK Code First Girls: Atos women volunteering to mentor young women in STEM
  - State University of New York at Geneseo: Atos women serving as mentors to college women on career development and preparation to enter the workforce after college
  - Girls Code Fun: Atos women mentoring young women in STEM
  - Romania Capital Filles: Atos women mentoring young women
  - "Ladies only" Hackathon, "Challenge The Force Within Her" in Greece: invitation to all tier-one universities in Greece, as well as developers' communities
  - UK STEM Ambassadors: Atos volunteers provide mentoring and career advice to school-aged children interested in STEM careers
  - USA FIRST Robotics: Global Chief Diversity Officer provides mentoring and event sponsorship for all-girls robotics team in Rochester, New York
  - Our Lady Of Mercy High School Career Mentors: Global Chief Diversity Officer hosts annual career development conference with girls aged 11-13 to discuss STEM and other career paths;
- NAO *Diversity Dimensions* newsletter: monthly newsletter sent to NAO employees highlighting diversity events and programming;
- Women Who Succeed Tech Talks: monthly webinars hosted by Atos women from the Scientific and Expert communities to increase awareness of technologies in development/use at Atos;
- UK&I Diversity Expo: Two-day series of seminars, streamed live with close captioning to over 54 countries, focused on diversity topics such as gender balance, LGBTI rights and men's mental health;

- International Men's Day: webinars featuring senior Atos men and external speakers as they share advice and guidance on how to remain relevant in the ever-changing technical landscape, achieve work/life balance, and develop employees;
- International Women's Day: follow the sun webinar series to ensure that Atos women globally are celebrated for their achievements. Production of an essay collection written by Atos women on the continuing need to focus on achieving gender equity;
- UK's Aspire and Together Network Newsletters: quarterly publications for these two employee networks developed by employees for employees;
- AtosPride newsletters (UK & France): quarterly newsletters featuring articles, profiles and resources for our global LGBTI employees;
- Group level LGBTI Pride Week webinar: annual event to showcase our AtosPride Allies program, hear from LGBTI external experts, and provide resources to our employees.

Although Atos has a major part of its staff in Europe, Atos employs people from 134 different nationalities [GRI 405-1]. Five nationalities are represented on the Board of Directors.

In addition, Atos supports a territorial anchor with 92.93% of the senior management coming from local communities [GRI 202-2].

10,674 national employees were recruited in 2019 [GRI 202-2].

Promoting gender
[GRI 405-1]

Atos has made a commitment to increasing the number of women employed and has programs and measures in place. "Women who succeed" is part of the new initiatives launched in 2018. It proposes targeted conversations with the Executive Committee and senior level women to provide additional resources, contact names and suggested courseware to position them for promotion.

Atos has decided to disclose the improvement in the ratio of women who are SVPs and VPs, where the two goups of employees represent 0.119% and 0.178%, respectively of Atos global headcount.

By end of 2019, the percentage of women as VP remains stable at 15.1% and the percentage of women as SVP increased to 11.7% from 11.4% in 2018. In line with our ambition 2021, we want to continue to visibly increase the number of women in top management.

The tables below reflect the increase in the number of women in top positions from 2018 to 2019.

	Number of women in 2019	Number of women in 2018	Variable
Executive Vice President	0	1	-1
Senior Vice President	15	15	0
Vice President	29	25	0
TOTAL	**44**	**41**	**+3**

Germany & Coporate Germany are exluded.

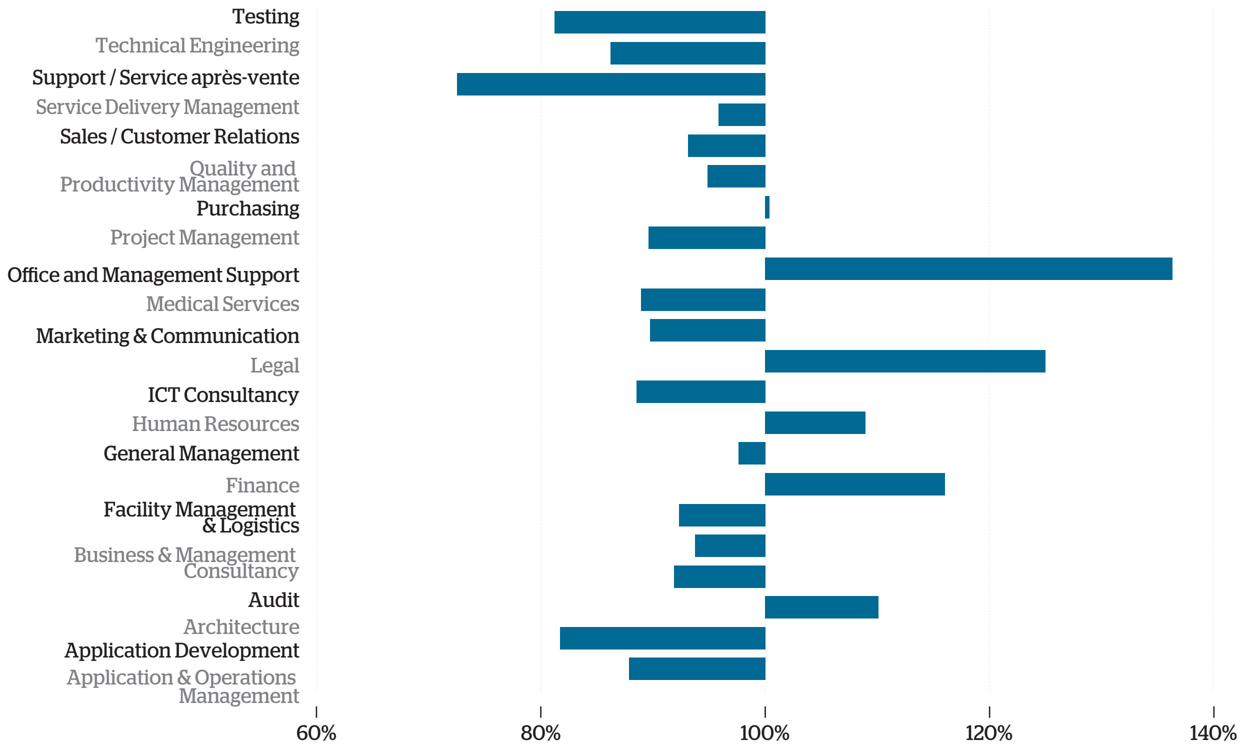
	Female	Male	Total
Executive Vice President	0.00%	100.00%	100.00%
Senior Vice President	11.72%	88.28%	100.00%
Vice President	15.10%	84.90%	100.00%
TOTAL	**13.71%**	**86.29%**	**100.00%**

Germany & Coporate Germany are exluded.

In addition, during the year 2019 the Board of Directors was composed of 40% of women. The Company is complying fully with the 40% rate of women directors set forth by the French law n°2011-103 dated January 27, 2011.

Atos adheres to the legal frameworks related to diversity and which abolish discrimination. Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on "Equal Remuneration for Men and Women Workers for Work of Equal Value".

RATIO OF TOTAL REMUNERATION OF WOMEN TO MEN BY JOB FAMILY
[GRI 405-2]



Some differences of salary between females and males still exist but the gap is narrowing thanks to steps taken by the company (e.g. in France pursuant to an agreement with unions, a special reserve is set aside every year to come on top of the traditional salary review exercise so that the relative difference in average income per category between men and women is reduced). Though many factors can account for an apparent salary gap between male and female (seniority in the position, total years of seniorities, etc.) the Company is addressing any systematic bias that may have survived through process and adapted benchmarks.

A renewed focus on accessibility

As we provide IT support for the Paralympic Games, specific programs have been implemented in different locations, in collaboration with union representatives, to attract, hire, and develop persons with disabilities. A partnership with Learning and Development has ensured access to required courseware for all employees. Our external web interface has also been tested to ensure ease of access.

- Our clients experience: Sell Inclusive Digital transformation.
- Our employee's satisfaction: Equitable Inclusive, digital Experience.
- Our Company competitiveness: Accessibility as a differentiator.

A cross-functional collaboration to develop a Group level Accessibility Policy was still a key focus in 2019. The Inclusive Leader internal certification program offers a session on leading differently abled employees. In May 2013 Atos signed a collective agreement relating to the employment and development of disabled people with French trade union representatives. The goal of these initiatives is to support this population and encourage others to consider career opportunities at Atos.

In April 2019 Atos signed the Valuable 500 campaign signaling the Group's commitment to driving inclusion and accessibility throughout the global organization.

Launched at the World Economic Forum in Davos, the aim of Valuable 500 is to put disability on the leadership agenda of at least 500 large, multinational enterprises. This will act as a tipping point for the accessibility agenda, influencing others to follow.

Atos was the first CAC40 company to commit:

- Global Accessibility Awareness Day: development and delivery of webinars and in person events featuring world-renowned experts in accessibility and disability awareness, streamed live with close captioning across the globe;
- Workplace adjustments service to provide assistive technology and accomodations for workers with disabilities. Developed in the UK but rolling out globally;
- Training on assistive technologies and assistive technology available via the MyAtos learning platform;
- Accessibility Academy program offers apprenticeships focussed on accessibility and inclusion. Atos is working with the UK Institute for Apprentices to develop a national standard;
- Regular meetings of the Accessibility Virtual Team which is a global group of employees with an interest in accessibility who meet on monthly basis to share knowledge;
- IAAP;
- Business Disability Forum Partner;
- W3C;
  - Volunteering for the following:
    - World Institute on Disability (Board Member),
    - UK Institute of Coding Diversity Board,
    - AXSChat Accessibility Video interview series & Twitter chat.

In 2019, Atos Group employed 1,379 people with disabilities [GRI 405-1].

D.2.5 Building a Great Place to Work

[A6]

D.2.5.1 Social collaboration

Atos has made social collaboration one of its main levers to ensure that our clients are served to the optimum of our collective capabilities:

- Atos' campus concept deployed in our different offices and structured around open spaces combined with desk sharing;
- The extensive use by our employees of our ESN (Enterprise Software Networks) used to share the Atos way of working and its values, as well as the different expert communities;
- The rapid deployment and adoption of Circuit, a Unified Communication and Collaboration platform developed by Atos brand Unify.

All of the above are key to foster the spirit of cooperation that our employees expect, and that the Company promotes, to ensure that our staff, our clients and our Company benefits from our best-in-class digital workplace.

D.2.5.2 Awareness and involving employees

Atos ensures full compliance with international labor standards, by applying principles of the International Labor Organization Conventions, as is required through its adherence to the Global Compact of the United Nations, which states as principle 3 that business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

To ensure the respect of freedom of association, Atos has built a concrete organization for social dialogue.

Communication with employee representatives is a permanent and constructive dialogue within the employee bodies at European and country levels.

Social dialogue is constructive and positive and can be illustrated by effective social discussions at European and country levels.

A culture of permanent social dialogue

The SEC (Societas Europaea Council) represents more than 60,000 people across Europe in 26 different countries and is deeply involved in events concerning the Atos Group. Atos CEO, regularly comes to the SEC to present the Company's strategy and ambition; information about transformations or acquisitions are shared with the SEC very early in the process. This demonstrates a high level of mutual trust and a strong desire to have the SEC promote complete transparency.

The Societas Europeas Council agreement planned for at least three meetings per year; in 2019 eight meetings were scheduled and took place (both ordinary and extraordinary) in addition to the many opportunities for exchanges via the different commissions (see below).

From social dialogue to social effective collaboration

On top of organizing the meetings with Societas Europeas Council, the management and employee representatives have agreed to set up additional commissions that work very closely with management in order to engage in productive, useful and profitable dialogue. In addition to the commissions created last year, Atos has created several new commissions, which meet regularly, to discuss topics which include, but are not limited to, the following:

- training;
- economics;
- data privacy;
- transnational projects.

In addition, Atos recognizes the role of collaboration of the social representatives for the most significant and most confidential topics within the Company. In 2019, Atos Chairman and CEO presented the Ambition 2021, a three year´s strategic plan, to the employee representatives of the SEC in pararell to the presentation to other stakeholders. In addition, Atos has had in place for several years a Board Participative Body, composed of four representatives of the SEC who are associated with the works of the Board of Directors through direct participation to the meeting or discussion on the agenda points with the Secretary of the Board and one director.

Social dialogue at local level

Beyond the extensive discussions with the SEC on European and multinational issues in many countries, regular consultations take place with local employee representatives in work councils and/or unions.

Beyond the regulatory and legally required obligations, Atos also values this social dialogue as an important means to ensure that employees are informed and involved in the development of the Company. The local implementation of acquisitions, like Syntel, IDnomic or Maven Wave, are important elements of this. Local organization structures and working conditions are topics in these consultations and negotiations.

In France, these were the most important topics discussed during 2019:

- negotiation and implementation of the new social architecture: signature of five agreements, professional elections and implementation of three CSEE and the CSEC;
- negotiation on employment and inclusion of disabled employees;
- negotiation on professional gender equity F/M.

Collective bargaining agreements

Atos realizes that job security contributes to the psychological health of its workforce. Therefore, Atos follows local and international regulations concerning minimum notice period(s) regarding significant operational changes. 59% of employees are covered by collective bargaining agreements [GRI 102-41].

Collective bargaining agreements are agreements regarding working conditions and terms of employment between an employer, a group of employers and one or more employers' organizations [GRI 401-3].

Atos' collective agreements cover health and safety matters, length of maternity/paternity leave, working time, wages, notice periods, vacation time (usual and exceptional such as wedding, birth, house moving, etc.) or training.

Taking into account employees' expectations [A2]

Beyond the collaboration with employee representatives, since 2010 Atos has committed to surveying employees through the annual Great Place To Work® Survey. This global survey, managed by the Great Place to Work Institute® (GPTW), helps Atos determine employees' expectations and focused areas for improvement.

The survey is structured around five dimensions: Credibility, Respect, Fairness, Pride and Camaraderie.

In 2019 the survey was conducted in 71 entities in 62 different countries. In total 101,475 employees were invited to take part in the survey and the final response rate was 66% reflecting the voice of 66,969 employees.

The average score communicated by GPTW on the 59 statements improved with 2% to 59% in 2019. This result of the Trust Index score demonstrates the commitment and involvement of employees to share their views and to help build a great working environment together.

Compared to 2018, Atos has improved its 2019 results in all areas:

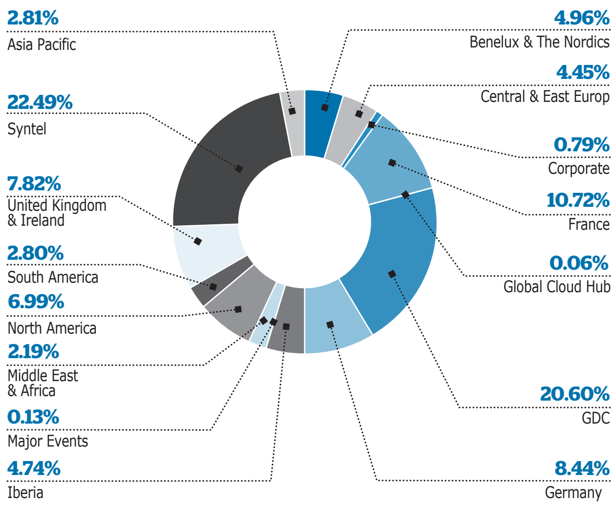
GPTW Dimensions	2019 Rate	Improvement ratio
Average CREDIBILITY	57%	+1.9%
Average RESPECT	57%	+1.8%
Average EQUITY	60%	+0.2%
Average PRIDE	60%	+1.8%
Average CAMARADERIE	62%	+2.1%

The internal "We are Atos" program has identified dedicated actions in each participating geography, to improve employee experience and as a consequence, the GPTW results in 2019. Atos is in a continuous improvement mode regarding well-being at work, setting its sights on a 3-point improvement in GPTW results within each Business Unit CEO and Business Unit HR Director for the sixth year in a row.

D.2.6 Employees, Atos main asset

[GRI 102-4], [GRI 102-8], [GRI 401-1], [GRI 103-Employment]

Atos employees' total population is composed of 107,602 employees [GRI 102-7] with the following split per Business Unit [GRI 102-8]:



LEGAL STAFF BREAKDOWN PER GENDER AND AGE
[GRI 401-1]

	Female	% total employees Female	Male	% total employees Male	Female and Male	% total employees
<=30	13,780	13%	18,444	17%	32,224	30%
30><=50	14,326	13%	39,507	37%	53,833	50%
>50	5,167	5%	16,378	15%	21,545	20%
TOTAL	**33,273**	**31%**	**74,329**	**69%**	**107,602**	**100%**

D.2.7 Being a responsible employer - KPI overview

[GRI 103-3 Employment], [GRI 103-3 Training and education], [GRI 103-3 Diversity and equal opportunity], [GRI 103-3 Economic performance], [GRI 103-3 Atos specific indicators], [GRI 102-8], [GRI 102-28], [GRI 102-41], [GRI 201-3], [GRI 401-1], [GRI 401-2], [GRI 401-3], [GRI 404-1], [GRI 404-2], [GRI 404-3], [GRI 405-1], [GRI 405-2], [A2], [A6], [A11], [A16]

		2019	2018	2017	2019 PERIMETER		2018 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
404-1	**Average training hours per employee**							
404-1_c1	Average hours of formal training per employee	21.70	17.43	14.89	88%	---	89%	---
404-1_c2	Average hours of formal training per male employee	20.24	18.03	14.26	88%	---	89%	---
404-1_c3	Average hours of formal training per female employee	25.03	15.96	16.54	88%	---	89%	---
404-1_c5	Average hours of training per employee	38.76	37.90	36.27	85%	---	91%	---
404-1_c6	Average hours of training per male employee	41.41	38.23	35.55	85%	---	91%	---
404-1_c7	Average hours of training per female employee	34.21	37.04	38.28	85%	---	91%	---
404-1_c4	Number of internships	3,737	2,049	1,452	100%	---	100%	---
404-2	**Employability initiatives**							
404-2_A_c1	Number of digital certifications registered	177,110	130,050	116,875	100%	---	100%	---
404-2_A_b0	Number of digital certifications obtained per year	51,736	40,316	35,263	100%	---	100%	---
404-2_A_b1	Number of different certifications owned by at least one Atos employee	5,895	5,361	5,151	100%	---	100%	---
404-2_A_b2	Total number of certifications registered	264,654	161,227	141,254	100%	---	100%	---
404-2_A_c2	Average number of certifications per Employee	2.46	1.65	1.62	100%	---	100%	---
404-2_A_c3	Number of certifications obtained per year	64,019	58,522	37,061	100%	---	100%	---
404-2_A_b3	Number of different skills owned by at least one Atos employee (excluding certifications)	8,319	8,086	7,708	78%	---	90%	---
404-2_A_b4	Total number of skills registered	2,001,003	2,007,358	2,009,542	78%	---	90%	---
404-2_A_c4	Average number of skills per employee	23.99	22.75	22.98	78%	---	90%	---
404-2_A_b5	Number of employees who updated their profile during the year	55,462	62,793	67,298	78%	---	100%	---
404-2_A_c5	Percentage of employees who updated their profile during the year	67%	64%	69%	78%	---	100%	---
404-3	**Career development monitoring**							
404-3_A_c1	Percentage of employees receiving performance appraisal in the last 12 months	87.38%	87.57%	86.30%	77%	---	74%	---
404-3_A_a1	Percentage of female who received a regular performance and career development review during the reporting period.	86.49%	29.02%	28.10%	76%	---	74%	---
404-3_A_a2	Percentage of male who received a regular performance and career development review during the reporting period.	87.75%	70.98%	71.90%	77%	---	74%	---
404-3_A_b1	Number of female who received a regular performance and career development review during the reporting period.	16,441	18,449	18,637	76%	---	74%	---
404-3_A_b2	Number of male who received a regular performance and career development review during the reporting period.	39,637	45,114	47,695	77%	---	74%	---
404-3_A_c2	Percentage of employees with an Individual Development Plan	85%	85%	80%	82%	---	81%	---
404-3_A_c3	Percentage of Internal Fulfilment	81%	80%	55%	100%	---	100%	---
401-1	**Organizational workforce in headcount and Employee Turnover**							
401-1_A_c2	Number of employees at the end of the reporting period (Legal staff)	107,602	97,824	87,438	100%	---	100%	---
401-1_A_b1	Females at the end of the reporting period (Legal staff)	33,273	28,781	25,505	100%	---	100%	---
401-1_A_b2	Males at the end of the reporting period (Legal staff)	74,329	69,043	61,933	100%	---	100%	---

404-1_c1, 404-1_c2, 404-1_c3: Subco/Externals/Interns (with grant or salary) excluded.
404-1_c5, 404-1_c6, 404-1_c7: Indirect employees/Subco/Externals/Interns (with grant or salary) excluded

GRI Standard code	KPI Name	2019 GROUP	2018 GROUP	2017 GROUP	2019 PERIMETER Per employee	2019 PERIMETER Per revenue	2018 PERIMETER Per employee	2018 PERIMETER Per revenue
	Employee Turnover							
401-1_B_c1	Number of employees leaving employment during the reporting period	13,043	14,874	13,527	78%	---	100%	---
401-1_B_b1	Males leaving employment during the reporting period	8,933	10,551	9,724	78%	---	100%	---
401-1_B_b2	Females leaving employment during the reporting period	4,110	4,323	3,803	78%	---	100%	---
401-1_B_c2	Percentage of voluntary attrition	12.90%	12.38%	12.20%	78%	---	100%	---
102-8	**Number of employees**							
102-8	Total employees plus supervised workers (including: interims + interns + subcos)	127,827	121,393	106,305	100%	---	100%	---
102-8_A_c1	Percentage of employees with a permanent contract	99.04%	98.34%	98.50%	100%	---	100%	---
102-8_A1	Males with a permanent contract	73,625	67,923	61,010	100%	---	100%	---
102-8_A3	Females with a permanent contract	32,942	28,278	25,113	100%	---	100%	---
102-8_A_c2	Percentage of employees with a temporary contract	0.96%	1.66%	1.50%	100%	---	100%	---
102-8_A2	Males with a temporary contract	704	1,120	923	100%	---	100%	---
102-8_A4	Females with a temporary contract	331	503	392	100%	---	100%	---
102-8_A_c3	Percentage of employees in Full Time working	92.80%	88.62%	94.56%	100%	---	100%	---
102-8_B2	Number of male in full time employment	70,772	63,319	59,428	100%	---	100%	---
102-8_B4	Number of female in full time employment	29,085	23,376	21,627	100%	---	100%	---
102-8_A_c4	Percentage of employees in Part Time working	7.20%	11.38%	5.44%	100%	---	100%	---
102-8_B1	Number of male in part time employment	3,557	5,724	1,819	100%	---	100%	---
102-8_B3	Number of female in part time employment	4,188	5,405	2,845	100%	---	100%	---
405-1	**Diversity and Equal Opportunity**							
405-1_B_c3	Number of nationalities within Atos	134	140	143	89%	---	90%	---
405-1_B_c4	Percentage of females within Atos	30.92%	29.42%	29.17%	100%	---	100%	---
405-1_B_b1	Disabled employees	1,379	1,551	1,507	97%	---	99%	---
405-1_B_c1	Percentage of disabled people	1.70%	1.60%	1.62%	97%	---	99%	---
405-1_B_b0	Female ratio within the top management team	17.03%	17.65%	17.21%	100%	---	90%	---
405-1_c12	Percentage of women that had promotions during the year	15.30%	14.04%	13.33%	100%	---	74%	---
405-1_c13	Percentage of men that had promotions during the year	10.71%	13.09%	11.73%	100%	---	74%	---
405-1_c14	Percentage of women identified in talents pool	28.18%	27.88%	27.43%	86%	---	78%	---
405-1_c15	Percentage of women in Excom	13.69%	15.48%	11.60%	100%	---	100%	---
405-2	**Salary rate between men and women**							
405-2_A_c1	General ratio women/men in Annual Basic Salary within the Atos´ job families	0.93	0.77	0.80	89%	---	90%	---
405-2_A_c2	General ratio women/men in Total Remuneration within the Atos´ job families	0.93	0.75	0.78	89%	---	90%	---
A6	**Diversity Perception (GPTW)**							
A6_c4	People here are treated fairly regardless of their age	71%	71%	66%	62%	---	60%	---
A6_c5	People here are treated fairly regardless of their gender	80%	81%	83%	62%	---	60%	---
A6_c6	People here are treated fairly regardless of their race or ethnicity	82%	85%	78%	62%	---	60%	---
A6_c7	People here are treated fairly regardless of their sexual orientation	82%	85%	82%	62%	---	60%	---
A6_c8	People here are treated fairly regardless of disability	83%	85%	81%	62%	---	60%	---
A6_c9	Average on Diversity Perception (GPTW survey questions)	80%	81%	78%	62%	---	60%	---

404-1_c1, 404-1_c2, 404-1_c3: Subco/Externals/Interns (with grant or salary) excluded.
405-2: The calculation approach was adapted in 2019 with a weighted average per job family and per GCM level to disclose a more realistic gender gap.
A6: The population targeted by the GPTW survey is 94% of the headcount.
401-3: includes only France

GRI Standard code	KPI Name	2019 GROUP	2018 GROUP	2017 GROUP	2019 PERIMETER Per employee	2019 PERIMETER Per revenue	2018 PERIMETER Per employee	2018 PERIMETER Per revenue
A16	**Lost working days/Absenteeism rate**							
A16_B	Global absenteeism rate	2.42%	2.38%	2.33%	64%	---	62%	---
A16_A_b3	Number of staff seriously injured work related	174	236	266	78%	---	100%	---
A16_A_b4	Number of Atos staff´s dead work related	0	1	1	78%	---	100%	---
A2	**Employee Satisfaction**							
A2_A	Number of people participating in satisfaction surveys (Employees answering GPTW surveys)	66,969	59,180	56,712	62%	---	60%	---
A2_B	Percentage of Responses to Great Place to Work surveys (Average of Response rate)	66%	66%	60%	62%	---	60%	---
A2_C	Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	54%	52%	49%	62%	---	60%	---
A2_D	Atos Trust Index® informed by Great Place to Work (GPTW)	59%	57%	54%	62%	---	60%	---
201-3	**Coverage of the organization's defined benefit plan obligations**	Qualitative	Qualitative	Qualitative				
401-2	**Benefits to employees**							
401-2_A_C15	Percentage of Permanent employees participating in Death Benefits	93%	89%	90%	88%	---	87%	---
401-2_A_C16	Percentage of Temporary employees participating in Death Benefits	77%	83%	81%	88%	---	87%	---
401-2_A_C17	Percentage of Permanent employees participating in Disability benefits	86%	83%	84%	88%	---	87%	---
401-2_A_C18	Percentage of Temporary employees participating in Disability benefits	31%	29%	36%	88%	---	87%	---
401-2_A_C19	Percentage of Permanent employees participating in Health Care	95%	92%	92%	82%	---	87%	---
401-2_A_C20	Percentage of Temporary employees participating in Health Care	70%	84%	83%	82%	---	87%	---
401-3	**Return to work and retention rates after parental leave**							
401-3_A_c1	Total number of employees that were entitled to parental leave	168	194	185	14%	---	15%	---
401-3_B	Total number of employees that took parental leave	327	763	241	14%	---	15%	---
401-3_C	Total number of employees who returned to work after parental leave ended	24	29	28	14%	---	15%	---
401-3_D	Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	90.91%	89.66%	85.71%	14%	---	15%	---
102-41	**Collective bargaining coverage**							
102-41_A_c2	Percentage of employees covered by collective bargaining agreements	59%	61%	60%	97%	---	99%	---
A11	**Collaborative technologies development (Zero mail)**							
A11_c1	Percentage of active users	63%	49%	45%	100%	---	100%	---
A11_c2	Percentage of active Communities	14%	19%	27%	100%	---	100%	---
A11_b1	Number of active users in collaborative working and digital tools	68,101	47,314	44,879	100%	---	100%	---
A11_b3	Number of active communities	20,746	17,447	2,358	100%	---	100%	---

A2: The population targeted by the GPTW survey is 94% of the headcount.
401-3: includes only France

D.3 Generating value with co-innovation and sustainable business solutions

[GRI 102-43], [GRI 102-44], [GRI A3], [GRI A10], [GRI A12], [GRI A14], [GRI 305-5]

D.3.1 Business and Innovation extra-financial performance

The Atos Business Model encompasses value creation for its clients and partners through innovative and sustainable business solutions.

A continuous approach to innovation as a core part of the business strategy has become increasingly relevant, as described in Atos' Journey towards 2022. It helps to address the Corporate Digital Responsibility and the Ethical Digital Dilemmas that may arise when implementing and exploiting emerging digital technologies and that can be summarized by two closely related questions: "Could we?" and "Should we?".

Innovation efforts can be encouraged or constrained by public regulations and citizens may adopt or resist new technologies. According to a recent Atos digital adoption survey to explore the degree of comfort that people feel toward existing and future technologies, 70% of those surveyed said they are excited by and engaged in using technology while 30% are reticent or opposed to embracing new technologies.

According to the last materiality assessment and stakeholders' expectations, the main ambitions for Atos are to ensure a high level of client satisfaction and delivery, implement robust security and data protection standards, and develop an innovative, responsible and sustainable services' portfolio in partnership with key technological players and cutting-edge startups. The main risks are the increase of cyber-attacks, climate change, system security, reliability and continuity, successful building of the right partnership ecosystem, customer relationship & cross selling management as well as the ability to continuously innovate to support the appropriate speed of our clients´ digital transformation journeys and address their dilemmas.

In 2019, Atos continued its efforts to increase links and collaborations with existing clients and to improve their satisfaction, which is considered an essential objective of Atos quality policy. A specific Net Promoter Score (NPS) Turnaround Program at customer account level was launched to foster the positive global NPS tendency of the past seven years.

Strategic actions to reinforce links and to enlarge the range of representative clients were defined and high-level conversations (StratHacks) with key clients were held to explore their future business options enabled by new and emerging technologies, with the involvement of Atos top management.

Atos is increasingly involved in questions about the impact of IT on the environment and how IT can contribute to greener IT and business processes for our customers.

Atos customers contribute from the Atos Environmental assets in offset and sequestration.

We offer support measuring and reducing the carbon footprint through strong environmental programs and innovative solutions and assess customers "green maturity" of their IT-Infrastructure.

We constantly focus on digital technologies with high potential for reducing carbon emissions & increase resource efficiency.

Innovative solutions were fostered by Atos experts, members of Atos Scientific Community, Atos Research & Innovation, R&D Labs and Business Technology and Innovation Centers (BTICs) who apply their expertise to help our clients reinvent their businesses for digital. Atos holds 4,500 active patents and operates 14 R&D centers.

Atos offerings to implement digital strategies are structured through the Atos Digital Transformation Factory and its four end-to-end blueprints, supported and complemented by cybersecurity and digital payment solutions:

- Hybrid Cloud solutions, expanding IT assets into the cloud;
- Business Accelerators, to run real-time business processes in a cloud environment;
- Connected Intelligence through Codex solutions and services to transform data into business outcomes;
- Atos Digital Workplace allowing customers and collaborators to benefit from smart and mobile workplaces.

In 2019, Atos Business and Innovation performance was reflected in the following KPIs:

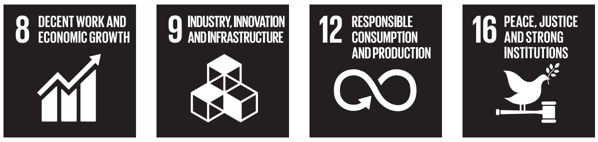
- efforts towards a permanent improvement of client satisfaction were reflected in the combined results for all customers measured and which recorded a Net Promoter Score of 59% for 2019;
- in 2019, Atos organized 370 innovation workshops/events (Innovation workshops, StratHacks, Multi-Client events) [AO10] around all geographies with more than 200 clients;
- multi-site certification program for ISO 14001 (Environmental Management) has been added to Atos International Standards Organization (ISO) multi-site certification that covers 95%+ of Atos activities and locations worldwide for ISO 9001 (Quality Management) and 27001 (Information Security Management), as well ISO 20000 (Service Management);

- 100% offsetting of all CO_2e residual emissions (datacenters, travel and offices) through offsetting dedicated programs;
- growing impetus on Digital Transformation related solutions and services that encompasses 35% of revenues.

For the fourth year in a row, Atos has been recognized by the Dow Jones Sustainability Indices, both World and Europe Indexes with a position of Top extra-financial performer in the IT Services Sector. Atos has reached the Leadership position within its industry – Software and Services Industry Group- enabling worldwide recognition being awarded with the RobecoSAM Gold Class 2019.

Atos supports the UN Sustainable Development Goals (SDGs) through its actions plans and digital portfolio. The SDGs most affected by the *Digital Transformation Factory* solutions are as follows:

- decent work and economic growth (SDG 8);
- industry, innovation and infrastructure (SDG 9);
- responsible consumption and production (SDG 12);
- peace, justice and strong institutions (SDG 16).



D.3.2 Meeting client needs and expectations

[GRI 102-43], [GRI 102-44]

D.3.2.1 Permanent improvement of client satisfaction

Client satisfaction is a major Atos objective, just as supporting long-term growth is one of Atos' business goals. Associated governance includes quarterly review by the Executive Committee to focus on achieving processes, objectives and results. Atos commits to the highest levels of service quality, reliability and availablity for all services provided to our clients.

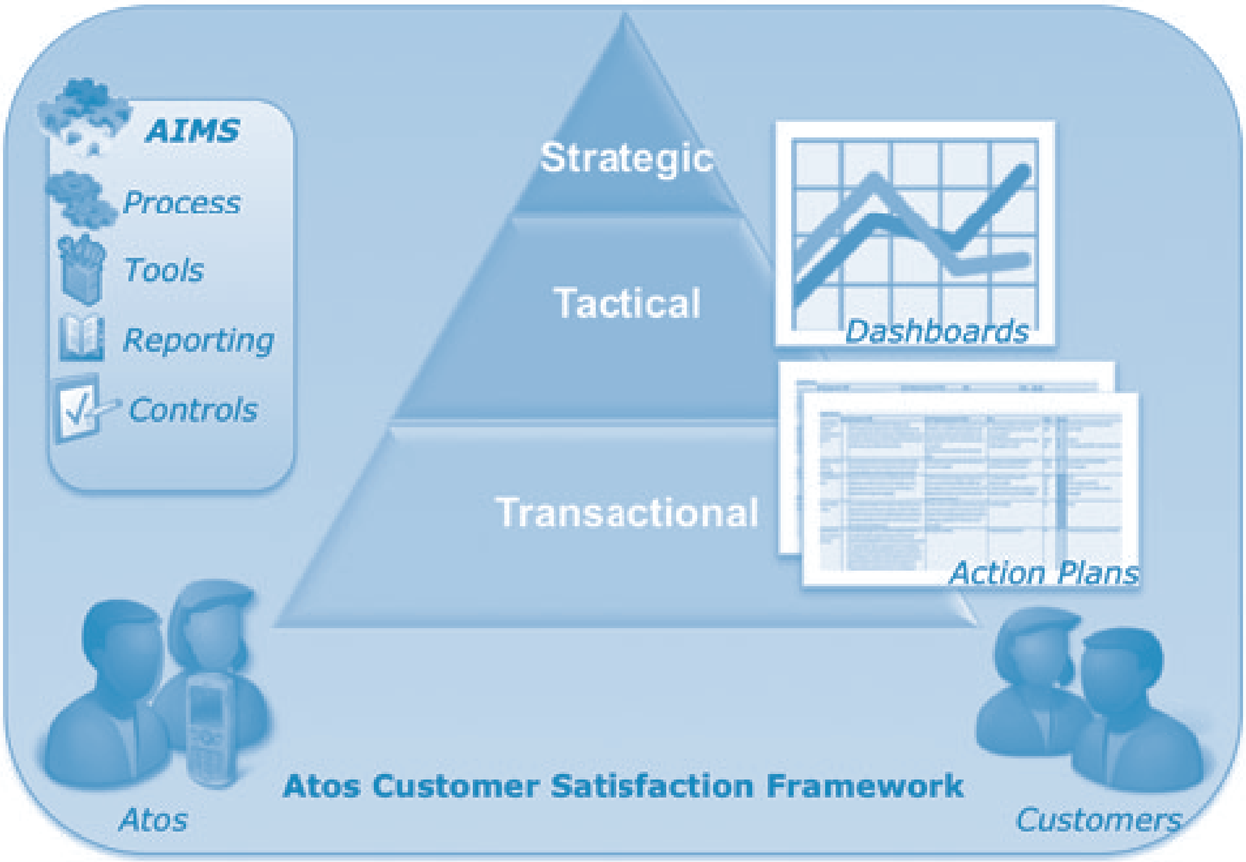
Improving client experience and associated satisfaction is the n°1 objective of Atos' quality policy and the primary focus of the Atos Quality Steering Committee, which is chaired by the Chief Group Quality Officer / Chief Group Customer Satisfaction Officer the Executive Vice President (EVP) in charge of Global Quality. In addition, each Atos´ Executive Committee member personally support Top customers relationships.

As part of Atos' current 3-year plan the Group tracks two KPIs at the global level:

- NPS: Net Promoter Score;
- OCS: Overall Customer Satisfaction.

A comprehensive improvement loop is built from three layers of survey engine client feedback to drive action plans accordingly, as described below. It links strategic, tactical and transactional client engagement, experience and satisfaction feedback with cascading action plans to continuously improve and maintain high levels of client experience and satisfaction. This works from the strategic level, with actions such as innovation workshops or innovative proofs of concept, to tactical actions for quality and productivity improvement or customer journey mapping to improve client interactions. It also works to ensure the continuous improvement on the "shop floor" transactional operations.

Atos' three-layered satisfaction survey process and the improvement framework are represented as follows:



Strategic surveys are handled by Atos executive representatives (management / sales) and encompass Atos' top accounts through face-to-face interviews.

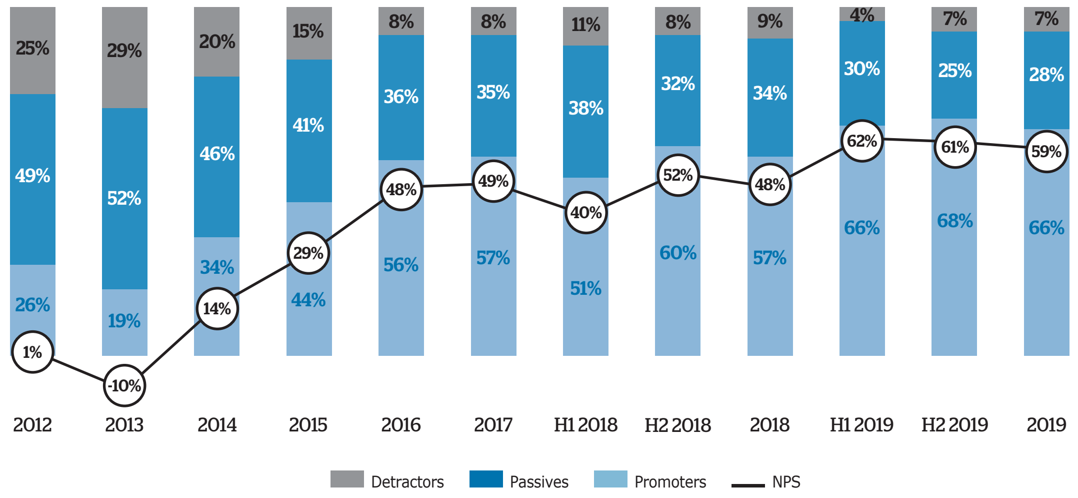
Tactical surveys are driven by the three Divisions and obtain feedback at contract level from the client teams related to Atos services, project deliverables, and overall performance.

Transactional surveys, for large accounts serviced by Atos, provide immediate feedback solicited from the end-users at the end of a service request or other transaction. This allows monitoring of service performance perception, impacting daily operations.

The overall improvement loops, associated tools, specific workshops and cookbooks on repetitive situations are described in Atos' global customer experience framework. The program is driven by Group Quality in conjunction with sales operations and client executives. It is driven within the Divisions' quality customer experience team for the tactical surveys and associated improvement loops. Progress and feedback tracking are part of account quarterly reviews and of divisional monthly reviews.

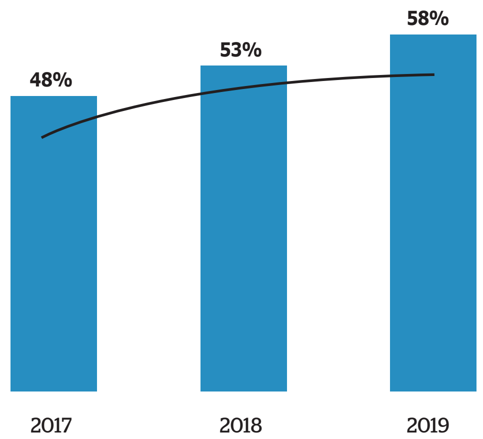
At the strategic level, Atos' 3-year plan for 2019 aims to reach and sustain an overall Net Promoter Score (NPS) above 50% for all our clients (larger scope) enlarging the client base engaged in this process step by step from 62% in 2018 (excluding UCC) to more than 95% of the External Revenues in 2021 as shown below:

OVERALL NET PROMOTER SCORE



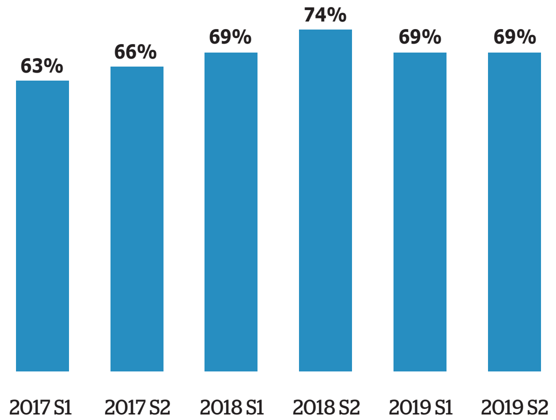
Following our expansion of coverage to additional clients we continued the focused quality and customer satisfaction program in 2019 and significantly improved the NPS for all clients reaching 59% for the full year. Thus, we established a steady increase in our Net Promoter Score (NPS) performance, exceeding our target of 52% (excluding Worldline) for H1/2019 and 55% for H2/2019.

NET PROMOTER SCORE FOR INFRASTRUCTURE & DATA MANAGEMENT



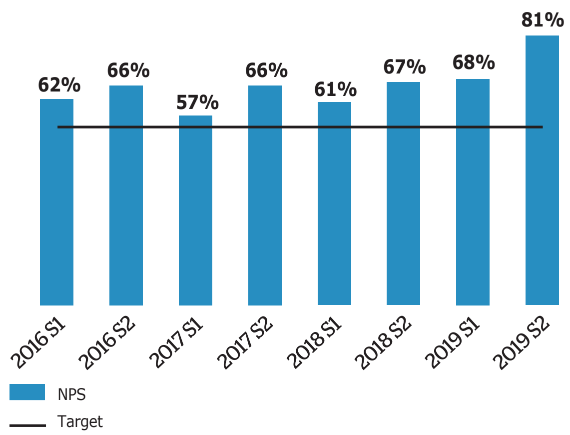
In the Infrastructure & Data Management Division the positive trend confirms the effectiveness of the Satisfaction Management Program and the result achieved for 2019 was 58%, the best score so far.

NET PROMOTER SCORE FOR BUSINESS & PLATFORM SOLUTIONS



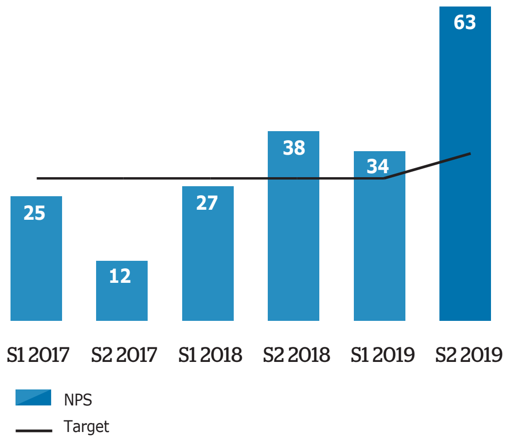
In the Atos Business & Platform Solutions Division the NPS was already excellent in the IT industry in 2018. The second semester of 2018 was an outstanding one, building on the growing rate in the first half of 2018 which reached 69%. This high level was maintained in 2019 in both semesters.

NET PROMOTER SCORE FOR BIG DATA & SECURITY



In the Big Data and Security Division the NPS saw a tremendous leap from 68% in the first semester of 2019 to 81% in the second half of 2019.

NET PROMOTER SCORE FOR UNIFIED COMMUNICATION & COLLABORATION



In the Unified Communication & Collaboration Division, the results for 2019 (direct clients) show a significant increase from the first half to the second and reached an exceptional value of 63% in the second semester for the first time.

D.3.2.2 Client delivery capability

The goal of Atos is for its Divisions to deliver its clients the same experience, whatever the organization working on the projects, services or solutions across the world. The global Divisions secure the deployment of standardized processes across all geographies.

This commitment is at the heart of our clients' trust in Atos capabilities and is implemented via the Atos Integrated Management System (AIMS) and assessed through:

- Atos' International Standards Organization (ISO) multi-site certification covering 95%+ of Atos activities and locations worldwide for ISO 9001 (Quality Management) and 27001 (Information Security Management), as well ISO 20000 (Service Management); and the multi-site certification program for ISO 14001 (Environmental Management);
- Atos Controls' continual assessment program ensures that process control points are systematically implemented.

D.3.3 Building client trust through Security and Data Protection

D.3.3.1 Security Policy

A comprehensive approach to the protection of assets

Atos' Group security organization has a comprehensive set of Global Security and Safety policies, standards and guidelines. The Atos Group Security policies are mandatory and binding for all Atos entities and employees worldwide in order to guarantee the safety and the security of Atos internal and external (i.e. "customer related") business processes.

The Atos Group Safety and Security policies encompass the protection of all Atos assets, whether owned, used or held in custody by Atos (information, intellectual property, sites, network, personnel, software and hardware).

The main Atos security policies are part of the Atos "Book of Internal Policies":

- AP90 Atos information Security Policy;
- AP91 Atos information Classification Policy;
- AP92 Atos Safety Policy;
- AP96 Atos IT acceptable use Policy;
- AP58 Atos Security Requirements for partners and suppliers.

In addition, Atos has defined and implemented measures and policies to protect its intellectual property assets and confidential information, including, but not limited to, the use of confidentiality agreements, encryption and logical and physical protection of information where required.

To ensure that appropriate provisions are included in Atos contracts with customers and suppliers, and that confidential matters are appropriately dealt with in compliance with applicable laws, Atos Legal, Compliance and Contract Management department advises on all commercial transactions.

Security management system, organization and governance

Atos' Information Security Management System (ISMS), built in 2001, is mandated across all Atos legal entities. The Security organization manages the continuous improvement cycle required by the ISO 27001 certification. Planned enhancements to the ISMS include a single set of security policies that are harmonized across all areas of Atos Worldwide and will be:

- written in clear English, at a level that allows Atos staff worldwide to understand;
- consistent in structure and terminology;
- easy to use and maintain.

Following the full review and update in 2018 to facilitate EU GDPR, 2019 continued with policy review and enhancements.

Security organization and governance continued to be reinforced in Atos' three Divisions as well as further assignment or set up of Security Management teams and roles to address specific areas (e.g. creation of a Computer Security Incident Response Team). Group Security governance is structured around weekly calls under the responsibility of the Group Chief Security Officer – Head of Security, with all Group and Business Units' security officers, and representatives from all Atos entities.

A primary focus during 2019 has been the integration of Syntel into the Atos Group by aligning their security policies to match the Atos ISMS and working with Syntel security in preparation for onboarding into the Atos ISO 27001 certification (in 2019, Syntel had its own ISO 27001 certification program).

During H1 2019, Group Security was further consolidated by transferring all security staff into an independent Group Security function. One of the many benefits is that each Atos Division now has a Global Security Officer who reports directly to the Head of /Group Chief Security Officer. This provides far better budgetary control and management of Atos Internal Security resources.

In 2019, an aide-memoire to provide a set of simple rules that MUST be adhered to by the Atos managers who have responsibility for managing IT assets with an IP address within development or production environments was created and published.

Group Security has implemented and enhanced the chosen controls identified during 2018. For example:

- collation of security events and incidents of global interest and implementing lessons learnt process;
- management of Group Internet facing networks and assets by, amongst other things, weekly vulnerability scans and prompt rectification of issues identified;
- management of Group Security project initiatives using systems mandated by the Project Management Director;
- the Group's main certifications regarding security include: ISO 27001, ISAE 3402 and PCI/DSS for election of Atos datacenters which house customer payment systems.

Charter of Trust

Atos is one of the founding members of the Charter of Trust which was formally launched at the Munich Security Conference (MSC) in February 2018. As part of this worldwide agreement, the MSC and the globally active companies defined important principles for a secure digital world and are committed to contribute to the value and the further development of the charter for greater cybersecurity.

As a result, in mid-2019, Atos Group Security created a Charter of Trust (CoT) team whose main priorities are to:

- act externally in the different CoT Task Forces as the active Taskforce leader or member;
- ensure Atos internally maintains full compliance with CoT principles and security requirements.

Another notable initiative in 2019 emerged from the Charter of Trust Principle 2 workgroup, aiming at "securing the digital supply chain". The outcomes of this workgroup included 17 "baseline requirements" that allowed Atos to update its "security requirements for suppliers" accordingly. This document has been cascaded to Atos' suppliers with newly-issued purchase orders and a request for acknowledgement by our TOP 250 vendors, allowing Atos to strengthen its security approach towards its supply chain.

Supplier monitoring and external Security Benchmarking

Atos is using an industry-recognized security scorecard comparison supplier to benchmark its suppliers and its own (including Atos subsidiaries) performance against key competitors. This permits Atos to control the maturity of its suppliers and launch actions to improve their cybersecurity. It also demonstrates that Atos is consistently outperforming its main competitors. Should the security scorecard show a reduction in score, Atos uses this as a key indicator for the initiation of change to improve Atos suppliers and Atos' own security postion.

Two Factor Authentication (TFA)

In 2017, Atos initiated a TFA deployment to protect against multiple threats associated with password authentication. Atos consistently extended this deployment with its newly acquired Syntel staff during 2019. Atos now has a very large deployment of enforced TFA deployment across the entire organization, all business entities and all countries.

Security key performance indicators (KPIs) and reporting

The Group Security Dashboard continues to be a key tool in assisting Atos to demonstrate its security approach. Further categories have been integrated into the dashboard to strengthen the ability to identify the constantly changing threat environment. KPIs have been improved by better definition, delivering more meaningful information to the relevant support functions and enhancing the capability to demonstrate the value of security.

The following list set out the Key Performance Indicators reported on in section [A3], some of which are monitored with the new Security Dashboard on a daily basis:

- percentage of employees who successfully completed the safety & security e-learning;
- percentage of employees who successfully completed the data protection e-learning;
- percentage of open security incidents vs closed;
- percentage of compliance to malicious code prevention;
- percentage coverage of ISO 27001.

From a security performance management perspective, Atos is monitoring the deployment of ISO 27001 at all Atos in-scope sites.

In 2019, the External Certifier (Ernst and Young) audited a total of 11 locations in the GBUs. Atos performed 174 Internal Audits at further sites.

UCC sites in Germany and Spain were included in the external audit process and now form part of the Atos Multi-Site Certification for ISO 27001.

D.3.3.2 Protecting personal data in a data driven world

[GRI 102-13], [GRI 103-1 Customer privacy]

In a digital world driven by data, the main concern to build the necessary trust for digital business is based on protecting data and especially personal data by reducing the risks of incidents and breaches of customer privacy and losses. Atos has for many years positioned itself as a pioneer in the market with regard to its approach to the protection of personal data.

The Company could be materially adversely affected if it fails to protect its clients' data and therefore fails to comply with data protection requirements.

The main Atos policies or procedures for (or linked with) personal data protection are part of the Atos "Book of Internal Policies":

- AP17 Atos Personal Data Policy;
- AP21 Atos Personal Data Breach Policy;
- AP22 Atos Binding Corporate Rules;
- AP82 Policy for Access to Atos IT Network User Data;
- AP58 Atos Security requirements for Partners and Suppliers.

Atos continues to factor the policies, rules and requirements mentioned above into its operations. This approach was initiated through the GDPR program launched in 2017 and continued to be fully supported in 2019 by Atos top management both at global and at local levels.

The Atos data protection policies encompass the protection of all personal data collected or held in custody by Atos (acting as a data controller or acting as a data processor) with a focus in 2019 on the sharing of personal data, internally by the Atos Binding Corporate Rules (BCR) rollout and externally by the Atos Security requirements for Partners and Suppliers that include data protection requirements.

Atos has also implemented a range of processes and tools (such as a Group-wide compliance assessment for data processing tool and a Group-wide Record of Processing activities tool) internally to assess risks and enhance the management of data privacy monitoring, documentation and Data Protection Impact Assessment.

The deployment and the use of this range of processes and tools create a large base of return of experiences with transversal harmonization and also local customization, both for Atos' customer projects and for its own internal projects with a decision to automatize the compliance assessment and the impact assessment process in 2020. This approach is supported by continuing to integrate both the "accountability" principle (through a register of processes, etc.) and the data protection or privacy by design approach in the creation and implementation of its systems and services.

To support this renewed commitment and approach, Atos has maintained a strong community focused on data protection topics, which will continue to grow through time allocation and training. Atos allocates significant resources to the management of this topic. As from April 2018, a Group Chief Data Governance Officer (GCDPO) reports directly to the Associate Group General Counsel, Corporate and Strategic Projects who reports to the Group General Counsel and Head of M&A member of the Group Executive Committee and an 86-member strong Personal Data & Privacy Protection Organization, established in close cooperation with the Group LCM department and Group Security.

This permanent Personal Data & Privacy Protection organization will be led in 2020 by a GCDPO with strong skills and knowledge in Change Management and Risk Management as a fundamental element in the continued implementation and extension of this strategy in operations.

Training remains another fundamental pillar of the strategy. A new mandatory e-learning module on data protection was set up in the second semester of 2018 with a particular focus on new regulation in Europe (GDPR). As of end of December 2019, the percentage of completion of mandatory Atos new Data Protection and Atos Syntel Data Privacy e-learning training reached 91.4%, (95,006 completed for 103,907 head count), including 95.2% of the employees in Atos' worldwide Global Delivery Centers (GDCs).

Further local specific training programs are being developed to ensure dedicated sessions for those members of the organization who are in a position to process personal data on a daily basis.

Furthermore, and from an operational perspective in 2019, Atos did not receive any complaints regarding breaches of customer privacy. [GRI 418-1]

D.3.4 Innovative approach of sustainable business

[A10]

Atos takes a client-centric approach to innovation that engages our partners of all shapes and sizes, as well as a rich variety of external third parties such as universities, start-ups, trade associations and industry analysts. Together this forms a collaborative 'open' ecosystem which helps Atos to rapidly generate insights and develop new services. This **collaboration approach** spans four main axes:

1. Foster collaborative creativity to boost innovation within the Atos Group

The Group strives to create an internal culture of innovation and know-how is developed in several strategic communities. Relevant examples include:

- Atos **Scientific Community** brings together more than 150 of the best business technologists from all Atos geographies;
- Atos **Expert Community** gathers Atos' 2,200 Experts, Senior Experts, Distinguished Experts and Fellows to make a permanent link between R&D and the business world divided in 13 technology domains;
- Atos **R&D and Innovation Labs** across the world. Atos recently launched the construction of a global R&D Lab to drive innovation in Quantum Computing. Additionally, as part of the ambition within the AI area and in the context of the partnership with Google, the Atos Group is launching different AI Labs across the organization.

2. Collaborate with research institutions & universities to foster long-term innovation

Atos partners with multiple research centers and consortia and collaborates with many universities. Relevant examples include:

- Atos has launched the **first quantum computing industry program** in Europe, gathering a world class advisory board including laureates of the Nobel Prize and Field Medal. This initiative forms part of the "Quantum Flagship" Initiative in the European Union H2020 program;
- Unique advances in **High Performance Computing** are being made by Atos with the European ETP4HPC research consortium, to tackle great societal challenges such as climate change;
- Each year, the Atos Joseph Fourier prize rewards the work of international researchers, academics and industrial scientists. The Group also supports international student innovation with its yearly **IT Challenge**. For more information: https://www.atositchallenge.net/

3. Working closely with customers: collaborative innovation at the heart

Atos' innovation approach is centered on a key principle: teamwork with customers. Relevant examples include:

- **Co-research program with Siemens** in Industry 4.0, cognitive analytics and cybersecurity;
- Atos has evolved a variety of innovation formats to help its clients and own business to work through the innovation cycle. These have been optimized to suit the needs of different stakeholder groups, from Executive Management, to Operations, to Delivery teams. Atos continues to develop its capabilities in this area, including the global rollout of our successful **Client Innovation team**. The responsibilities of this team include the planning and execution of our client innovation activities across the globe, such as our groundbreaking **StratHacks (Strategy Hackathons**) which help Atos' clients at executive management level to explore their future business options enabled by new and emerging technologies;
- to help Atos brings its clients, partners and other leaders together to innovate effectively, **Atos continues to invest in its Business Technology Innovation Centers around the world**. It currently has nine of these centers in Bezons

(France), Munich (Germany), London (UK), Amsterdam (the Netherlands), Vienna (Austria), Madrid (Spain), Pune (India), Dallas (USA) and Bangkok (Thailand). These innovation centers include a number of carefully developed environments, including: a 'Discovery' space to explore opportunities in smaller teams and an 'Experience' space for larger groups (where we can also demonstrate our myriad new services). Both of these environments are optimized for Design Thinking sessions as new concepts are storyboarded. In 2019, Atos organized 370 **Innovation Workshops.**

4. Co-innovate with partners to develop the technologies of the future

Atos is a contributor to many Open Source consortia such as the Linux Foundation or FIWARE consortium. It also collaborates with major IT players as described in chapter 4.3.6 of this document.

D.3.5 Meeting the sustainability challenges of clients through offerings

[GRI 203-1], [GRI 103-1 Indirect economic impacts]

For Atos, digital transformation is an enabler when it comes to meeting sustainability challenges. Full digital solutions help clients to address their own CSR challenges and to achieve their objectives in domains such as Environment and Climate Change, Social Progress and Citizen Comfort, Research and Education, Security and Governance (ethics, trust and compliance) and Economic Development (business performance). Atos' ambition is to make this added value more tangible to the customer so that they can fully benefit from it.

Atos' CSR principles are totally embedded in Atos strategy which comprises internal medium-term extra-financial objectives, innovative solutions to further sustainability, and a collective intelligence supported by an outstanding global ecosystem. This vision is at the heart of the Atos Digital Transformation Factory, Atos' solution framework for digital transformation.

D.3.5.1 Digital Transformation Factory

[A12]

The Atos Digital Transformation Factory is the enabler for a future-proofed digital business, providing a structured and powerful approach to transformation that is linked directly to the challenges and opportunities being faced today by our clients:

- delivering a superior customer experience through digital services;
- creating operational excellence through digitally transformed ways of working;
- reinventing the business through new, digitally blended models;
- building trust and ensuring compliance in the new digital world.

Our solution framework is based on four high-growth offers, bringing together Atos' powerful IT assets and deep understanding of digital to create end-to-end solutions to digitally transform businesses.

- Ensuring agile IT foundations with **Hybrid Cloud**. In response to growing digital demands, Atos takes responsibility for clients' cloud journeys, deploying the most adaptive blend of public and private cloud environments, and helping them create new services and transform their existing application portfolios, delivering innovation, flexibility and agility along the way.
- Enabling a real-time organization with **Business Accelerators**. These accelerators leverage the enterprise cloud environment to enable fast and agile creation of new services, speed up business processes, and enable a real-time, digital organization that maximizes management performance.
- Transforming data into business outcomes with Atos Codex **Connected Intelligence** solutions. With deep domain knowledge and expertise, Atos designs, builds, runs and secures smart business services and data platforms with IoT, advanced analytics, AI and cognitive technology and solutions. These create insights and actions that help clients seize new revenue opportunities, deliver engaging customer experiences, improve efficiency and agility, and protect employees, citizens and assets.

- Better engaging client workforces with **Digital Workplace** and fostering collaboration with their own employees and customers. Business information needs to reach the right person, the right team, at the right time to be fully effective and profitable to an organization. Our strong consultancy-led methodology means we can accompany our customers as they move to the digital workplace, supported by all the tools, interfaces and devices they need to collaborate and communicate in their new digital enterprise.

These services are underpinned by our next-generation automation platform and by our ability to ensure end-to-end cyber security for trust and compliance.

Our digital solution framework offers clients an accelerated journey to embracing digital. It is designed to help clients driving an end-to-end transformation, getting the best of digital innovation at each stage of the path. This platform plays a decisive role in addressing sustainable development, relying upon each offer domain to bring a part of the solutions.

D.3.5.2 Offerings contributing to sustainability [A7]

Our digital solution framework plays a decisive role in addressing sustainability challenges, as it contributes to many of them by the very nature of its underlying offerings, while providing a global scale solution, with an end-to-end approach.

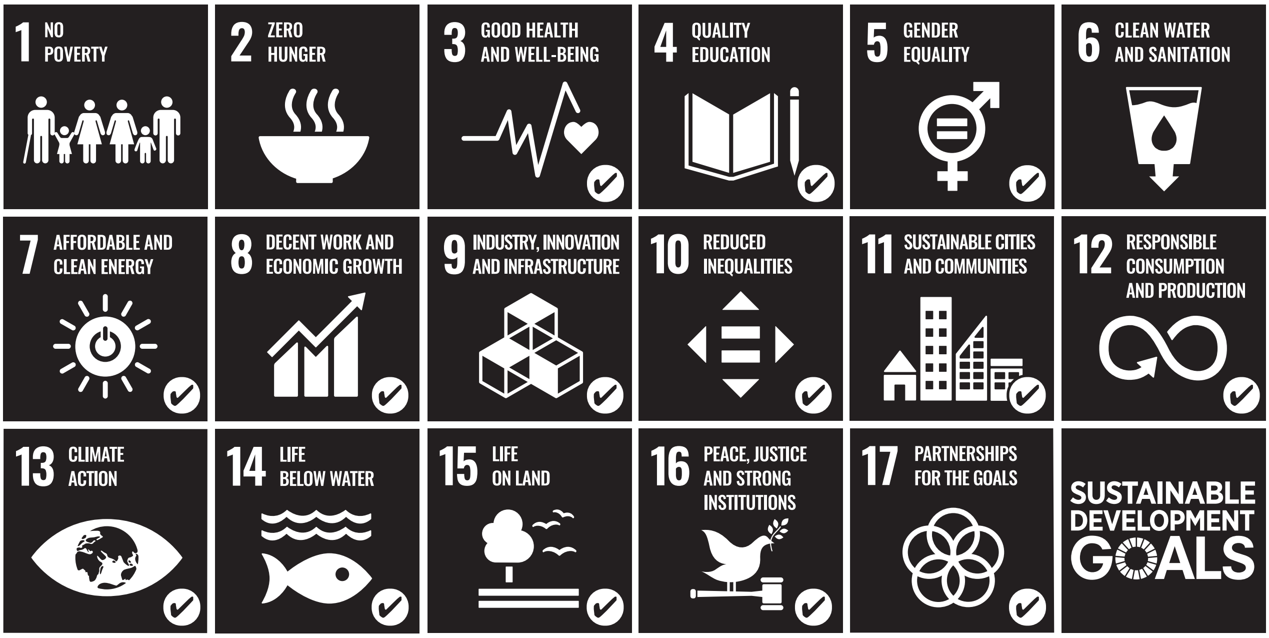
- Atos Canopy Orchestrated Hybrid Cloud leverages public and private cloud technologies as well as automation and orchestration. Cloud services generally involve smart and energy-optimized datacenters, low-consumption servers and storage (which Atos also designs and manufactures), and smart placement of workloads to make full use of available resources, with automated decommissioning of unused capacity. This offering has a positive impact on the climate and environment, with lower carbon emissions and lower energy consumption.
- Atos Business Accelerators is about creating new digital processes and maximizing their efficiency to contribute to business reinvention and operational excellence. The positive outcome on sustainability relates to the overall economic value created as well as the impact for the workforce and customers of reinvented, fully digital processes in the scope of the real-time enterprise.
- Atos Codex Connected intelligence solutions deliver business insights based on the analysis and processing of the vast amounts of data that enterprises collect and create through real-time mobile services as well as through deployment of IoT devices at scale. This results in new services being offered to customers and citizens, in business interactions as well as in public services such as healthcare and homeland security.
- The Atos Digital Workplaces provides significant improvements in communication and collaboration, fostering the deployment of user-focused efficient workplaces and allowing communities to better exchange information and ideas.

In keeping with the above approach, Atos measures the contribution of its main strategic solutions to sustainability. The objective is to provide an estimated business value, supported by a formal evaluation process in coordination with the global offering leaders, together with the input from experts working on specific offerings.

In this respect, Atos carries out a formal and detailed analysis per domain (climate and environment, social impact and human well-being, economic development, governance – including ethics, trust and compliance), with each offering of the solution framework being rated over 24 criteria.

The chosen criteria are cross matched with the 17 Sustainable Development Goals of the United Nations and are also fully consistent with the recommendations of the Global Reporting Initiative and OECD. The information is communicated through KPI [A7].

The sustainable solutions help clients to reach the 17 SDGs. The Atos´ analysis found that those solutions impact more significantly the next SDGs:



D.3.6 Accelerating digital value through our Partner ecosystem

[GRI 102-49], [GRI 203-1]

Digitization is reshaping the operating landscape for all businesses, creating digital shockwaves which touch every aspect of an organization. This can either result in limitless growth opportunities or disruption and displacement. Clients look to Atos to help shape and deliver their digital transformation journey and the very essence of this journey is about innovation through technology to remain relevant and secure longevity. To best support its current and future clients, Atos has built one of the broadest innovation ecosystems for digital transformation.

Effective partnerships with best-in-class technology providers are critical to success in the digital services industry. Now more than ever, this is a crucial component to enable success in the new digital economy where the breadth, complexity, and pace of innovation is unprecedented. Atos has built strong relationships with technological and industrial leaders as well as with innovative startup companies. This powerful ecosystem is instrumental in delivering innovation and maximizing economic value for our customers.

Through our Global Alliances and Channels organization, we continue to nurture our ecosystem, strengthening our relationships with existing partners and alliances while forging new partnerships with technology leaders and emerging innovative players alike.

D.3.6.1 Atos Alliances and Partnerships

Atos collaborates with selected technology and industry leaders to create synergies across its customer value propositions. Atos has a deep understanding of its client's business and technology needs and can effectively leverage its own expertise as well as that of its partners to maximize the outcomes delivered for its clients. We do this through best-in-class joint business development methodologies that we have developed.

Sustainability is a key aspect in the selection of Atos' partners. Atos selects best-in-class technology solutions from the partner ecosystem that are built on strong foundations of sustainability and complies with industry-leading criteria. It also develops joint innovation initiatives with some of its key partners to further enhance the economic and business value of the solutions that it brings to market, as part of open innovation ecosystems.

Our Global Alliances represent the highest category of partnerships that are managed at global level. These Global Alliances are positioned at the forefront of their domains and, together with Atos, help shape the future of our clients' businesses.

In 2019, Atos launched Global Alliances with Worldline, ServiceNow, and Hitachi Vanatara whilst progressing its established Global Alliances including Siemens, Google Cloud, Dell Technologies, SAP, Microsoft, Oracle and Cisco.

Our technology-focussed partnerships enable Atos to deliver leading-edge solutions and services to our clients. Atos has established partnerships, across the full scope of the technology spectrum, which enables us to extend the breadth and depth of our offerings in the market. Through our Scientific and Expert communities, Atos shapes its vision for the future of technology in business and anticipates the upcoming trends. Based on the work of these communities, Atos can proactively evaluate and address partnership strategies across the various technology domains. Technology partnerships are typically led at divisional level, based on our portfolio of offerings, and can also be regionally led if specific to a certain geography. Atos also continues to invest in a systematic program to ensure that we continue to develop our capabilities and expertise based on the anticipated growth of our partnerships.

In addition to technology partnerships, Atos has an increasing focus on partnerships with vertical solution providers. Across all its strategic verticals, Atos maintains a detailed view of the evolving ecosystem and progressively expands its partner network. These partnerships continuously enhance the vertical-specific value propositions at the core of our clients' business strategies.

D.3.6.2 Accelerate open innovation with the startup economy

One of Atos' strengths is its ability to leverage the worldwide startup economy to design unique solutions for its clients. For the past few years, involving startups has become an essential part of Atos' approach to inspiring large corporates in achieving their objectives to stay ahead of the pace of innovation. In addition, collaborating with young entrepreneurs is a stimulating and constructive experience for Atos employees, helping them explore new and pioneering solutions for their clients.

Combining their respective strengths, startups and Atos benefit together from this close relationship. Atos incorporates the latest innovative technologies and a fresh outlook in solutions that meet clients' expectations while the startup takes advantage of business acceleration, visibility to customers and Atos' worldwide footprint.

In 2019, Atos established many partnerships with startups, demonstrating its ability to identify worldwide the best of breed technologies to design innovative solutions for its clients. The relationship is mainly focused on developing and delivering joint business solutions to Atos customers. The areas of cooperation cover multiple domains and technologies such as Fintech, energy efficiency, artificial intelligence, cybersecurity and quantum computing.

D.3.7 Generating value with co-innovation and sustainable business solutions – KPI overview

[GRI 103-3 Customer privacy], [GRI 103-3 Energy], [GRI 103-3 Indirect economic impacts], [GRI 103-3 Atos specific indicators], [GRI 103-3 Emissions], [GRI 102-43], [GRI 102-44], [GRI 203-1], [GRI 302-5], [GRI 305-5], [GRI 418-1], [A3], [A7], [A10], [A12], [A19]

		2019	2018	2017	2019 PERIMETER		2018 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
102-43 ; 102-44	**Customer satisfaction survey**							
102-43 ; 102-44	Group Overall Customer Satisfaction (all clients part of strategic survey)	8.4	8.3	8.4	---	64%	---	100%
102-43 ; 102-44	Net Promoter Score for our top clients	58%	45%	48%	---	80%	---	100%
102-43 ; 102-44	Net Promoter Score for all clients	59%	48%	Not disclosed	---	64%	---	62%
A10	**Initiatives regarding innovative services / product developments**							
A10_c1	Client innovation workshops delivered in GBUs	370	297	290	---	100%	---	100%
203-1	**Development and impact of infrastructure investments and services supported**	Qualitative	Qualitative	Qualitative				
418-1	**Customer complaints**							
418-1_A1	Total number of material complaints regarding breaches of customer privacy and losses of customer data resulting in judicial action	0	0	0	---	100%	---	100%
A3	**Data Security Incidents**							
A3_c2	Percentage of Open Security Incidents open vs closed	2.42%	6.28%	0.67%	100%	---	100%	---
A3_c3	Percentage of employees who successfully performed the Safety & Security E-learning	94%	93%	92%	81%	---	90%	---
A3_c4	Percentage of employees who successfully performed the Data Protection E-learning	88%	74%	93%	81%	---	90%	---
A3_c5	Percentage of compliance to malicious code prevention	98%	99.11%	99%	100%	---	100%	---
A3_c9	Percentage of coverage of ISO 27001 certifications	100%	100%	100%	100%	---	100%	---
A12	**Business partners & ecosystem**							
A12_c1	Digital transformation factory revenue (M Eur)	4,066	3,642	2,958	---	100%	---	100%
A12_c2	Share of revenue of Digital Transformation Factory and innovation offerings	35%	30%	23%	---	100%	---	100%
A23	New business generated with partners	62%	59%	60%		100%		100%
A7	**Sustainable technologies and solutions**							
A7_total	Total Revenue of "sustainability offering" (M Eur)	2,764	3,257	2,755	---	100%	---	100%
A7_c2	Percentage of revenue produced by sustainability offerings out of the total Atos revenue	23.85%	26.57%	22%	---	100%	---	100%
302-5	**Reductions in energy requirements of products and services**							
302-5_A	Global estimated average PUE for core Datacenters	1.52	1.62	1.60	---	100%	---	100%
305-5	**GHG emissions offsetting program**							
305-5_A_c3	Offsetting of all Datacenters GHG emissions (%)	100%	100%	100%	---	100%	---	100%
A19	**Waste Electrical and Electronic Equipment (WEEE)**							
A19_A9_b3	WEEE collected or recovered (Kg)	366,398	448,167	380,955	---	65.17%	---	63.86%
A19_A2_b3	WEEE professionally disposed (Kg)	366,398	448,086	378,437	---	65.17%	---	63.86%

A3: the e-learning excludes Syntel and the Turkey´s call center. The call center in Turkey is a separate legal entity in which employees have no Internet access so onsite trainings have been provided to all staff.
A10: see the methodological Note in "Scope of the report"
418-1: the threshold to report the complaints is 300K€.

D.4 Ethics & Governance excellence in Atos' sphere of influence

D.4.1 Ethics and Compliance extra-financial performance

[GRI 103-3 Customer privacy]

Atos' Compliance approach and governance

Navigating applicable compliance laws and regulations in an increasingly complex and constantly evolving environment has become a real challenge. However, Atos is targeting the highest ethical standards and promoting them as a competitive advantage – bringing value to the business.

Such challenges create opportunities for the Group to progress in terms of awareness and operational effectiveness to support a sustainable and profitable business. Atos' approach to Ethics and Compliance (D.4.2) is to develop and monitor a coordinated program around the five key regulatory areas, which are: 1) Anti-corruption, 2) Trade Regulations and Export Control, 3) Competition, 4) Human Rights in the context of the duty of vigilance in the supply chain, and 5) Anti-money laundering. For each of these areas a common four-stage risk management cycle is used, consisting of risk assessment/identification, prevention, risk control and management/mitigation.

To ensure Compliance is fully embedded in the culture, at top management level, the Atos Group Executive Committee determines the direction and priorities of Compliance which are relayed by GBUs and Divisions CEOs who are responsible for implementing Compliance initiatives within their organizations. At global level, Atos Compliance activity is led by the Global Compliance Team and supported by the worldwide Compliance Officers' network.

Ethics in the supply chain's governance

As the basic structure of supply chains is becoming increasingly complex, it is essential that Atos Procurement has a comprehensive overview of its vendors' activities. Not only because there is new legislation in numerous countries that Atos and its suppliers must comply with, but also because this is becoming a fundamental requirement from customers that Atos needs to fulfil. To ensure ethical and compliant activities, Atos focuses a significant portion of its spend on large Tier-One suppliers, that take the same approach towards sustainability as Atos. Atos suppliers must also accept and comply with the Atos Business Partners' Commitment to Integrity.

Atos' Compliance program and main action plans

To tackle compliance risks, Atos has implemented robust preventative measures, as well as control and detection measures through a continuous improvement cycle encapsulated in a dedicated Compliance program.

The key preventative measures are:

- the Atos Code of Ethics which sets out the approach to Compliance. All Atos' employees are required to comply with it and therefore KPIs have been established in relation to employees' training on the Code of Ethics;
- the training and awareness programs set up to ensure a thorough understanding of Compliance issues throughout the Group, and therefore to develop the best ethical behaviors and prevent the occurrence of risks;
- the due diligence process on third parties, especially business partners, which has been designed to ensure a proper assessment of the compliance risk before any contract is signed, and therefore the adoption of appropriate measures, if needed.

Control measures have been implemented in order to ensure the effectiveness of the program in place. These include second level controls through Compliance internal controls and third level controls through Internal Audit reviews. With respect to first level controls, specific compliance tooling has been rolled out to reduce the risk of error through automation.

Key Performance Indicators allow Atos to better monitor its objectives. The percentage of employees who have successfully completed the training on the Code of Ethics provides valuable information on the level of awareness on key compliance and ethical principles within the organization and the progress made from year to year. It has led to a completion of 95% in 2019, as compared to 74% in 2018.

The Compliance program also includes detection measures in case of potential compliance breaches, in particular the Group Alert System Procedure which sets out a global framework for employees and third parties to raise issues they feel concerned about. This procedure has alert mailboxes operating and available at GBU, Division, Function and Group level. This ensures consistency in the way in which alerts are collected, managed and investigated, if necessary. Learning from the alerts feeds back into the risk assessment process, and forward into action planning.

Compliance initiatives focus on:

- The overhaul of the global compliance risk mapping process;
- The revision of internal policies and processes to ensure adherence to most recent laws and regulations and the highest ethical standards and practices;
- The review and improvement of the compliance training program to further entrench the culture of ethics and integrity within the Group;
- The further strengthening of the due diligence process on third parties and further improvement in tooling to reach a higher level of control on key compliance processes.

Ethics in the supply chain

To gain an insight into our strategic suppliers' activities, Atos works with an expert third party, EcoVadis. EcoVadis analyzes suppliers, applying an evidence-based methodology from four perspectives: Environment, Labor and Human Rights, Ethics and Sustainable Procurement. The key Atos Procurement KPIs are related to the spend covered by suppliers, who have been recently assessed by EcoVadis. Thanks to the detailed analysis, Atos has a valuable overviewof its strategic suppliers' CSR approach, including their strengths, weaknesses and any unethical behaviour reported in the media or by NGOs. This helps Atos Procurement to identify possible risks and mitigate them case-by-case within the supply chain.

Impact on local ecosystem

In order to be a development promoter, and a trusted partner for the local ecosystem, Atos has a group-wide corporate citizenship strategy focus on three main areas of action which are aligned with UN Sustainable Development Goals such as quality education (SDG 4), reduced inequalities (SDG 10), between others. Those three priorities are also aligned with Company's business drivers such as talent attraction and retention.

With the aiming of creating value for both beneficiaries and shareholders, the citizenship program keeps a clear focus on where an IT company such us Atos could provide more impact on local communities through its social activities, at the time than improve its efforts of measuring the effectiveness of those activities from a cost/benefit perspective.

D.4.2 Ethics & Compliance Program

Atos has put in place a strong Ethics & Compliance program, following best practice and also by innovating in several areas.

D.4.2.1 Atos Ethics and Compliance Governance

[GRI 103-1 Anti-corruption], [GRI 103-1 Compliance], [GRI 419-1], [GRI 103-1 Socio-economic compliance], [GRI 102-12], [GRI 102-25]

Tone from the top

Atos Group Executive Committee determines the direction and priorities of ethics and compliance at Atos, establishing a culture of integrity, ethics and compliance and allocating necessary resources and monitoring progress, with a quarterly report for the Atos Group Executive Committee from the General Secretary and Chief Compliance Officer. In addition, a detailed Annual Compliance Review is produced by Group Compliance for the Board of Directors, the Group Executive Committee and the GBUs' and Divisions' management teams.

Furthermore, in 2012 Atos formed an Advisory Ethics Committee ("Comité des Déontologues"), composed of independent and highly respected external professionals, to advise Atos on ethical and compliance issues requiring ethical judgements, notably in connection with Atos' operations. The Advisory Ethics Committee is sponsored by the Group Chief Executive Officer and supported by the General Secretary and Chief Compliance Officer.

The Board of Directors and the Group Executive Committee fully endorse the Atos Code of Ethics. ADVANCE 2021, Atos' 3-year plan, includes as a non-financial target that 100% of employees undertake the Atos Code of Ethics training. The completion of such training is closely monitored through related KPIs.

On a day-to-day basis, Atos compliance activity is led by the Global Compliance Department which defines Atos Compliance strategy, supports local Compliance Officers, launches, leads and supports investigations, and consolidates and ensures the global consistency of Atos' compliance activities.

Chief Executive Officers' empowerment

In 2017, Atos' Group Executive Committee validated a Global Ethics & Compliance Policy that defines the objectives for CEO of Atos entities, notably in the following key compliance matters: competition, controls on exports of dual-use goods, corruption, human rights, international sanctions, money laundering and terrorist financing, preservation of and ethical workplace and protection of interests and assets (conflicts of interest and fraud).

Atos Global Ethics & Compliance Policy makes Atos entities' CEOs responsible for their entities' (divisions, functions, GBUs) compliance organization. They defend and promote Atos Group's values and lead by example in terms of business integrity. The CEOs appoint Compliance Officers and ensure that they have the qualifications, resources and powers to perform their duties. They also ensure that Atos Ethics & Compliance Global Policy is fully implemented within their entities and that all employees know and respect the Atos Code of Ethics.

Compliance Officers' worldwide active network

Since 2017, the CEOs of the GBUs and Divisions appointed Compliance Officers to support them in ensuring that the Global Ethics & Compliance Policy is fully implemented within their entities and that all employees know and follow the Code of Ethics. Local Compliance Officers define and foster practical compliance, that is close to business realities and easily accessible to all employees. They are expected to report and provide regular updates and follow up on ethics and compliance matters at management committee meetings, as well as drawing attention to compliance risks and duties, raising potential issues, and supporting top managers in fostering a culture of business integrity within their entities. They carry out elaborate compliance risk mapping, develop mitigation action plans accordingly, manage compliance and ethics alerts including performing investigations through an independent body, and report to local Executive Committees and the Global Compliance Department.

D.4.2.2 Ethics & Compliance Assessing and Preventive Measures

Ethics & Compliance risk management process

[GRI 102-16], [GRI 102-17]

Atos has an established legal & compliance risk management process, fully integrated into the Enterprise Risk Management (ERM) since 2016. This legal and compliance risk management process consists of evaluation by members of the Atos Legal, Compliance and Contract Management departments and relevant non-legal stakeholders (Human Resources, IT, Security) of a series of legal & compliance risks (i.e. risks with a legal cause) allowing Atos entities to implement adequate measures to mitigate the risks identified. As integrated into the ERM, the results of this legal & compliance risk management exercise are presented to the Audit Committee of the Group, with a clear mapping of the legal & compliance risks within the Group.

In 2019, an overhaul of the global compliance risk mapping process was launched by the Global Compliance Team, in collaboration with Group Internal Control. This is based on the processes and internal controls identified in the Book of Internal Control (BIC) Manual, which is the main control mechanism managed by Group Internal Control.

Another significant compliance risk assessment undertaken in 2019 was the post-acquisition compliance review of Syntel, in accordance with good practice which is to monitor closely risks arising out of acquired businesses.

The due diligence performed as part of the Compliance assessment of business opportunities is a key part of the Compliance Risk Management process (for further information on due diligence on third parties, please refer to the paragraph below devoted to this).

The Group Compliance Department also monitors specific Compliance Risk Mappings which are completed by all GBUs' and Divisions' Compliance Officers with their management, allowing them to identify clearly the main compliance risks within their areas of responsibility and to determine the related mitigation actions to be put in place.

Moreover, at a global level the alerts raised through the Alerts Procedures are analyzed as they provide valuable information about risks and where employees need to be educated. The alerts are a key part of the Group's continuous improvement cycle of risk identification and prevention so that we embed learning and control mechanisms into the organization.

Code of Ethics, Global Ethics & Compliance Policy and Processes
[GRI 102-16], [GRI 102-17]

The Code of Ethics, which introduces Atos' commitment to comply with the highest standards of business integrity and ethics, as well as applicable laws and regulations in all countries, was initially adopted in 2003. It has been reviewed regularly in the intervening years, to reflect the changes in the regulatory environment and continuously improve the Group's ethical standards. The latest version of the Code of Ethics was endorsed by Atos' Board of Directors in 2018.

In most GBUs, the Code of Ethics is specifically referred to in employment contracts and associated documentation in order to ensure full awareness by employees. In addition, GBUs provide reminders to their employees about the importance of the Code of Ethics.

The Code of Ethics introduces a direct reference to Atos' corporate values, which all employees are required to demonstrate in carrying out their duties and dealing with third parties, wherever they are located and whatever their position. These values form the backbone of the corporate strategy: Responsibility, Trust, Sustainable competitiveness, Service quality and listening to clients, Innovation, Well-being at work and Excellence.

The Code of Ethics also sets out the general business integrity principles, which are required to be observed both internally and towards third parties throughout the world. These principles cover the following: the proscription (banning) of any form of discrimination, the prohibition of any form of corruption, the observance of fair competition rules, the undertaking to resolve conflicts of interest, and the protection of Atos' assets as well as confidential information.

As regards the fight against corruption, the Code of Ethics underlines the zero-tolerance policy of the Group and provides examples of typically prohibited behaviors, as well as guidelines to be followed when giving or receiving gifts or invitations.

The Code of Ethics also reminds employees of the need to act honestly, impartially and with integrity in their day-to-day work, and in compliance with the legal framework applicable to each country where Atos conducts its business. Where the local laws of a country where Atos operates differ from the provisions of the Code of Ethics, the more stringent rule prevails, where permitted under applicable law.

Atos expects all its partners to comply with the Code of Ethics, in addition to the laws and regulations of the countries where they operate.

The Code of Ethics explicitly refers to the reporting system in place within the Group, which ensures that any employee who considers that he/she has knowledge of a breach of law or regulation, or of any provision of the Code of Ethics, may report this internally to his/her manager or to the Group Compliance Officer, unless prohibited by local law (for further details about the Group Alert System Procedure, please refer to Section D.4.2.3 Ethics and Compliance Detecting measures, paragraph relating to the Group alert system. The Global Ethics & Compliance Policy together with the related procedures, guidelines and materials, form the framework of the Atos Compliance Management System designed to achieve these values throughout Atos and its operations [GRI 205-3].

Atos is continually reviewing its internal compliance rules to ensure adherence to laws and regulations, as well as relevance and usefulness in guiding the behaviors of its employees and key stakeholders. For example, the Business Partner Policy was revised and re-issued in 2019. Also, the gift and invitation process which was in place to ensure best practice has recently been updated and digitalized through a dedicated tool. Similarly, the Group Export Control Compliance Guidelines were improved to set up a framework of processes to ensure compliance with export control rules and regulations at a global and local level.

Atos Ethics & Compliance awareness strategy
[GRI 102-16]

The Group Compliance department, together with local Compliance Officers, ensure that new policies, procedures and tools are appropriately communicated within the entire Group, with specific communication and training sessions.

Group Compliance communicates directly with a large compliance and legal community within the organization in order to inform and train them about relevant Atos policies, and raise awareness through a weekly compliance newsletter with interesting relevant information on compliance and ethics.

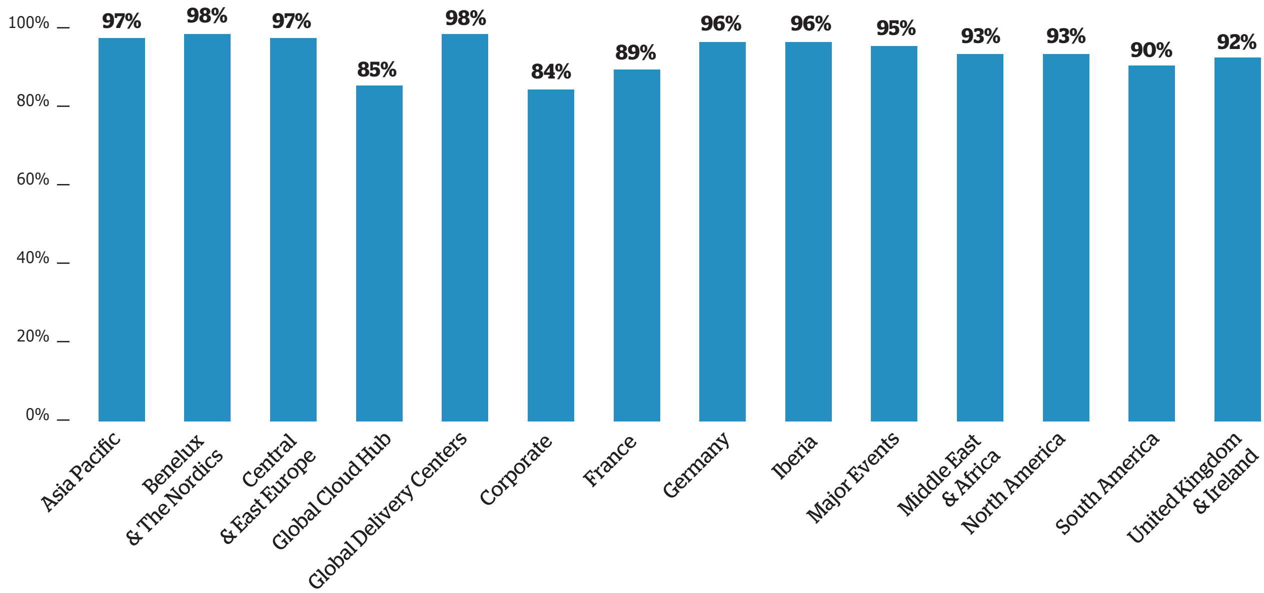
In addition, the specific e-learning module on the Code of Ethics ensures a thorough understanding of Atos' ethics and values and promotes fair practices in daily business activities. This e-learning course is mandatory for all employees, regardless of their job, function, country, or hierarchical level in order to ensure effective permeability of an Ethics & Compliance culture throughout the organization.

To complement the e-learning module on the Code of Ethics, specific classroom training sessions on the Code of Ethics are organized in all Business Units for top managers, as they are considered to be the most exposed: ETO²S training ("Ethics in Tier One Organization School") presents the responsibilities and the risks of non-compliance for Atos and its managers related to the principles of the Code of Ethics, explains Atos policies and processes which ensure compliance with these principles, and gives specific examples of ethical behaviors of managers in their daily work.

The target included in ADVANCE 2021, the Atos 3-year plan, as regards compliance and ethical training is for 100% of employees to undertake Code of Ethics training.

In 2019, 95% of employees completed the e-learning on the Code of Ethics [GRI 205-2].

NUMBER OF PEOPLE WHO COMPLETED THE E-LEARNING ON THE CODE OF ETHICS IN 2019
[GRI 205-2]



In addition, to ensure a deeper understanding of the specific risks related to corruption, as part of CSR Ambition 2021, Atos has conducted "Fight Against Corruption" training since 2017. This training, elaborated by the United Nations, and available online is composed of four introductory messages followed by six modules and quizzes, notably on the following risk areas: gifts and hospitality, facilitation payments, intermediaries, sponsoring and charity. It allows a deep understanding of the UN Global Compact's tenth principle against corruption and the UN Convention against Corruption as it applies to the private sector.

The objective is for senior management and employees who are most exposed to corruption risks to be trained on this specific e-learning. Such training will also be required for targeted employees (sales, procurement) in the countries in which a corruption risk is identified through self-assessment by the management and Compliance Officer or when a risk of non-compliance with internal processes has been identified following a country audit [GRI 205-2], [GRI 205-3].

On December 9, 2019, the Group Compliance Team, supported by all Compliance Officers, organized a campaign to celebrate the UN International Anti-Corruption Day. The Group General Secretary and Chief Compliance Officer sent a message to all senior managers, and CEOs in the GBUs also send out their own messages to their employees marking the day and reminding all employees about the importance of Compliance. Awareness activities were also undertaken, for example a learning session at the UK&I headquarters for the Legal Team and banners on the MyAtos landing page in many geographies.

Due diligence on third parties

In 2019, Atos updated its Business Partner Policy in order to ensure any potential business partner is subject to screening, and the relevant approval process if applicable, before entering into a contractual relationship. Atos Business Partners include agents, intermediaries, consortium partners and consultants assisting Atos in developing and retaining its business. They are subject to a due diligence and validation process supported by an automated tool, the Business Partner Tool (BPT), which collects the elements necessary for the performance of a risk analysis based on corruption, sanctions and unethical practices.

All units responsible for the relevant business transaction must ensure through appropriate steps that the potential business partner is properly evaluated and screened. The management of each of these units must carefully select and appropriately monitor and manage its Business Partners throughout the entire course of a business relationship.

Approximately 400 Atos employees are involved in using the tool, therefore contributing to mitigating the compliance risks in relation to third party business partners. Since 2018, Atos has reinforced its compliance approach within the business, monitoring Atos' operations in 100 countries identified in relation to their compliance risk. Atos operations in these countries are closely monitored.

Regarding suppliers and subcontractors, compliance checks are performed by the Procurement Department at different levels using Ecovadis assessment and pursuant to French Duty of Vigilance regulation ("Loi sur le Devoir de Vigilance") (cf. D.4.3.2 Enhance Sustainable relation).

D.4.2.3 Ethics & Compliance detection measures

Group alert system [GRI 102-17]

Even before the entry into force of French laws relating to the Duty of Vigilance and the fight against corruption ("Sapin II"), Atos had set up a Group alert system to enable employees to report any matter of concern in relation to potential breaches of the Code of Ethics

In 2018, the Group revised its alert system to comply with the new legal requirements, notably as concerns categories of breaches and the people allowed to report. The new system was made available to internal and external employees and to the public through the Code of Ethics.

Since 2018, the Code of Ethics explicitly refers to this reporting system, which aims to enable any employee who believes that they have knowledge of a breach of law or regulation, or of any provision of the Code of Ethics, to report internally to their manager or to the Group Compliance Officer, unless prohibited by local law. It is worth noting that this reporting system does not exclude the specific rights and duties of the representative staff institutions or any other local alert system defined specific regulations.

In accordance with the Group Alert System Procedure, the Group Compliance Officer will analyse the admissibility and related level of risk of any alert reported through the system, and will decide accordingly whether or not to conduct an internal investigation, based on a precise and predefined methodology [GRI 102-33]. Atos guarantees the protection of the confidentiality of all information exchanged as part of the processing of the alert, including the identity of the whistleblower and of any other person directly or indirectly involved.

Considering that the Group Alert System involves the processing of personal data, it has been established in compliance with the applicable data protection laws and regulations.

When the alert system was reviewed in 2018, Atos initiated a Compliance Assessment of Data Processing ("CADP-C") in order to comply with data protection regulations.

In 2019, between 100-120 ethical alerts were reported and monitored within the Group [GRI 102-34].

All internal investigations within the Group are tracked and reported to the Group Executive Committee, through the Annual Compliance Review, on an anonymized basis.

D.4.2.4 Ethics & Compliance control measures

Compliance internal controls are put in place and managed in cooperation between the Global Compliance and Internal Control Teams.

In 2019, Compliance and Risk Management/Internal Control collaborated to identify, within the Book of Internal Control, the anti-corruption controls. These were flagged and will be tested for maturity of implementation.

In 2019, a collaborative work was carried out by Group Compliance and Group Finance, to check the accounting procedures in place and related controls to prevent and detect any act of corruption from an accounting perspective.

Over the past two years, new compliance-related tooling has been introduced, notably to carry out due diligence on business partners through the Business Partner Tool, and in many geographies, to enable employees to obtain approval for gifts and invitations through the Gifts and Invitations App, ensuring that these comply with our rules on avoiding bribery. The purpose of this tooling is to achieve a higher level of control and better governance. Replacing manual control processes with automation reduces the risk of error as well as making compliance easier for employees.

Since 2017, all Internal Audits performed on a country include audit checkpoints related to compliance risks and specific Internal Audits are performed on compliance matters.

In 2019, no significant fine for non-compliance with laws and regulations was levied against the Group [GRI 419-1]. No significant client or supplier claim related compliance topics was recorded against the Group [GRI 205-3].

D.4.2.5 Tax evasion

Tax compliance

Atos is committed to full compliance with tax law and practice in countries where the Group operates.

In this respect, Atos pays taxes in the jurisdictions where business activities generate profits and value is created. This behavior is achieved in accordance with domestic and international rules and standards as well as applying the OECD principles to transactions within the Group.

Tax risk management

Atos seeks to reduce the level of tax risk arising from its operations by ensuring that a strong care is applied in relation to all processes which could affect compliance with its tax obligations.

Towards tax planning the Group takes benefit of available tax incentives, reliefs and exemptions in line with tax legislation and the business of the Group.

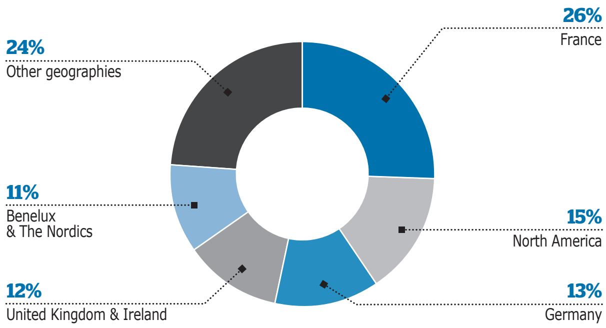
Tax transparency

In order to prevent any case of tax avoidance, where tax law is subject to interpretation, the Group may seek a written opinion so as to support the decision-making process or may engage transparent discussions with tax authorities to secure alignment on interpretation of tax rules.

Allocation of taxes and social contributions

In 2019 the Group expenses related to taxes and social contributions is amounted to € 1,159 million.

The allocation by geography is detailed below:



D.4.3 Ethics in the supply chain

[GRI 103-1 Procurement practices]

D.4.3.1 A permanent dialogue with Atos suppliers

[GRI 102-9]

Atos Global Procurement is a matrix organization divided into three areas both at global and local levels:

- Category management;
- Bid support;
- Operational and transactional Procurement including process support.

These three levels work together to ensure consistent supplier relationship management within Atos. This means the constant and sustained implementation of the following activities by the relevant Category Manager, Lead Buyer or Business Unit Buyer, for global and key local suppliers:

- Supplier selection and supplier qualification;
- Project or Bid supplier selection; supplier relationship management (QCDIMS: Quality, Cost, Delivery, Innovation, Management and Sustainability).

Atos Global Procurement has taken the lead on the development of purchasing with sheltered workshops ("Entreprise Adaptée" and "Etablissement et Service d'Aide par le Travail": French companies employing at least 80% of people with disabilities) for France. This initiative is ongoing since mid-2014.

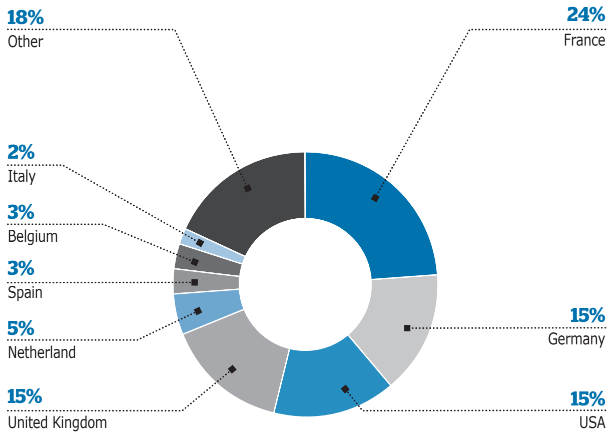
In 2019, in Atos France, the spend with sheltered workshops was € 188K.

In Spain, thanks to the involvement of the Atos local Procurement team, spend with sheltered workshops ("Centros Especiales de Empleo") was € 1.32 million in 2019.

Where Atos acquires companies, the Procurement organization's focus is on finding synergies from supplier rationalization, renegotiations and process and policy standardization.

In the 68 countries where Atos Procurement is operating, six countries (United Kingdom, Germany, France, Netherlands, USA and Spain) represent 76.7% of the spend while 50 countries represent less than 6.5% of the total spend. The eight largest countries representing 81.8% of Atos spend are under control in terms of sustainability and are all located in Europe and North America.

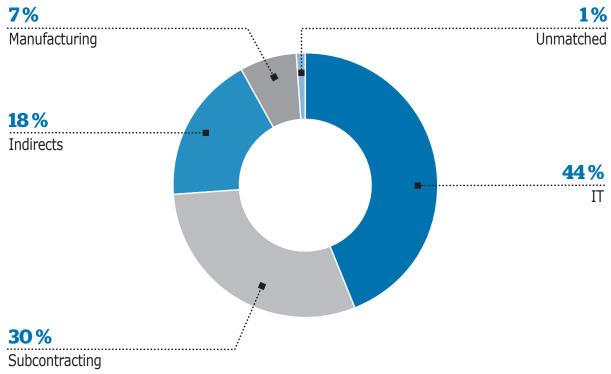
ATOS' SPEND 2019 BY COUNTRY
[GRI 203-2], [GRI 204-1]



Since Atos is a service company, a large part of its purchases are concentrated on people-related categories. Indeed, 30% of Atos total spend is dedicated to staffing & subcontracting. Indirects, including facility management and professional services, represent 18% of Atos total spend. These categories indirectly generate employment in countries where strong labor laws are in place. On the other hand, IT spend represents 44% of Atos total spend and is sourced from the largest IT tier-one suppliers, which are all fully in line with Atos sustainability objectives.

Manufacturing in Atos now represents 7% of spend and is mainly sourced from ECMs (Electronic Contracts Manufacturing) and/or tier-one suppliers, though a small proportion of spend is sourced from a supply chain in Asia Pacific.

ATOS' SPEND 2019 BY CATEGORY
[GRI 102-9] [GRI 204-1]



Global Procurement aims to centralize spend and sign global agreements with larger suppliers. However, many of these suppliers are present in the countries that we operate in and as such 84.5% of the delivery of goods and services are done at local level, reducing our impact on the environment. This is also explained by the use of vendors located in numerous countries and the use of distributors for IT materials [GRI 204-1].

D.4.3.2 Enhance sustainable relations

[A17]

The Atos Business Partner's Commitment to Integrity is distributed to all suppliers participating in a request for proposal process with Atos and its key clauses are incorporated in our contracts. The Business Partner's Commitment to Integrity's objective is to capture principles and actions for Corporate and Social Responsibility (CSR) undertaken by the Atos Procurement department. It advises Atos' suppliers to follow the principles of the UN Global Compact in the areas of human rights, labor, environment, anti-corruption and the related non-compliance clause throughout the whole contract lifecycle with Atos. If a supplier does not accept to respect the Atos Business Partner Commitment to Integrity because they have their own charter in place, Atos expects their charter to be at the same level in terms of principles as the Atos one. In the context of Request for Proposals, suppliers are also informed that they should respect and accept these principles as a prerequisite to be able to work with Atos. Also, they should be prepared to be assessed in depth by EcoVadis on their corporate responsibility performance at any time during their contract with Atos.

Atos Procurement's objective is to strengthen the relationship with strategic suppliers (Top 250) and have all of them assessed by EcoVadis on their corporate responsibility performance by end of 2019. Atos also encourages suppliers to hold an assessment no older than 36 months during the Atos-supplier contract period. The EcoVadis assessments are carried out on four topics: environment, labor practices, fair business practices and sustainable Procurement. Suppliers are asked to respond to a detailed questionnaire about their engagement in corporate responsibility and to provide documents as proof in support of their answers. After filling in the survey, a team of EcoVadis CSR experts analyzes the answers and documents in detail, in order to give a global score (out of 100), and a score per topic and detailed comments including improvement schemes.

In 2019, 326 suppliers were scored or reassessed by EcoVadis, representing 56.2% of the total spend and 52% of our strategic suppliers [A17], [GRI 205-1]. The selection was based on the level of spend, the category risk level and the geographic risk. With the use of ZEN (Atos ESN), the entire purchasing community is aware of the relationship with EcoVadis and the status of the ongoing assessments of strategic suppliers. In total, at the end of 2019, Atos had an overview of 434 suppliers through EcoVadis scorecards.

The average score is 55.1% which confirms the following assessment:

- a structured and proactive corporate responsibility approach;
- policies and tangible actions on major topics;
- basic reporting on actions or performance indicators;
- company embraces continuous performance improvements on corporate responsibility and should be considered for a long-term business relationship.

Suppliers with insufficient scores (below 40/100) are encouraged to implement corrective action plans and to be re-evaluated after 12 months. In 2019, less than 16% of our panel had low scores, usually because of a misunderstanding of the EcoVadis assessment process and platform. However, if a supplier refuses to participate in an EcoVadis assessment or is not willing to cooperate with Atos to improve its CSR performance this will, in most cases, lead to less or no contracts being placed with that vendor.

In 2019, Atos itself was also reassessed by EcoVadis on its corporate responsibility performance and obtained the score 80/100, improving on its already high standard.

D.4.3.3 Duty of vigilance program

Risk mapping

Since 2018, and in line with French Duty of Vigilance regulation, Atos' risks related to human rights infringements are now part of the yearly Atos Compliance Risk Mappings performed every year by all GBUs' and Divisions' Compliance Officers with their management, within their geographical scope and areas of responsibility.

Atos monitors environmental and health risks through the Enterprise Risk Management Process (monitoring the main risks that can impair the achievement of the Group's objectives in environment).

As a matter of safety, Atos' Information Security Management System (ISMS), built in 2001, is mandated across all Atos legal entities and manages the continuous improvement cycle required by the ISO 27001 certification. The ISMS includes a single set of security policies that are harmonized across all areas of Atos worldwide. The policies use consistent terminology and are written in clear English at a level that ensures they are easy to use and maintain and can be understood by Atos staff worldwide. This is supported by a streamlined document review and approval process.

Procedures for regularly assessing the situation of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained, with regard to risk mapping

Pursuant to the Atos Global Ethics & Compliance Policy, Atos business partners are subject to a pre-contractual due diligence and validation process. Integrity checks are carried out on the proposed business partner before any commitment, with the support of the Business Partner Tool. In case the integrity checks reveal any risk regarding the proposed partner, an in-depth assessment is carried out to assess the nature of the risk and its consequences.

In addition, since 2009 Atos encourages its suppliers to hold an assessment by EcoVadis no older than 24 months during the Atos-supplier contract period. EcoVadis is a global sustainability rating agency that delivers CSR assessments which assures Atos of its business partners' ethics. For more information, please see D.4.3.2.7 Enhance sustainable relations.

Appropriate actions to mitigate risks or prevent serious harm

Atos released in 2018 its Human Rights Policy Statement that sets out its commitments to act fairly in its labor and employment activities, and conduct business in an ethical and sustainability way, in all of its spheres of influence: employees, customers, partners, and across the supply chain.

In addition, the Global Ethics & Compliance Policy strictly prohibits employees, partners, subcontractors, and agents from engaging in human trafficking-related activities and requires that managers ensure observance of these principles within their entities. In cases where any doubt or risk arises during the contract, input must be sought from Global Compliance or other Atos compliance entities to carry out an in-depth assessment of the nature of the risk and its consequences.

In 2018, Atos reviewed its Suppliers Charter which has been renamed "Atos Business Partners' commitment to Integrity". Pursuant to this charter, Atos partners adhere and commit themselves to respecting detailed rules regarding the environment and human rights, which include the prevention of discrimination, child labor, forced or compulsory labor, compliance with working hours and laws relating to wages, and preservation of a safe and healthy work environment.

A clause is inserted in all contracts with partners that entitles Atos to terminate the business relationship immediately and without penalty if the partner or its subcontractors has committed breaches of human rights, and indeed compliance breaches in general.

Atos' partners are required to put in place adequate internal procedures to ensure that their officers, employees and subcontractors are trained and comply, notably, with the rules detailed in the Business Partners' commitment to Integrity. Atos' partners undertake to notify Atos in a timely manner of any suspected violation of the Atos Business Partner commitment to Integrity that might impact its relationship with Atos, whether it is allegedly committed by Atos employees, partners or the business partner's employees.

All Atos business partners are required to allow Atos to perform an on-site audit to ensure that it has adequate internal procedures to fulfil its integrity commitment.

The Atos Environment Global Team defines appropriate actions to mitigate risks through a wide array of complementary tools and processes such as Environmental Program action plans, the EMS (Environmental Management System) and the ISO 14001 certification covering Atos' main sites.

Atos has implemented a program related to psychosocial risks which consist in preventing stressful conditions and improving the health and security of the employees. Following the preparation of a Health@work blueprint in 2016, a framework has been developed that has 'care' at its center. This has been drawn up with the aim of ensuring everyone in Atos understands the importance of looking after and caring for colleagues, and that managers show positive team-oriented behaviors. This pillar of 'care' is highlights best practice whilst considering the local legal and social factors in each country.

The purpose of Atos' Physical and Environmental Security Safety Policy is to protect Atos and its customers' assets and information from all threats, whether internal or external, deliberate or accidental. This policy also supports the protection of information. It is imperative to implement and control adequate physical and environmental security measures, from basic security measures (Logistics & Housing) to security perimeters (welcome zone to high protected zone).

Mechanism for alerting and collecting alerts relating to the existence or occurrence of risks

The Atos Code of Ethics establishes the right of all employees to raise an alert in the event of suspected non-compliance with the values and principles of the Code of Ethics as well as any law or regulation. The Group alert system was updated in 2018, to comply with French Sapin II legal requirements (please refer to Section D.4.2.3).

System for monitoring the measures implemented and evaluating their effectiveness

Compliance including environment and safety internal controls (Book of Internal Control) are put in place and managed by Internal Control Team. Since 2017, all audits performed on a country include audit checkpoints related to compliance risks. In addition, since 2017, a review of all ethics and compliance alerts is reported to the Atos Board through Atos' Global Compliance Annual Review presentation.

Atos has established a committee of 12 members which manages and organizes issues related to social matters such as medicals, hirings and dismisals.

D.4.4 A trusted partner for the benefits of the local ecosystem

[GRI 201-1], [GRI 203-2], [GRI 103-1 Economic performance], [GRI 103-1 Indirect economic impact]

Atos is a people company and through its corporate citizenship program makes a positive contribution to society in three main areas of action: a) education and knowledge equality, b) youth empowerment, social insertion and employability, c) digital inclusion.

Atos has expanded its global corporate citizenship framework, carrying out local actions in a number of different countries and prioritizing the construction of long-term partnerships with universities and local NGOs.

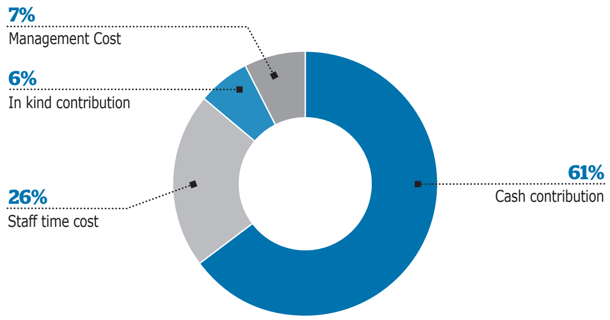
In 2019, around 1500 employees took part in several voluntary projects worldwide. These initiatives ranged from providing free IT teaching, to volunteering in schools in deprived areas, delivering ICT projects, and organizing sporting activities that helped raise funds for social initiatives.

In total, Atos spent € 2.54 million on funding for social communities in 2019. This amount includes donations to charities and social communities, plus commercial initiatives and community investments as defined in the London Benchmark Group (a reference model used by Atos to report on its social contribution) [GRI 203-1].

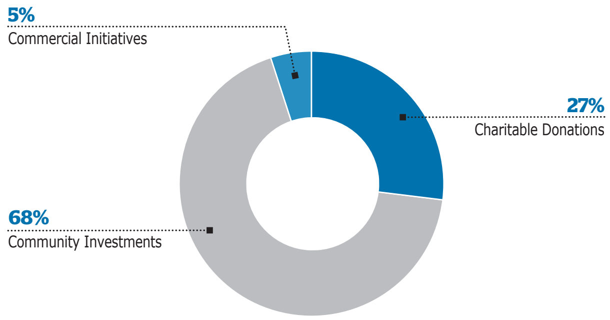
In 2019, Atos received a total amount of € 75.13 million in financial assistance from governments, inclusing i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and another relevant types of grant; iv. awards; v. royalty holidays; vi. other financial benefits received from any government for any operation [GRI 201-4].

For examples of actions taken at the local level which reflect corporate citizenship at Atos, please refer to the social initiatives described in the pages of the Integrated Report 2019.

How Atos contributed in 2019



Type of social contribution in 2019



D.4.5 Ethical & Governance excellence in Atos' sphere of influence –KPI overview

[GRI 103-3 Diversity and equal opportunity], [GRI 103-3 Anti-Corruption], [GRI 103-3 Socio-economic compliance], [GRI 103-3 Procurement practices], [GRI 103-3 Employment], [GRI 103-3 Market Presence], [GRI 103-3 Economic performance], [GRI 103-3 Indirect economic impacts], [GRI 103-3 Atos specific indicators], [GRI 102-28], [GRI 201-1], [GRI 201-4], [GRI 202-1], [GRI 202-2], [GRI 203-2], [GRI 204-1], [GRI 205-1], [GRI 205-2], [GRI 205-3], [GRI 401-1], [GRI 405-1], [GRI 419-1], [A17]

		2019	2018	2017	2019 PERIMETER		2018 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
	Corporate Governance							
405-1	Percentage of female in Governance bodies (Board of Directors)	40%	50%	50%	100%	---	100%	---
102-28	Attendance rate at Board meetings	85%	84%	91%	---	100%	---	100%
205-2	**Percentage of employees trained on the Code of Ethics**							
205-2_B_b1	Number of employees trained in Code of Ethics - (Elearning + Classroom)	76,800	74,845	85,609	75%	---	90%	---
205-2_D_b1	Number of management employees trained in Code of Ethics - Classroom	343	366	731	100%	---	100%	---
205-2_D_b2	Number of targeted management employees	622	1,223	1,085	100%	---	100%	---
205-2_D_c1	Percentage of management employees trained in Code of Ethics - Classroom	55%	30%	67%	100%	---	100%	---
205-2_E_b1	Number of employees who successfully completed the web based Code of Ethics training	76,457	74,479	84,878	75%	---	90%	---
205-2_E_c1	Percentage of employees who successfully completed the Code of Ethics´ elearning	95%	92%	91%	75%	---	90%	---
419-1	**Significant fines for non-compliance**							
419-1_A1_c1	Total value of significant fines (higher than 100K EUR)	0	0	0	---	100%	---	100%
419-1_c3	Number of significant fines (higher than 100K EUR)	0	0	0	---	100%	---	100%
205-1	**Total number and percentage of operations assessed for risks related to corruption**	Qualitative	Qualitative	Qualitative				
205-3	**Actions taken in response to incidents of corruption.**	Qualitative	Qualitative	Qualitative				
205-3_A1_c2	Number of claims with clients or suppliers related to corruption, higher than 100000€	0	0	0	100%	---	100%	---
A17	**Supplier Screening**							
A17_A_c0	Number of strategic suppliers assessed by EcoVadis	130	138	131	---	100%	---	99.99%
A17_A_c1	Percentage of strategic suppliers evaluated by EcoVadis	52%	57%	52%	---	100%	---	99.99%
A17_A_c2	Total spend evaluated by EcoVadis (M EUR)	2,927	3,377	2,997	---	100%	---	99.99%
A17_A_c3	Total percentage of spend assessed by EcoVadis	56%	55%	54%	---	100%	---	99.99%
204-1	**Proportion of spending on local suppliers**							
204-1_A_c1	Percentage of local spending	84%	85%	87%	---	100%	---	100%
401-1	**Employee Hiring**							
401-1_A_c1	New employees hired during the Reporting Period	12,051	13,510	12,596	78%	---	100%	---
401-1_A_a1	Males hires during the Reporting Period	8,014	9,155	8,745	78%	---	100%	---
401-1_A_a2	Females hires during the Reporting Period	4,037	4,355	3,851	78%	---	100%	---
401-1_A_a3	Number of graduates recruited	5,046	6,085	4,783	69%	---	90%	---
401-1_A_a4	Percentage of graduates recruited	42.93%	45.67%	37.97%	69%	---	90%	---
202-1	**Minimum wage comparison**							
202-1_A_c3	Percentage of "Atos countries" with minimum national wage, where Atos entry wage > minimum national/ IT sector wage [>50%]	60.71%	55.56%	59.49%	98%	---	99%	---
202-1_A_b3	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [>50%]	51	50	47	98%	---	99%	---
202-1_A_b4	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [10%-50%]	20	23	19	98%	---	99%	---
202-1_A_b5	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [0%-10%]	6	17	13	98%	---	99%	---
202-1_A_b6	Number of "Atos countries" where Atos entry wage < minimum national/ IT sector local wage	0	0	0	98%	---	99%	---
202-1_B	Number of "Atos countries" with no minimum national wage	7	14	10	98%	---	99%	---
202-1_A_b3a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sector wage [>50%]	54	52	53	98%	---	99%	---
202-1_A_b4a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sector wage [10%-50%]	17	20	14	98%	---	99%	---

		2019	2018	2017	2019 PERIMETER		2018 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
202-1_A_b5a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sector wage [0%-10%]	4	13	8	98%	---	99%	---
202-1_A_b6a	Number of "Atos countries" where the Atos female entry wage < minimum national/ IT sector local wage	0	0	0	98%	---	99%	---
202-1_A_b3b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sector wage [>50%]	56	54	51	98%	---	99%	---
202-1_A_b4b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sector wage [10%-50%]	14	21	20	98%	---	99%	---
202-1_A_b5b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sector wage [0%-10%]	6	15	8	98%	---	99%	---
202-1_A_b6b	Number of male in "Atos countries" where Atos male entry wage < minimum national/ IT sector local wage	0	0	0	98%	---	99%	---
201-1	**Community investments (Economic value distributed)**							
201-1_A6_c1	Total community investments (K Eur)	2,543	3,887	3,969	---	89%	---	87%
201-1_A6_c3	Donations to Charity (K Eur)	686	854	374	---	89%	---	87%
201-1_A6_c4	Contribution to Commercial initiatives for good causes (K Eur)	125	142	129	---	89%	---	87%
201-1_A6_c8	Contribution to Universities and similar (K Eur)	1,600	2,752	3,264	---	89%	---	87%
201-1_A6_c9	Contribution to Responsible IT Projects (K Eur)	132	139	203	---	89%	---	87%
201-1_A6_c2	Total number of employees involved in the main social initiatives	1,476	2,118	1,095	55%	---	76%	---
201-1_A6_b1	Cash contribution (K Eur)	1,550	3,437	3,274	---	89%	---	
201-1_A6_b2	Staff time cost (K Eur)	655	256	354	---	89%	---	
201-1_A6_b3	In-kind contribution (K Eur)	165	14	14	---	89%	---	
201-1_A6_b4	Management Cost of Social initiatives (K Eur)	173	179	327	---	89%	---	87%
203-2	**Significant indirect economic impacts, including the extents of impacts**	Qualitative	Qualitative	Qualitative				
202-2	**Proportion of senior management hired from the local community**							
202-2_A_b1	Number of national senior managers	2,299	2,632	2,538	89%	---	90%	---
202-2_A_b2	Total number of senior managers	2,474	2,841	2,727	89%	---	90%	---
202-2_A_c1	Percentage of national senior managers	92.93%	92.64%	93.07%	89%	---	90%	---
202-2_A_b3	Number of national employee	70,202	83,725	83,182	89%	---	90%	---
202-2_A_b4	Total number of employees	74,102	88,238	87,438	89%	---	90%	---
202-2_A_c2	Percentage of national employees	94.74%	94.89%	95.13%	89%	---	90%	---
202-2_A_b5	Number of national employees recruited	10,674	12,090	11,556	89%	---	90%	---
202-2_A_b6	Total number of employees recruited (Excluding acquisitions)	12,051	13,510	12,596	100%	---	100%	---
202-2_A_c3	Percentage of national employees recruited (Excluding acquisitions)	90.82%	90.75%	91.74%	89%	---	90%	---
201-4	**Financial assistance from governments**							
201-4_A_c1	Financial assistance from governments (EUR)	75,130,290	90,618,439	90,810,725	---	97.26%	---	68.94%

205-2: the e-learning excludes Syntel

D.5 Supporting the transition to a low-carbon economy

D.5.1 Environmental extra-financial performance

[GRI 103-1 Energy], [GRI 103-2 Energy], [GRI 103-3 Energy], [GRI 103-1 Emissions], [GRI 103-2 Emissions], [GRI 103-3 Emissions], [GRI 302-1], [GRI 302-2], [GRI 302-3], [GRI 302-4], [GRI 302-5], [GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4], [GRI 305-5]

Atos' activities, environmental impacts, risks and opportunities overview

As stated in its "raison d'être" or "statement of purpose", the ambition of Atos is to contribute to a "safe, secure and sustainable environment". To realize this ambition, the Group addresses a wide range of environmental issues and intends to cover in a comprehensive manner all its potential impacts, risks and opportunities related to its business model and core activities.

The principal interfaces between the major environmental issues, on the one hand, and Atos' business model and core activities, on the other hand, concern its datacenters, offices, business travel as well as the services, solutions and technologies offered to clients.

The Group's main potential impacts, risks and opportunities are regularly evaluated through specific work and activities: "materiality assessments," "local and global impact assessments", dedicated "risk assessments", competition benchmarks, analyses of stakeholder demands, legal monitoring and documentary research.

Given Atos' core business, its most significant environmental impacts relate to energy, travel, greenhouse gases and digital services, solutions and technologies.

Atos' main environmental risks concern potential changes in regulations linked to climate change (ability to anticipate and mitigate), more frequent and more extreme natural events and disasters (level of resilience) and energy and carbon (new constraints, new limits and new taxes).

Atos' main environmental opportunities concern its own progress in terms of operational efficiency and cost reduction, the high level of resilience of its sites and activities for hosting critical IT services, the attractiveness of its eco-friendly offerings and the promotion of sustainable solutions that help its clients with their own sustainability issues.

In the face of the climate emergency, Atos has committed to reducing its global impact and, as invited by the European Commission or the Task Force on Climate-related Financial Disclosures (TCFD), has also undertaken to better assess, anticipate and mitigate future changes.

Through its Environmental Program, Atos directly contributes to the following U.N. Sustainable Development Goals (SDGs):

and indirectly contributes to the following SDGs:

Overview of Atos' Environmental Program and main action plans

The Environmental Program has been in place since 2008. Since then, Atos' Executive Management has given priority to the environmental challenges which in turn are monitored by the Program's governance team.

The Environmental Policy, the Environmental Management System (EMS) and the ISO 14001 certification implemented worldwide lie at the heart of the Program and allow significant progress at local and global levels.

The Group's main impacts, risks and opportunities are considered as priority challenges and are addressed through specific action plans with the involvement of the Divisions, Support Functions and Global Business Units (GBUs). The following action plans were in place in 2019:

- action plans to engage all employees in all entities: systematically inform and train all employees worldwide and involve all major internal Support Functions, Divisions and GBUs;
- action plans on operations and sites: monitor all operations through the EMS and all main office sites and core datacenters through the ISO 14001 environmental certification;
- action plans to "do more with less" and reduce energy intensity and consumption: e.g., by improving the datacenters' average PUE (Power Usage Effectiveness) and roll out energy-saving initiatives;
- action plans to reduce travel impact: constantly favor new ways of working and remote working tools over travel; encourage lower-carbon transportation means (e.g., trains instead of planes); support carbon-free and collective transport; progressively switch the Atos fleet towards electric or hybrid cars;
- action plans to reduce greenhouse gas emissions: wherever it is practical and affordable, switch to renewable and/or low-carbon energy sources; rapidly reduce the Group's carbon intensity with targets aligned to climate-science recommendations; offset 100% of the Group's residual emissions;
- action plans to support Atos clients: offer sustainable fully carbon-compensated services and new solutions and technologies to help Atos clients tackle their own sustainability issues.

Overview of main commitments

In 2016, as part of the Paris Cop21 agreement and the "We Mean Business Coalition," Atos' Chairman and CEO approved four initiatives to support the global effort to combat climate change: pursue science-based emission reduction targets to help limit global warming below 2°C; implement an internal carbon price to influence investments and favor low-carbon options; engage in climate policy by anticipating the risks and opportunities associated with climate change; publicly disclose climate change-related information.

To track the progress, 60 specific key performance indicators, collected worldwide at more than 400 office locations and datacenters are in place. The Group's carbon emission reduction targets also capture (in one single meta-commitment) the energy, travel and greenhouse gas priority challenges:

- short and medium-term target: part of the Group's 2019-2021 Strategic Development Plan, the carbon intensity reduction target is to achieve a reduction of 7% to 20% by 2021 (tons of carbon dioxide equivalent (tCO_2e) per € million revenue, 2016 base line, Greenhouse Gas Protocol (GHG Protocol) Scopes 1, 2 and operational Scope 3);
- long-term targets: the Group's carbon intensity reduction targets for 2021-2030 and 2050 have been officially approved by the SBTi (Science-Based Targets initiative) as in line with the world effort to limit the rise of climate change below 2°C (3.6F) above preindustrial levels (2015 Paris Agreement).

Overview of main results

- **Environmental monitoring and certification**: since 2018, a global EMS (Environmental Management System) covers the entire Group and currently around 89% (85% in 2018, 80% in 2017) of Atos' main sites (datacenters and offices) are ISO 14001 certified or have entered the certification process.
- **Carbon intensity**: during the period 2008-2015, Atos achieved 50% in carbon reduction (both in absolute terms and in intensity). Between 2016 and 2019, Atos further reduced its carbon intensity by 21.86% after rebaselining in tCO_2e per € million revenue.
- **Science-Based Target**: between 2012 and 2019, Atos reduced its carbon intensity (tCO_2e per € million added value) by around -58%. Atos is ahead of schedule and at a level only expected by 2029.
- **Residual emissions and carbon offsetting:** since 2010, Atos IDM has offset 100% of all its datacenters' CO_2e residual emissions and since 2018 the Group has compensated 100% of all its CO_2e residual emissions (datacenters, travel and offices) through dedicated offsetting programs (wind-farms projects to generate clean energy and forest protection projects to capture emissions).
- **Energy intensity**: at the end of 2019, the Group's energy intensity was 218.21 GJ per € million revenue after rebaselining, 231.56 GJ in 2018, and 243.43 in 2017.
- **Datacenter energy efficiency**: at the end of 2019, the average PUE (Power Usage Effectiveness) was estimated at 1.72 (1.74 in 2018) for all IDM's datacenters and at 1.52 (1.57 in 2018) when considering only IDM's most strategic core datacenters operated by Atos [GRI 302-5].

- **Renewable/low-carbon energy**: in 2019, around 32% of the electricity consumed by Atos worldwide came from renewable sources. And over 70% of the electricity consumed by IDM's core datacenters operated by Atos was renewable (57% in 2018) and 100% was from low-carbon sources.
- **Global travel intensity**: at the end of 2019, the global travel intensity was 4,066 km per year per employee (4,662 in 2018, 4,685 km in 2017, 5,614 in 2016 and 6,114 in 2015).

Overview of key external recognition

In 2019, Atos was recognized by many key players such as the CDP (Carbon Disclosure Project), EcoVadis and the DJSI (Dow Jones Sustainability Index), as a global leader within the IT sector, based on its actions to tackle its environmental impacts, reduce its carbon emissions and mitigate the business risks of climate change:

- **CDP:** In 2019, for the seventh consecutive year, Atos was recognized as a global leader within the IT sector on the CDP Climate Performance Leadership Index and was awarded an "A" grade. This score (in Disclosure, Awareness, Management, Leadership) demonstrates its "high level of environmental stewardship, and the quality of its actions and approaches in managing climate change";
- **EcoVadis**: In 2019, Atos was awarded gold status with a score of 80/100 compared to an industry average score of 40/100 for its overall environmental performance;
- **DJSI:** Atos' 2019 overall environmental performance received a score of 94/100, compared to an industry average score of 42/100. Atos was selected both in the World and Europe Indices and ranked n°1 for its Sustainability Leadership in the software and services industry category;
- **Carbone 4:** In a survey published in 2019, Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation, analyzed the ability of the CAC 40 companies (the 40 largest French stocks on the French stock market index) to identify, evaluate and manage the physical risks associated with climate change. Atos was ranked among the Top 3 most advanced CAC 40 companies in the reporting of physical risks.

D.5.2 Environmental management

[GRI 103-2 Energy], [GRI 103-3 Energy], [GRI 103-2 Emissions], [GRI 103-3 Emissions]

D.5.2.1 Governance - management approach

The Senior Executive Vice-President, Chief Digital & Transformation Officer and Head of CSR, is a member of the Group Management Committee. He reports directly to the Atos Chief Executive Officer, oversees the entire Corporate Social Responsibility Program and regularly informs the Executive Committee of the Program's latest environmental initiatives, objectives and results. Since 2018, Atos' Board of Directors has had a specific committee dedicated to Corporate Social and Environmental Responsibility (CSR). In 2019, this committee met regularly, and Atos experts were invited to cover the environmental topics. While being addressed within the CSR Program governance (explained in chapter D.1), environmental issues are also monitored by the Group Environmental Program Manager and a dedicated team. Within the Business Units, the heads of CSR supervise the environmental challenges at regional and local levels.

D.5.2.2 Environmental Policy, high-level principles and operational guidelines

The current version of the Group's Environmental Policy has been in place since 2016 and is available on the Atos website. The Policy is aligned with the Group's strategic ambitions and with the Atos Group's CSR program.

The purpose of the Policy is to provide high-level principles, over the short and long term, regarding the Group's main environmental challenges. The Policy is applicable to all Atos' entities and operations, all office sites and datacenters regardless of their location. The entire Atos organization (100%) is covered, including its suppliers and subcontractors. The Policy is also a reference document for our external stakeholders to better understand the engagement of Atos in favor of the environment.

The Policy is complemented by a book of operational guidelines and objectives per environmental challenge. It includes information about the context, main concrete instructions, ambitions, objectives or targets at Group and/or at local level, and reporting process requirements.

D.5.2.3 Environmental Management System and ISO 14001 Certification [A14]

The Environmental Management System (EMS) is in place at Group level and in all main Global Business Units (GBU). All ISO 14001 certified sites have implemented their own local EMS.

The EMS and the ISO 14001 certification of the Group's main sites are the two operational tools that help us:

- implement and operate the Environmental Program, its Policy and its Operational Guidelines company-wide;
- monitor the Group's priority challenges (energy, travel, carbon emissions) and local challenges (e.g., water, waste, biodiversity…) through consistent action plans and controls;
- avoid the risks of non-compliance with regulations and stakeholder requirements;
- maintain or gain new market share as ISO 14001 certification is increasingly requested by clients.

All Atos' main sites meeting the Group's certification criteria (core datacenters operated by Atos and office sites with more than 500 internal employees) must enter the certification process and achieve certification.

Considering both the ongoing acquisition strategy and consolidation programs, the number of sites meeting the Group's certification criteria and the number of certified sites regularly evolve over time (as sites join or leave the Group).

In several GBUs, sites which do not formally fulfill the Group's certification criteria are also certified to anticipate regulations and meet local market needs and expectations.

At the end of 2019, 103 offices and datacenters were certified. The Group's current objective is that at the end of each year, at least 80% of its main sites (those meeting the criteria for certification) are to be either certified or in the process of certification. At the end of 2019, around 89% of these main sites were ISO 14001 certified or had entered the certification process (85% in 2018, 80% in 2017) and around 81,200 employees were working in one of these sites (66,800 in sites already certified and 14,400 in sites in the process of being certified). Also, at the end of 2019, 100% of the employees were covered by the Environmental Policy and the EMS.

D.5.2.4 Communication, information and training process

Atos rolls out an annual communications plan covering all its main environmental challenges and widely and regularly communicates internally and externally through flyers, videos, reports, posts, blogs, position papers, websites, external ratings, press releases, information spaces, dedicated meetings and trainings.

Regarding internal communication and awareness: the internal global reporting process is supported by dedicated training on environmental challenges and KPIs; the EMS / ISO 14001 certification program is supported by mandatory e-learning to engage all employees and promote eco-friendly behavior worldwide; several digital collaborative communities address sustainability topics such as environmental challenges, market trends, stakeholder expectations, innovations, business challenges and best practices.

In 2019, a new mobile Atos Green App was launched and two hackathons were organized (events during which specialists meet for several days around a collaborative computer programming or digital creation project) to deliver sustainable solutions for the InnovAtos 2020 event.

Regarding external communication, Atos regularly addresses specific sustainability issues:

- in publications such as Atos Connect with an article on "The factory of tomorrow capable of manufacturing products in a responsible way by reducing raw materials, water and energy consumption" or in Atos Ascent entitled "How digital enables the transformation into the sustainable circular economy";
- at special events such as the 2019 Atos IT Challenge where the Technical University of Berlin was recognized with an award for an agricultural application that helps farmers minimize the amount of fertilizer and pesticides they need, as well as at Atos' annual CSR stakeholders meeting in 2019, where thoughts and action plans on major environmental issues were presented and debated;
- in collaboration with many organizations, working groups, think tanks, professional unions and clients to discuss and disseminate technological and environmental best practices. For example, with Defra (the Department for Environment Food & Rural Affairs in the UK) or with the Institut Bull in France;
- by officially supporting initiatives such as the French Business Climate Pledge in 2019 involving a group of 99 French companies who reaffirmed "the need to collectively change course by accelerating innovation and R&D through investments in low carbon solutions, to bring about a drastic reduction in GHG emissions".

Dedicated information is available on the Atos website (atos.net) and its CSR specific mini-site.

D.5.3 Main environmental risks and opportunities

[GRI 103-2 Energy], [GRI 103-2 Emissions], [GRI 201-2], [A7], [A20]

This chapter covers the potential environmental risks that could adversely affect the Group's goals to create value together with the potential environmental opportunities that are open to Atos and its clients to balance those risks.

D.5.3.1 New requests regarding climate change disclosures

[GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4], [GRI 305-5]

Key players (such as political institutions, main financial and economic organizations, NGOs, clients, student groups) regularly invite companies to disclose climate change-related information. This was the case in 2019 for the European Commission through its 2019 Guidelines regarding Climate Related Information and the TCFD through its Climate-related Financial Disclosures. They favor a double materiality approach that considers both the potential impacts of climate change on companies (risks and opportunities) and the potential impact of companies on the climate. In view of the predictable and significant consequences of global warming, Atos welcomes these new requests and is officially a supporter of the TCFD initiative.

Atos uses the scenario analysis approach to assess the resilience of its activities, considering both physical and transformation risks, as well as different geographies, time horizons and climate-related models (including a 2°C scenario and a business as usual 4°C scenario). The identification of the main environmental risks and opportunities is carried out by internal experts from internal support functions, using a combination of analysis, tools and processes and with the support of external experts.

In connection with this work, three specific climate change-related operational risks and operational opportunities have been described in the Group's 2019 submission to the CDP Climate Change Questionnaire and are accessible online (https://www.cdp.net/en/climate).

For each specific risk and opportunity, the following dimensions are investigated: type; where the driver occurs in the value chain; primary climate-related drivers; specific description for the Company; time horizon; likelihood; magnitude of impact; potential financial impact; explanation of the financial impact; management method; cost of management; impact on business and level of consideration in the financial planning process.

D.5.3.2 Main environmental and climate-related risks overview

Atos identifies, monitors and mitigates its main environmental and climate-related risks through the following complementary tools and processes:

Identification/evaluation:

The materiality and risk assessments, including stakeholders' interviews conducted with the help of external consulting firms; the assessments before determining new operational locations and/or when new sites come under the Group's control (geographical location); the annual "Risk Assessments" done by Atos' insurer (including natural risks/hazards, potential impacts on the environment and onsite visits); the "Flood Maps" covering all Atos sites (datacenters and offices); the "Resiliene Index" (RiskMark Score) and "Risk Heat Map" including resilience advice and recommended action plans; the evaluation of the maturity of key suppliers and strategic partners in the field of climate-related risks; the climate change models to identify the foreseeable impacts (transformation, acute, chronic); the climate change macro and micro-economic scenarios to identify the potential business impacts.

Monitoring/Mitigation:

The Enterprise Risk Management Process (monitoring main risks that can impair the achievement of the Group's objectives); the GBUs, Divisions and Support Functions action plans; the Environmental Program action plans; the EMS (Environmental Management System); ISO 14001 certification of Atos' main sites; the Book of Internal Control (BIC); the Legal Risk Mapping and the policies that frame all activities; the Global "crisis management policy" and extensive "business continuity" strategies including "local crisis scenarios" and local "continuity plans"/ "recovery procedures"; the Safety and Emergency Response Tool (SERT).

Atos' main environmental and climate-related risks:

Atos' main environmental risks concern: potential changes in regulations linked to climate change (ability to anticipate and mitigate); more frequent and more extreme natural events and disasters (level of resilience); and energy and carbon (new constraints, new limits, new taxes).

Potential changes in regulations linked to climate change

Regarding compliance with environmental regulations, the ISO 14001 certification of all Atos major sites involves legal monitoring and constant information on potential changes. Legal monitoring at Global Business Units level is also implemented, with the aim of alerting global issues that may need to be addressed by all the sites, whether certified or not. Thanks to this close monitoring of the regulation, no significant environmental fines or non-monetary sanctions were identified in 2019 (also none in 2018 and 2017).

Residual risk: In the short to medium term, although new changes in regulations are very likely, at Atos the magnitude of the potential residual impacts is perceived as low in view of the ongoing monitoring, and mitigation actions undertaken to anticipate and absorb the coming changes.

More frequent and more extreme natural events and disasters
[GRI 201-2], [A20]

Climate change will result in more frequent and more extreme natural events. When considering natural disasters, Atos addresses both the resilience of the activities and the safety of its employees. In relation to the resilience of activities, Atos considers upstream preparation, the resistance capacity during an event and the recovery capacity after an event. Among the many different tools and processes put in place at Atos to prevent or mitigate the impact of natural disasters, two are highlighted here to illustrate Atos' approach to employee safety and business continuity.

Regarding employees' safety: Since 2017, Atos has operated its own Safety and Emergency Response Tool (SERT) that is activated in areas where a natural disaster has occurred and could put Atos employees' safety at risk. In 2019 SERT was activated in Asia Pacific following natural disasters, in North America following hurricanes, in Greece after an earthquake and in South America for geopolitical movements. Thanks to this tool, the Group is able to ascertain within 48 hours whether the overwhelming majority of its employees are safe or need assistance. In the light of a natural disaster, terrorist attack or any kind of emergency, the employees identified as part of a geographical danger radius receive an email from Atos Security and Safety. Through this online tool accessible to all employees 7/7, 24/24, employees can report their status, the status of a colleague(s) and also request assistance.

Regarding business continuity: Extensive business continuity strategies have been implemented, resulting in the ability to provide services from different locations. Notably, the core datacenters are twin datacenters with full duplication capacity (synchronous data and IT infrastructure replication). These business continuity strategies can minimize the effects of local phenomena and aim to mitigate wider extreme natural events as well as other disruptions such as fires or civil disturbances.

Residual risk: In the medium term, more frequent and extreme natural events are very likely. Due to the current geographical localization of Atos' main sites and the tools or processes in place, the magnitude of the potential concrete impacts is perceived as between low and medium (see above section about main risks identification and monitoring).

Energy and carbon emissions (new constraints, new limits, new taxes)
[GRI 201-2]

Energy and carbon emissions are among the priority challenges considered by Atos. The continuous effort made to reduce energy consumption, improve efficiency, limit travel impact and reduce carbon emissions progressively improve the Group's ability to operate in a low-carbon economy. The introduction of a first level of internal carbon price linked to the cost of offsetting also helps to prepare the Group for higher taxes in the coming years.

Regarding carbon taxes: Impact valuation assessments have been carried out on an annual basis since 2017. In 2019, based on a social cost of carbon ranging from €58 to €81 (based on the Stern report and meta-surveys), the impact valuation linked to Atos' gross Greenhouse gas (GHG) emissions comprised between €14.3M and €20M. In 2019, when considering the offsetting of 100% of its residual emissions (compensation and capture), the volume and the social cost of Atos' emissions were zero.

Residual risk: In the medium term, specific issues (cost, taxes, regulations) regarding energy and GHG emissions are very likely. At Atos the magnitude of the potential concrete impact is perceived as low, thanks to the long-term ongoing Environmental Program that helps prepare the Group to operate in a low-carbon economy.

MAIN RISK OVERVIEW

Risk	Likelihood*	Time horizon*	Magnitude of impact*	Challenge / mitigation
Potential changes in regulations linked to climate change	Very likely	Short to Medium-term	Low	Ability to anticipate and absorb regulatory changes
More frequent and more extreme natural events and disasters #	Likely	Medium-term	Low to medium	Site geographical localization and ability to maintain the appropriate resilience level
Energy and carbon emissions (new constraints, new limits, new taxes) #	Very likely	Medium-term	Low	Ability to reduce consumption, GHG emissions and exposure

** Likelihood: chances the event/ risk will materialize. (scale from trivial to almost certain).*
** Time horizon: short-term (0-3 years), medium term (3-10 years) and long term (10+ years).*
** Magnitude of impact for Atos' operating margin: Very low = below 10 M€, Low = below 50 M€, Medium = below 200 M€, High = Above.*
 # more details can be found on the CDP Web site.

D.5.3.3 Main environmental and climate-related opportunity overview

Atos' main environmental opportunities concern: its own progress in terms of operational efficiency and cost reduction; the high level of resilience of its sites and activities for hosting critical IT services; the attractiveness of its eco-friendly offers; and the promotion of sustainable solutions that help its clients with their own sustainability issues.

Operational efficiency and cost reduction: Atos rolls out global and local action plans to improve its operational efficiency and reduce its energy consumption, its carbon emissions and the associated costs. Further information can be found in chapter D.5.4.

Resilience of sites and activities to host critical IT services: Atos rolls out specific action plans that contribute to future-proof its sites and activities. This contributes to the Group's attractiveness for clients seeking hosting services that are resilient to extreme natural events. Further information can be found in chapter D.5.3.2

Attractiveness of eco-friendly offerings (Green IT): Atos invests in the development of new products and services that, through R&D and innovation, reduce as much as possible their environmental impact and reflect shifting consumer preferences. E.g. Carbon-compensated hosting services (see chapter D.5.4.3) or supercalculators that are among the most energy-efficient worldwide (see chapter D.5.4.4). This contributes to the Group's attractiveness for clients seeking eco-friendly digital solutions.

Promotion of sustainable solutions (IT for Green): Atos innovates and delivers new technologies and solutions that help its clients tackle both their business and environmental challenges. This contributes to Atos' attractiveness for clients seeking to reduce their environmental impacts and improve their positive contribution to the planet (see chapter D.3.5). In 2019, the total revenue for these offerings represented a revenue of € 2.764 billion (including around 20% with a direct impact on the environment).

MAIN OPPORTUNITIES OVERVIEW

Opportunity	Likelihood*	Time horizon*	Magnitude of impact*	Challenge / ability to seize the opportunity
Operational efficiency and cost reduction #	Certain	Current	Low	Ability to roll out global/local programs like Atos' ongoing office and datacenters optimization programs
Resilience of sites and activities to host critical IT services #	Likely	Medium term	Medium	Ability to offer demonstrably more secure and resilient sites and activities against climate change events
Attractiveness of eco-friendly offers and promotion of sustainable solutions #	Certain	Current	High	Development of new products or services through R&D and innovation to reflect shifting consumer preferences

** Likelihood: chances the event/ risk will materialize (scale from trivial to almost certain).*
** Time horizon: short-term (0-3 years), medium term (3-10 years) and long term (10+ years).*
** Magnitude of impact for Atos' operating margin (opportunity 1) and revenue (opportunities 2 and 3): Very low = below 10 M€, Low = below 50 M€, Medium = below 200 M€, High = Above.*
 # more details can be found on the CDP website.

D.5.4 Environmental action plans and detailed results

This section covers in detail the action plans related to the Group's environmental priority challenges: energy, travel and carbon emissions.

The rapid transformations in the Group both internally and externally (acquisitions or divestitures) have a direct impact on its environmental footprint. New changes in geographic areas (with specific local energy mix) or in activities and production capacities with different carbon intensity profiles (e.g., new industrial business versus services) must be considered. To accommodate these changes and stay in line with the reality of the Group at similar scopes, Atos regularly realigns its absolute and intensity baselines and targets.

D.5.4.1 Carbon emissions

[GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4], [GRI 305-5]

Carbon emissions are, alongside travel impact and energy consumption, one of the most material environmental challenges for Atos.

Absolute: Scopes 1, 2 and 3-part A "operational Scope 3" CO_2e emissions

As explained above, absolute emissions are impacted by the Group's rapid transformations (acquisitions or divestitures). In order to compare different years on equivalent perimeters, it is necessary to reintegrate or exclude the absolute emissions associated with these transformations.

Scopes 1, 2 and 3-part A ("*Operational Scope 3*") regroup all emissions linked to travel and energy consumption in Atos' offices and datacenters and Scope 3–part B regroups all "*Other Scope 3 emissions*." The sub-scope "Operational Scope 3" regroups categories covering Atos' main challenges and activities under operational control or direct influence. The sub-scope "Other Scope 3 emissions" regroups other categories not under Atos' direct control or influence.

In 2019, Atos' absolute emissions covering Scopes 1, 2 and 3-part A for its activities worldwide amounted to 242,986 tons of CO_2e. In 2019, the activity perimeter included Syntel and excluded Worldline.

This CO_2e perimeter covers 100% of Atos Revenue perimeter and 96.6% of the emission sources have been validated by external auditors. On the same perimeter, Atos' rebaselined absolute emissions were around 254,608 in 2018 and 301,125 in 2017. (Previous published figures before rebaselining: 222,137 in 2018 and 238,123 in 2017).

In 2019, Scope 1 represented around 9% of the absolute emissions, Scope 2 around 34% and Scope 3-part A around 57% (respectively 14, 29 and 57% in 2018 and 15, 35, 50% in 2017). In terms of business activities, the datacenters represented 46%, the offices 31% and travel 23% (respectively 47, 25 and 28% in 2018 and 46, 26 and 27% in 2017).

In 2019, Atos offset 100% of its total CO_2e gross emissions for Scopes 1, 2 and 3-part A.

The GHG Protocol also advises publishing a "Dual Reporting" for the Scope 2 CO_2e emissions (related to electricity) using both "location-based conversion factors," (from international databases such as the International Energy Agency) and "market-based conversion factors" (from energy providers). Atos has deployed a process to collect these "market-based conversion factors" from its main providers in countries where its energy consumption is the most significant.

The most reliable data was for Germany, France, Spain and the UK weighing around 43% of the Group's electricity consumption. Due to the substantial (or enormous) use of renewable or low-carbon energy in these countries, there is no significant difference between emissions estimated using "market-based conversion factors" or "location-based conversion factors" and the impact on the Group's absolute emissions is below 1%.

Absolute: Scope 3-part B "other Scope 3 emissions" CO_2e emissions

In 2019, the Scope 3–part B covering all the "other Scope 3 emissions" represented around 95% (96% in 2018) of the Group's total emissions (all scopes combined). Within this Scope 3–part B, the most significant categories representing around 96% (93% in 2018 and 92% in 2017) of the Scope were the *upstream* categories 1 "Goods and services" and 2 "Capital goods" (around 79% in 2019, 76% in 2018, 73% in 2017) and the downstream category 11 "Use of sold products" (around 17% in 2019, 17% in 2018, 19% in 2017).

These emissions have been estimated using the GHG Protocol Scope 3 Evaluator for categories 1 and 2, and sectorial surveys for category 11. In all cases, in terms of emissions, the level of uncertainty remains high and the results must be considered as orders of magnitude.

For categories 1 and 2 (concerning products and services purchases), the emissions are linked to Atos' supply chain. The monitoring of Atos' supply chain is done through EcoVadis, as described in chapter D.4.3.2. For category 11 (emissions from the use of IT equipment sold to clients), progress is being made by continuously improving the energy efficiency ratios of Atos' technologies and solutions, but the volume of emissions also depends on where the equipment is implemented and on the local energy mix.

Intensity CO_2e emissions

As explained above, intensity emissions are impacted by the Group's rapid transformations (acquisitions or divestitures). To be able to compare different years on an equivalent perimeter, it is necessary to reintegrate or exclude the revenues (denominator) and emissions (numerator) associated with these transformations. In terms of performance, intensity figures are also more significant than absolute figures in understanding the trends and progress achieved (e.g., capacity to generate more revenue with less emissions).

In 2019, after rebaselining, Atos' intensity emissions covering Scopes 1, 2 and 3 - part A ("operational Scope 3") were 20.97 metric tons of CO_2e per € million and 2,251 metric tons per employee. In 2019, the activity perimeter included Syntel and excluded Worldline. On the same perimeter, Atos' rebaselined intensity emissions per € million were around 22.26 in 2018 and 24.88 in 2017. (Previous published figures before rebaselining were 18.22 in 2018 and 19.28 in 2017). The difference between the rebaselined data and the published data is directly linked to the differences in intensity between the entities that have joined the Group and the entities that have left the Group.

Intensity CO_2e targets

Between 2008 and 2015, Atos reduced its carbon emission by -50% both in intensity and absolute.

In the short term, Atos' commitment – as part of the Group's 2021 Strategic Plan - is to further reduce its carbon intensity from 7 to 20% by 2021 (tCO_2e per € million revenue, 2016 base line, for operational scopes 1, 2 and 3A). The expected annual progress was a reduction in intensity of around 2% a year. At the end of 2019, the Group intensity had reduced by -21.9% (2019 perimeter including Syntel and excluding Worldline, 2016 rebaselined to match the same perimeter).

In the medium and long terms, Atos intensity targets for 2030, 2040 and 2050 have been accepted by the Science-Based Target initiative (SBTi) as in line with the global ambition to keep global warming below 2°C. The 2050 intensity objective measured in tCO_2e per € million value added (operating margins) is to reduce by 86% (2012 base line). This means a reduction in intensity of around 5% each year. At the end of 2019, Atos reduced its intensity emissions by about 58%, ahead of schedule and at a level of reduction expected only by 2029. In 2019, following recent reports by the Intergovernmental Panel on Climate Change (IPCC), the SBTi sent out additional recommendations to progressively reset all SBT targets and aim at keeping global warming at 1.5°C only.

Carbon-saving initiatives, decarbonized energy and offsetting
[GRI 305-5]

The progress made in intensity in 2019 (tCO_2e/M€ revenue) is linked to the direct progress made to reduce emissions (numerator), to the changes in turnover and number of employees (denominator) and to the evolution of the conversion factors (e.g. conversion of energy in CO_2e).

In 2019, thanks to this progress in intensity, 14,931 tons of CO_2e emissions were avoided (29,971 in 2018 and 23,692 in 2017). The amount avoided in the offices and datacenters through energy-saving initiatives and optimization programs can be found in the following sections and in the KPI overview section.

In addition, Atos has launched a program to gradually and whenever possible migrate from carbon-based electricity (generated by fossil fuels) to low-carbon electricity (renewable and decarbonized energy including nuclear). The goal is to tend towards 100% of renewable and decarbonized electricity to support the Group carbon Science-Based Target (-86% by 2050 versus 2012) and to reduce as much as possible its residual emissions.

Concretely, upon the renewal of energy and electricity supply contracts, Atos division managers and procurement managers are required to systematically consider a shift towards decarbonized energy sources and/or towards less impactful energies. The progress accomplished in recent years is very significant and also strongly influenced by local energy market capacities and constraints. At local level, the program implementation depends on several criteria such as the type of local supply or the availability and price per kWh. It involves taking into consideration local, national or international environmental regulations and tax regulations such as carbon tax, for instance.

In the Atos technological delivery center in Pune in India, which hosts more than 12,000 employees, a massive solar panel installation is being planned. The potential production is estimated at around 1.5 MWp. It will enable self-generation of local green electricity and drastically reduce the consumption of highly carbonized local electricity. Other large sites such as Chennai and Tirunelveli will follow with a similar initiative that has been initiated with the installation of solar panels on the roofs of datacenters to generate renewable electricity and increase local autonomy.

At the end of 2019, several large countries hosting main datacenters and offices, such as France, Germany, the Netherlands and the United Kingdom, were mostly being supplied with decarbonized electricity. As an example, since 2018, almost 100% of the electricity consumed in the datacenters and offices managed by Atos in France came from renewable sources. This initiative was renewed in 2019.

At the end of 2019, after rebaselining around 32% of the electricity consumed by Atos worldwide came from renewable sources. In 2019, the activity perimeter included Syntel and excluded Worldline. (34% published in 2018 before rebaselining). Also at the end of 2019, around 100% (95% in 2018) of the electricity consumed in the core datacenters operated by Atos (co-location excluded) came from decarbonized sources (70% renewable and 30% nuclear).

Furthermore, since 2018, Atos has compensated (offset) 100% of its datacenter, office and travel residual CO_2e emissions through a dedicated offsetting program. Since 2019, this offsetting has been carried out through wind farm projects and through forest protection projects on an equal basis or 50/50 proportion. Wind farm projects generate clean electricity and prevent local energy customers from emitting new emissions from using fossil fuel. Forest protection projects enable nature-based removal or carbon capture (or sequestration, carbon sinks, wells, pits) and fully counterbalance carbon emissions. Carbon capture is a game changer to tackle climate change. In 2019, the total volume of Atos' emissions avoided and captured was equivalent to the Group's annual emissions (242,986 tons of CO_2e). Therefore, Atos' net CO_2e emissions for its Greenhouse Gas Protocol Scopes 1, 2 and Scope 3 part A (operational scope) are zero when all the offsetting projects are taken into account.

Atos IT services and hosting services are carbon-compensated worldwide. Atos' clients can report zero (0) CO_2e emissions in relation to their solutions hosted in Atos' datacenters.

D.5.4.2 Travel and new ways of working

[GRI 302-2], [GRI 305-5]

Travel impact is, alongside carbon emissions and energy consumption, one of the most material environmental issues for Atos. Travel is a source of energy consumption, pollution and GHG emissions. Atos aims to limit the environmental footprint linked to travel through a range of initiatives, which comprises:

- new ways of working, including the use of remote digital collaboration tools such as Circuit Unify, to enable employees to reduce their environmental footprint and gain flexibility;
- global and local policies or instructions to limit travel or to favor less polluting and less greenhouse gas emitting means of transportation (e.g. favor trains over cars or planes for business trips);
- action plans to maximize the number of electric and hybrid vehicles. In France, the "MyCar" electric fleet has been available for employees' business travel since 2012;
- action plans to reduce the average CO_2e emission level of Atos' car fleet: the Group's car leasing policy stipulates that leased cars must be below 120g CO_2e/km (116g CO_2e/km in countries such as France). In 2019, after major acquisitions, 89% of Atos' car fleet of around 6,500 vehicles was below 120 g CO_2e /km. At the end of 2019, the effective average emissions for Atos' fleet cars were around 105.5g CO_2e /km;
- additionally, best practices are in place in some countries to encourage the use of bicycles thanks to financial support, bike leasing and the implementation of bicycle shelters (e.g., in Germany, France, Belgium); to encourage car sharing (e.g., since 2017, in France, a dedicated app, mainly used for commuting, is available for all employees and in some locations, carpooling park slots have been introduced); and to encourage multimodal mobility allowances as an alternative to all-car solutions.

In 2019, in terms of travel intensity, the average number of kilometers traveled per employee was 4,066 (4,662 in 2018, 4,720 in 2017, 5,614 in 2016 and 6,114 in 2015). The split of distances traveled by means of transport can be found at the end of the chapter in the KPI overview section.

D.5.4.3 Energy consumption and intensity ratios

[GRI 302-1], [GRI 302-2], [GRI 302-3], [GRI 302-4], [GRI 302-5]

Energy consumption is, alongside carbon emissions and the impact of travel, another of the most material environmental issues for Atos.

All countries in all Business Units measure and report their energy consumption for all their office sites and datacenters. In 2019, the activity perimeter included Syntel and excluded Worldline. On this perimeter, Atos' rebaselined intensity energy consumption was around 218.21 GJ per € Million revenue. This represented a decrease of around 5.8% between 2018 and 2019 (231.6 in 2018, 242.6 in 2017).

On the same perimeter including Syntel and excluding Worldline, the Group's energy consumption was 23.9 GJ per employee in 2019. (Figures previously published: 28.11 in 2018, 29.68 in 2017 and 32.18 in 2016).

The split of energy consumption by types of activity (datacenters, offices) and by types of fuel can be found in the KPI overview section, at the end of this chapter.

Offices: energy efficiency and saving initiatives

As described in the Atos Global Real Estate Policy, Real Estate is one of Atos' key players contributing to the Group's environmental and sustainability objectives as set out in the Group's Environmental Policy.

Since 2014, a global consolidation and optimization program has been underway in the offices. Each year the program leads to the consolidation of offices, the closure of existing ones or the opening of new ones.

In 2019, the optimization program continued, with the further integration of sites from recently acquired companies. At the end of 2019, Atos sites represented more than 1.2 million m² including Syntel (versus 1.3 in 2018, 1.1 in 2017, 1.2 in 2016) distributed in more than 450 locations worldwide. In 2019, this program saved the equivalent of circa 11% of the real estate expenditure.

The global Real Estate/Logistic and Housing Policy promotes strict guidelines and processes for real estate management, which all Business Units must apply. The policy promotes energy-efficiency criteria for the selection of new locations and for the extension and rationalization projects. Energy-efficiency criteria such as smart design and low-energy building techniques, "efficiency-label" certifications and standards (LEED; BREEAM; HPE; THPE; DGNB) as well as highly energy-efficient appliances or public transport availability are considered.

In addition, the Atos Smart Campus concept includes new ways of working, such as open spaces, desk-sharing, activity-based working spaces, digital tools, home, mobile and co-working. These new ways of working positively contribute to the environmental footprint of the offices and employees. Thus, the reduced number of square meters used for performing specific activities also reduces the lighting, heating or cooling needs.

In 2019, Atos India announced the opening of a new Global Delivery Center in Tirunelveli. The design of the campus has been inspired by the local culture, with employee-friendly architecture where social spaces seamlessly integrate with work zones. Additionally, the campus design makes optimal use of natural light and incorporates the latest energy conservation principles to promote sustainability. The site achieved the LEED Gold Certification level. LEED, or Leadership in Energy and Environmental Design, is the most widely used green building rating system in the world.

All Atos' large office sites also benefit from the ISO 14001 certification program and closely monitor their energy consumption. Over the years, in terms of energy optimization, numerous actions have been taken by the sites (e.g., regarding heating, cooling, insulation, lighting and space optimization). In 2019, actions for which the specific contribution to the reduction of energy consumption could be isolated and accurately measured, have helped reduce Atos' energy consumption in its offices by 28,803 GJ (18,847 in 2018), corresponding to around 0.4 million euros of cost savings.

The global energy consumption in the offices was 820,101 GJ in 2019. The energy intensity was 7.6 GJ per employee in 2018 (8.2 in 2018 and 8.7 in 2017).

Datacenters: energy efficiency and energy-saving initiatives

Since 2014, a global consolidation and optimization program has been underway in the datacenters. Each year the program leads to the closure or migration of existing datacenters and the opening of new ones. At the end of 2019, Atos managed 98 multi-customer datacenter sites in 79 locations in 29 countries.

Global Business Units systematically apply Infrastructure & Data Management Division guidelines and processes impacting energy consumption, energy efficiency and energy-saving initiatives. They also consider "energy-efficiency criteria" in the decision-making process when selecting new locations or in extensions and rationalization projects.

Over the years, in terms of energy optimization, numerous actions have been taken by Atos at its datacenters. The best practices introduced include: the rationalization of electrical installations; the installation of slabs preventing air loss through suspended floors; a rise in supply air temperature; the ability to use fresh air or water for cooling; the optimization of the fan speed; the introduction of containment corridors to create cold air zones; the updating of the cooling to be more energy efficient in each hardware refresh situation; the reuse of waste heat for new uses; the use of management tools for regular measurement of power usage effectiveness (PUE); the adoption of green IT solutions to optimize hardware and its usage (consolidation, virtualization, cloud) and the installation of solar panels on the roofs to generate renewable electricity and increase local autonomy.

The energy efficiency of the datacenters is measured through the long-term evolution of the PUE (Power Usage Effectiveness). The PUE is among the "7 strategic business criteria" of the datacenter consolidation and optimization program and also a key indicator when choosing a new location.

At the end of 2019, after new acquisitions requiring further optimizations or implying new consolidations, Atos' average PUE for all its datacenters was estimated at 1.70 (1.74 in 2018) and 1.52 (1.57 in 2018) when considering only the "Core" datacenters (previously called "Strategic"). Forecast 2022 around 1.45 for core data centers and around 1.62 for all data centers. (scope: Infrastructure Data Management datacenters).

The evolution of the PUE can only be assessed in the long term as it can be directly impacted by new acquisitions and depend on numerous external factors, including the datacenters' occupancy rate and the weather conditions. In 2019, the energy saved thanks to the improvement of the PUE in the datacenters was estimated at over around 13 million kWh (3 million in 2018, 920,000 in 2017).

The new datacenter in Les Clayes-sous-Bois has a theoretical PUE of 1.22 and since 2017, Atos' most energy-efficient datacenter is Longbridge near Birmingham, with a theoretical PUE of 1.12 (very close to the theoretical minimum of "1") obtained by indirect free air cooling and a renewed infrastructure.

The global energy consumption in the datacenters was 1,708,532 GJ in 2019 (versus 1,893,858 in 2018).

D.5.4.4 Other environmental challenges linked to digital solutions and technologies [GRI 302-5]

Green digital services, solutions and technologies

Green computing or green ICT (Green IT including Communication) is the study and practice of environmentally sustainable computing. Its main goals are to reduce the use of hazardous materials and factory waste, to maximize the energy efficiency during the product's lifetime and to improve the recyclability of old products.

Long perceived as immaterial or virtual, the impact of digital and its physical infrastructure is now a well-known reality. ICT accounts for 10% of global energy consumption and could reach 20% by 2025. The overall ICT CO_2e emissions are already around 4% of global emissions and this figure is growing steadily driven by end-user usage and video consumption. To tackle this increase, a systemic approach is needed, and the overall ICT footprint needs to be assessed in its entirety (systems, datacenters, IT services, and software etc.).

The promotion of sustainable services, solutions and technologies that help Atos' clients to progressively resolve their own sustainability issues is an important responsibility for Atos. This is already clearly reflected in the Group's eco-designed supercalculators, eco-efficient datacenters and sustainable digital solutions.

Supercalculators and energy optimization

For many years, Atos' BullSequana supercomputers have been listed in the world Green 500 list (https://www.top500.org/green500/lists/2019/06/), which grades the most energy-efficient supercomputers in the world. Their energy efficiency has also clearly been attested by results (Megaflops/W) on the Linpack test, used to rank supercomputers. At the end of 2019, Atos had 12 supercomputers in the Top 100 of the GREEN500 List.

Thanks to a steady stream of green innovations, each new generation of supercomputers is more energy-efficient than the previous one. As an example, the patented Enhanced Direct Liquid Cooling system contributes to placing Atos' supercomputers among the most energy-efficient machines with an efficiency index of 1.01 to 1.03. This means that they consume only 1 to 3% of their energy for cooling, compared to 10 to 20% with traditional air-cooling systems.

For example, in 2019, Atos designed for GENCI the Joliot-Curie supercomputer dedicated to French and European research and currently used in over a dozen fields such as climate, astrophysics and geophysics, biology, molecular dynamics and material properties. It delivers a peak power of 9.4 petaflops, representing a 4.5 increase in computing capacity compared to its predecessor with almost half the power consumption.

Also, in 2019, in Norway Atos delivered a supercomputer to the national e-infrastructure provider Uninett Sigma2. All the electricity used for this new system will come from hydroelectric power plants and the new machine will be able to recover most of the energy used for calculation and cooling, using hot water to heat the buildings at the Norwegian University of Science & Technology campus.

Atos is also designing the future European supercomputer capable of reaching the exaflop in the 2020s. To keep energy consumption and costs down, the program has fixed an upper limit of 20 MW per supercomputer – a limit in line with the environmental standards set by bodies such as the US Department of Energy for new system designs.

Other environmental challenges posed by hardware

As a hardware provider (products, servers), Atos Big Data & Cybersecurity (BDS) faces other specific environmental challenges: to comply with the specific laws, regulations or best standards; to limit the impact of products manufactured thanks to eco-design practices; to pay attention to the origin of raw materials while minimizing their usage; to consider circular economy challenges and best practices; to implement quality, safety and environment (QSE) practices and lean manufacturing in plants; to minimize risks on the supply chain through regular suppliers' assessments; to favor eco-friendly transport and freight to mitigate the footprint of logistics; and to monitor the end of life of electrical equipment (in line with the European Waste Electrical and Electronic Equipment Directive - WEEE).

In particular, the design process integrates European directives such as: the CE standard; the REACH Directive on eliminating pollutants; the RoHS Directive on eliminating hazardous substances; the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standards on maximum temperature and humidity for server functionality.

The ECMA 370 standard is being implemented at the design phase, to stimulate products' environmental improvements. By using accurate and verifiable environmental self-declarations, this standard specifies environmental attributes and measurement methods according to known regulations, standards, guidelines and currently accepted practices.

Over the years, in terms of eco-design, numerous actions have been taken to incorporate the evolution of the environmental regulatory obligations and of customer expectations with respect to product functions, delivery, quality, service and end of life management. They imply constant progress in design, substances, power supply and batteries, packaging, disassembly, recycling as well as specific innovations to improve energy efficiency such as the patented Direct Liquid Cooling (DLC) solution to minimize energy consumption, the "Active and Passive Cold Door" cooling solutions, the ultra-capacitor in Atos supercomputers to reduce power consumption or container-based datacenters, which use less energy than conventional datacenters. Atos BDS promotes product lifespan that takes the form of innovations facilitating maintenance (i.e. plug & play functions) and promoting products' scalability.

Since early 2013, the Group has embarked on a consultation process with its major suppliers on the origin of the raw materials they use, in view of the issue of "conflict minerals" and in order to prevent any impact on Bull computers.

Atos considers these specific challenges to be monitored. Their potential impact is also marginal compared to the overall activity of the Group. In relation to the challenges set out above, during the 2019 fiscal year there were no fines, administrative, judicial or arbitration proceedings (including any proceedings of which the Group is aware and may be threatened by) for non-compliance with laws and regulations concerning the provision and use of Big Data & Cybersecurity products that had, or might have had, significant effects on the financial position or profitability of the Group [GRI 419-1].

Optimized manufacturing and computing Test Lab

In 2019, Atos unveiled its new global high-performance computing Test Lab in Angers, France, reinforcing its position as European leader in supercomputing. The lab's infrastructure is equipped with an energy-efficient cooling system, which uses low-GWP (Global Warming Potential) refrigerant fluid and 'free-cooling', which can result in energy savings of up to 75%. It has an energy recovery system, which reuses the energy generated by the operation of the lab to heat or cool the offices, operating at an energy-efficient COP of 6, twice as efficient as a standard system (COP: coefficient of performance ratio of heating/cooling provided to work). The site is also equipped with a 'green' roof, electric vehicle charging terminals and photovoltaic roof panels (to be installed in 2020).

Atos Big Data & Cybersecurity's main manufacturing site is one of the top 100 companies in France to have developed an integrated QSE quality management system. Within this certification framework, the site monitors regulations to ensure that its activities comply with the environmental, technical and legal provisions. Since 2018, the site has also offset its CO_2e emissions including the inbound and outbound freight.

Green hosting solutions and datacenters

As explained in detail in chapter D.5.4.3 (Datacenters: energy efficiency and energy-saving initiatives), IDM core datacenters are supplied by 100% of decarbonized energy and 100% of the residual CO_2e emissions of all Atos datacenters worldwide are offset. The Group's clients can therefore enter zero (0) in their own CO_2e emission reports for all IT solutions hosted by Atos.

Eco-labeled workplace solutions and software

Atos' Division UCC (Unified Communications and Collaboration) provides digital workplace communication and collaboration solutions. As a provider of ICT products such as phones and communication servers, UCC faces several specific challenges: comply with specific laws, regulations or best standards; limit the impact of manufactured products with eco-design practices; pay attention to the origin of raw materials and minimize their usage; and consider circular economy best practices.

Life cycle assessments of UCC products show that the most significant energy consumption takes place during the usage phase. UCC Policy for environmentally compatible products has been designed to monitor this impact and request best-in-class energy efficiency in this phase.

To demonstrate its achievements in this regard, UCC has engaged with eco-label programs. These eco-labels provide independent judgments of the products' energy efficiency and are highly valued by organizations that follow green procurement strategies. UCC has selected two well recognized eco-labels: the German Blue Angel label and the US Energy Star label.

With its VoIP telephones, UCC was the first company to fulfill the Blue Angel label's high standards in protecting the environment and the climate. This goal has been achieved through high energy efficiency, efficient use of materials and an environmentally-friendly recycling concept. The new active energy management has reduced emissions by around 40,000 tCO_2e, for all the phones delivered between 2011 and 2019. UCC OpenScape Business X5 communication server has also been awarded with the German Blue Angel label.

The US Energy Star label voluntary program by the US Environmental Protection Agency helps businesses and individuals protect the environment through a selection of highly energy efficient products. Several UCC telephony products are already labeled. Additionally, UCC is actively monitoring the Energy Star enterprise server program.

Sustainable digital solutions (IT for Green and Decarbonization)

[A7]

In 2019, Atos unveiled the world's 30 most energy-consuming mobile applications in partnership with startup Greenspector. Increasingly demanding in terms of technical resources (RAM, CPU, Data, etc.), mobile applications are used by five billion mobile users worldwide and have a significant impact on energy consumption and the environment. Seven categories (including mail, messages, social networks, and web browsers) each comprising five applications were measured under identical conditions. Web browsers and social networks were found to use on average more energy than games or multimedia applications and the gap between the most energy-efficient and the most energy-intensive applications is 1 to 4.

As a digital solutions provider (services, software…), Atos Business & Platform Solutions (B&PS) faces specific environmental challenges. Its sustainable IT solutions, which need to be eco-designed, can help its clients progressively resolve their own sustainability issues.

Examples of sustainable solutions implemented by the group: Artificial Intelligence to forecast and model climate change and related impacts; cloud platforms to analyze wildlife movements with satellites or help governments and cities better manage urban development; automation and robotics to support eco-services; IT solutions to better manage the integration of renewable energy into the power grid or to reduce the fuel consumption of maritime transport by optimizing vessel performance; critical communications solutions for offshore wind farms; big data and analytics solutions to help the agricultural industry evolve towards precision farming to increase crops and vegetable proteins; blockchain to share data, facilitate instant payments to producers or trace food along the value chain; supercalculators to help simulate complex physical phenomena or industrial systems and enhance contributions to a low-carbon economy; drones to optimize the logistics of healthcare products and help overcome issues such as the increase in road traffic and pollution; machine learning to boost sustainability innovation, and more.

Also in 2019, Atos started to develop a new consulting service aimed at helping its customers better assess the environmental impact of their IT and find solutions to reduce this impact.

D.5.4.5 Other generic environmental challenges

At Group level, during the materiality and impact analyses that were carried out by external experts, other challenges have been identified, albeit as less "material" or less significant at the scale of the full Group or due to the nature of Atos' core activities and business. Nevertheless, these challenges are important in terms of environmental impact and potential consequences and are therefore covered in this chapter.

Waste and e-waste

[A19]

Atos' office waste is mainly made up of cardboard, paper, cups, plastic bottles or other tertiary sector waste. Atos' Real Estate policy favors the rent of office spaces and frequently the offices are shared among multiple tenants. Office waste is managed globally by the landlord or external subcontractors according to the local legal obligations.

Several initiatives are ongoing at GBU level to reduce or eliminate the use of plastic (such as plastic bottles, single-use glasses, disposable dishes, straws, stirrers, packaging) in Atos canteens and offices. These initiatives also consider if and how the plastic waste is processed to favor recycling, reuse or revalorization.

Information and recommendations are regularly sent to employees to reduce waste and maximize waste sorting. Local initiatives are frequently put in place to reduce waste such as awareness days, special zero waste days, collection of old phones, special trash cans for the recycling of cigarette butts. In 2019, based on publicly available estimations of waste per employee in the tertiary sector, Atos' global office waste worldwide was estimated at around 13,057 metric tons for all employees (11,809 metric tons for all employees in 2018).

Concerning e-waste, through the leasing practice now globally implemented within the Group and in compliance with local laws, suppliers remain responsible for the end of life of their IT equipment, as required through the signature of the Business Partners' commitment to Integrity Charter.

In compliance with the European Waste Electrical and Electronic Equipment Directive (WEEE Directive 2012/19/EU), since July 2013, Atos' Big Data & Cybersecurity division in France has joined EcoLogic, a collective system certified by the French Ministry of the Environment.

In the ISO 14001 certified datacenters and office sites the volume of waste, e-waste, batteries and accumulators is tracked through dedicated indicators. In 2019, around 366,000 kg of WEEE were collected and 100% was professionally disposed in Atos ISO 14001 sites.

Water and food

Regarding Atos Big Data & Cybersecurity and specific hardware technologies, although the operations include engineering activities (R&D, design and component assembly), the Division does not manufacture or only marginally manufactures components. The main sources of water use are to be found upstream with the manufacturers of electronic cards and processors.

In datacenters, water is mainly necessary for cooling servers, but the water used for this purpose flows in a specific closed water loop sealed circuit. During heat waves, water can also be used to supply some datacenters' cooling units as water spray can reduce units' peak power consumption.

In offices, Atos' water consumption is that of the tertiary sector. Information and recommendations are regularly sent to employees to reduce water consumption.

In the ISO 14001 certified datacenters and office sites, the volume of water is tracked.

In 2019, using current Atos UK data based on metered sanitary consumption per employee, and consistent with estimation based on global water spend at the Atos Group, Atos' water consumption worldwide was estimated at around 0.40 million m^3 for 107,600 employees (0.36 million m^3 for 97,134 employees in 2018 and 0.37 m^3 for 96,168 employees is 2017).

Catering providers working at Atos facilities are required to optimize the use of resources (water, electricity…), combat food waste and wherever possible implement recovery practices and waste recycling. In many locations, vegetarian meals are available and food supply and traceability is carefully considered (MSC certified fish, labels, organic and local food…).

Established in 2019, a working group reinforces how the main recommendations from the World Health Organization (WHO) and the IPCC are implemented in Atos cafeterias. The Atos Group recommends following WHO advice on healthy eating, complying with IPCC recommendations to reduce food-related environmental impacts and minimizing associated carbon emissions. These recommendations also include new clear guidance regarding packaging, food waste and animal abuse / animal welfare.

Paper

The "new ways of working" promoted by Atos intensively use digital collaboration tools. These tools progressively reduce the use of paper within the Group. Furthermore, the printing policy, the shared printers and the "follow me printing" solution give each individual a sense of responsibility in reducing paper consumption. In major Atos Business Units such as France, paper comes primarily from renewable or sustainably managed sources.

In 2019, based on publicly available estimations of paper consumption per employee in the tertiary sector, Atos' global consumption was estimated at around 10,446 metric tons for all employees (9,447 metric tons for all employees in 2018).

Biodiversity and land use, air emissions and pollution [GRI 305-6], [GRI 305-7]

As with the other environmental challenges mentioned above, impacts on biodiversity have not been analyzed as direct or significant. It is the same regarding animal abuse / animal welfare.

Nevertheless, Atos action plans regarding emissions, energy consumption and travel, the diffusion of environmentally friendly practices, the ISO 14001 certification and the Environmental Management System have positive repercussions on all ecosystems. For instance, in the ISO 14001 certified sites, the use of decontamination kits prevent the spoilage of soils and therefore devastating effects on biodiversity. Atos, because of its activities and because of the continuous optimization program of its sites (see chapter D.5.3.3), contributes as little as possible to the use of land surfaces.

Similarly, during the materiality analysis, ozone-depleting substances (ODS), sulfur oxides (SO_x) and nitrogen oxides (NO_x) were not identified as significant given the main activities of the Group. In addition, Atos does not produce any biogenic CO_2 emissions.

However, regarding biodiversity several local initiatives have been taken up worldwide. These include: beehives on sites' rooftops to fight against the dramatic drop in bees' population and wild bees' and insects' hotels; "Bee-Days" to promote environmental awareness; collaborative gardens for employees to grow vegetables; and financial support to scientific research on wildlife; climate change and preservation of the oceans.

In addition, since 2019 our new carbon offset program based on the protection of primary forests also promotes the protection of biodiversity.

D.5.5 Supporting the transition to a low-carbon economy – KPI overview

[GRI 103-3 Energy], [GRI 103-3 Emissions], [GRI 103-3 Socio-economic compliance], [GRI 103-3 Economic performance], [GRI 103-3 Atos specific indicators], [GRI 302-1], [GRI 302-2], [GRI 302-3], [GRI 302-4], [GRI 302-5], [GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4], [GRI 305-5], [GRI 419-1], [GRI 201-2], [A14], [A20]

		2019	2018	2017	2019 PERIMETER		2018 PERIMETER	
GRI Standard code	KPI Name	Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
302-1	**Energy consumption within the organization**							
302-1_E_c1	Total direct* and indirect* energy consumption (GJ) (After rebaselining taking into account acquisitions and divestitures)	2,528,633	2,648,904	2,946,523	---	100.00%	---	100.00%
302-1_E_c1	Total direct* and indirect* energy consumption (GJ) - before rebaselining	2,528,633	2,693,766	2,789,600	---	98.29%	---	96.65%
302-1_A	Total Direct Energy Consumption in Datacenters & Offices (GJ)	131,181	145,411	129,899	---	98.29%	---	96.65%
302-1_A-Off	Direct energy consumption in Offices (GJ)	107,464	115,969	102,459	---	98.29%	---	96.65%
302-1_A-DC	Direct energy consumption in Datacenters (GJ)	23,717	29,442	27,440	---	98.29%	---	96.65%
302-1_C	Total Indirect Energy Consumption in Datacenters & Offices (GJ)	2,397,452	2,548,355	2,649,670	---	98.29%	---	96.65%
302-1_C-Off	Indirect Energy Consumption in Offices (GJ)	712,637	683,939	723,400	---	98.29%	---	96.65%
302-1_C-DC	Indirect Energy Consumption in Datacenters (GJ)	1,684,815	1,864,416	1,926,270	---	98.29%	---	96.65%
302-1_C1_c10	Total electricity consumption from renewable sources (GJ)	757,497	877,464	469,401	---	98.29%	---	96.65%
302-1_C1_c9	Share of electricity supplied by decarbonized sources in Atos' core Datacenters (co-location excluded)	100%	95%	95%	---	100.00%	---	100.00%
302-1_C1_c8	Share of electricity supplied by renewable sources in Atos' core Datacenters (co-location excluded)	70.0%	57.0%	26.4%	---	100.00%	---	100.00%
302-2	**Energy consumption outside of the organization**							
	Global travel intensity							
302-2_c1	Total KM Traveled per Employee	4,066	4,662	4,685	98.46%	---	97.57%	---
302-2_c2	Total km travelled per revenue (in Millions of Euros)	37,497	37,291	35,359	---	99.13%	---	97.34%
	Distances travelled							
302-2_A6_c93	Total KM Traveled by Car	151,804,816	211,475,352	215,909,184	98.46%	---	97.57%	---
302-2_A6_c50	Total KM Traveled by Train	32,027,201	36,687,280	40,878,383	98.46%	---	97.57%	---
302-2_A6_c57	Total KM Traveled by Taxi	2,733,073	2,795,263	2,219,548	98.46%	---	97.57%	---
302-2_A6_c92	Total KM Traveled by Plane	244,180,946	193,964,286	189,418,757	98.46%	---	97.57%	---
	GHG emissions for company's cars							
302-2_A6_b70	Number of company cars	6,536	6,470	6,674	---	100%	---	100%
302-2_A6_b71	Number of cars below 120g CO_2/km	5,792	5,950	6,288	---	100%	---	100%
302-2_A6_c1	Percentage of company cars below 120 gr CO_2/km	89%	92%	94%	---	100%	---	100%
302-2_A6_b82	Average of emissions in company´s fleet cars (gr CO_2/km)	105.58	104.96	108.04	---	100%	---	100%
302-3	**Energy Intensity**							
302-1_E_c1	Total direct* and indirect* energy intensity (GJ/M €) (After rebaselining taking into account acquisitions and divestitures)	218.21	231.56	243.43	---	100.00%	---	100.00%
302-3_A_c1	Energy intensity by revenue (GJ per € Million) - before rebaselining	220.68	222.07	227.35	---	98.29%	---	96.65%
302-3_A_c2	Energy intensity by employee (GJ per Employee)	23.97	28.11	29.68	96.95%	---	85.00%	---

		2019	2018	2017	2019 PERIMETER		2018 PERIMETER	
GRI Standard code	KPI Name	Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
302-4	**Energy Saving Initiatives**							
302-4_A_c1	Estimated Energy savings in Datacenters (GJ)	13,386	4,146	16,740	---	45%	---	44%
302-4_A_c5	Estimated Energy savings in Offices (GJ)	28,803	18,847	6,516	---	45%	---	44%
302-4_A_c14	Cost savings due to energy savings in Offices and Datacenters (K EUR)	872	986	1,656	---	45%	---	44%
305-1	**Direct greenhouse gas emissions (DCs & Offices)**							
305-1_A_c2	GHG emissions (Scope 1) in tCO_2	20,981	30,383	35,212	---	98.34%	---	96.95%
305-2	**Indirect greenhouse gas emissions (DCs & Offices)**							
305-2_A_c1	GHG emissions (Scope 2) in tCO_2	81,769	63,675	83,577	---	98.34%	---	96.95%
305-3	**Other indirect greenhouse gas emissions ("Operational" Scope 3)**							
305-3_A_c1	GHG emissions ("Operational" Scope 3) in tCO_2	136,202	128,078	119,334	---	98.34%	---	96.95%
305-4	**Greenhouse gas emissions intensity**							
305-4_A_c3	Global GHG emissions (tCO_2) (after uplifting to 100% and rebaselining taking into account acquisitions and divestitures)	242,986	254,608	301,125		100.00%		100.00%
305-4_A_c3	Global GHG emissions (tCO_2) - before rebaselining	238,952	222,137	238,123	---	98.34%	---	96.95%
305-4_A_c4	GHG emissions in datacenters (tCO_2) - before rebaselining	110,994	103,608	112,365	---	98.34%	---	96.95%
305-4_A_c5	GHG emissions in offices (tCO_2) - before rebaselining	73,804	55,773	61,690	---	98.34%	---	96.95%
305-4_A_c6	GHG emissions in travels (tCO_2) - before rebaselining	54,154	62,756	64,067	---	98.34%	---	96.95%
305-4_A_c1	GHG emissions by revenue (tCO_2/M €) (after uplifting to 100% and rebaselining taking into account acquisitions and divestitures)	20.970	22.260	24.880		100.00%		100.00%
305-4_A_c1	GHG emissions by revenue (tCO_2/M €) - before rebaselining	20.766	18.216	19.282	---	98.34%	---	96.95%
305-4_A_c2	GHG emissions by employee (tCO_2/employee)	2.251	2.299	2.508	96.89%	---	89.25%	---
305-5	**Reduction of greenhouse gas (GHG) emissions**							
305-5_A_c2	Estimation of GHG reductions achieved (tCO_2)	34	3,516	1,053	---	45%	---	44%
305-5_A_cmp20	GHG emissions reduction due to the Energy saved in datacenters (tCO_2)	5	32	262	---	45%	---	44%
305-5_A_cmp40	GHG emissions reduction due to the Energy saved in offices (tCO_2)	29	3,484	791	---	45%	---	44%
A14	**ISO 14001 certification of Atos main sites (offices and DC)**							
A14_c5	Number of offices and datacenters ISO14001 certified	103	119	134	---	100%	---	100%
419-1	**Significant fines for non-compliance concerning the provision and use of products and services**							
419-1_A	Significant fines for non-compliance concerning the provision and use of products and services	0	0	0	---	100.00%	---	100%

		2019	2018	2017	2019 PERIMETER		2018 PERIMETER	
GRI Standard code	KPI Name	Group	Group	Group	Per employee	Per revenue	Per employee	Per revenue
201-2	**Financial implications and other risks and opportunities due to climate change**	Qualitative	Qualitative	Qualitative				
A20	**Natural disasters**							
A20_A	Percentage of the strategic Datacente that have synchronous data replication capacities	100%	100%	100%	---	100%	---	100%

All environmental KPIs exclude Belorussia, Bosnia and Herzegovina, Algeria, Tunisia and Mali.

302-1, 302-3, 305-1, 305-2, 305-3, 305-4 for Offices Argentina, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Luxembourg, Malaysia, Mexico, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, Uruguay and USA.

302-1, 302-3, 305-1, 305-2, 305-3, 305-4 for Datacenters include Argentina, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Malaysia, Netherlands, Philippines, Poland, Romania, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Uruguay and USA.

302-3 the Energy Intensity includes the office´s and datacenter´s scope of countries. The employees included in that scope of countries are 105,495. The revenue applicable for that scope of countries are 11,458.40 million of Euros.

302-2, 305-1, 305-3, 305-4 for Travels include Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Croatia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Guatemala, Hong Kong, Hungary, India, Ireland, Italy, Ivory Coast, Lithuania, Luxembourg, Malaysia, Mexico, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom and USA.

302-2 the Travel Intensity includes the travel´s scope of countries. The employees included in that scope of countries are 105,946. The revenue applicable for that scope of countries are 11,487.55 million of Euros.

302-1_C1_c9 and 302-1_C1_c8: Approximated values. Strategic Datacenters managed by Atos in Infrastructure Data Management scope.

302-1_E_c1: direct: gas, fuel, diesel, coal…

302-1_E_c1: indirect: electricity and heating energy consumption

305-1_A_c2: tCO_2e: Tons of CO_2 equivalents

305-3_A_c1: "Operational" Scope 3 includes the same emission categories since 2016 (emission from business travel and 3rd Party energy c onsumption)

305-4 the Greenhouse Gas emissions Intensity includes the office´s, datacenter´s and travel´s scope of countries. The employees included in that scope of countries are 106,150. The revenue applicable for that scope of countries is 11,506.65 million of Euros.

305-2_A_ c1-mrkt: it is calculated using the electricity conversion factors available on the market and, where they are not available, the local base electricity conversion factor is used.

D.6 Extra-Financial Performance Declaration

Since 2010, Atos performs a yearly Materiality Assessment (MA) to identify main extra-financial challenges for the Company taking into account stakeholders' expectations. From the MA, a set of extra-financial risks and oportunities are identified and aligned with the overall risk identification process in Atos (Enterprise Risk Management detailed in section F.1.1). The table below presents the Extra-Financial Performance Declaration, namely the references to easily find the Business Model of Atos, its extra-financial risks and oportunities, the policies and mitigation actions to adress them and the main Key Performance Indicators (KPIs) used to monitor its implementation. The overall approach follows up the principles of International Integrating Reporting Comittee (IIRC), from the Company strategy setting into operations.

EFPD Themes	Descriptions	Related section
Business model	Based on the multi-capital IIRC model, Atos presents its value creation over time..	2019 Registration Document, B « Atos positioning and strategy » 2019 Registration Document, F "Risk analysis" D.4, D.5
Risks assessment	With an integrated approach, Atos presents its overall set of Risks, including the extra-finantial ones.	

Atos challlenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
People	Key People attraction & retention	X	People engagement	Within a highly competitve labor market and as most of the Group's value is based on Human capital, the Company could be materially adversly affected if it fails to: - aquire the talents and digital experts ; - retain and motivate essential qualified staff ; - achieve up/reskilling of the employees ; - meet the expectations regarding well-being at work, personal development, fair and attractive company culture.	2019 Registration Document, F.3.1.1 « Mitigation measures » – People	404-3 Career development monitoring
	Skills enhancement	X	People's career development		2019 Registration Document, F.3.1.2 « Mitigation measures » - People	404-1 Average training hours per employee 404-2 Employability initiatives
	Employee well-being at work (people care)	X	Collaborative environment and being a responsible employer by leveraging well-being at work		2019 Registration Document, F.3.1.4 « Mitigation measures » - People	A2 Employee satisfaction
	Collective agreements	EFPD	Being a responsible employer	As a result of being internationally located, the Company could be materialy adversly affected if it fails to protect its employees.	2018 Atos Registrationdocument D.2.4.2 « Awareness and involving employees »	
	Fight against discrimination (disabled persons)	EFPD		Being exposed internationally with violations of human rights, the Company could be materially adversly affected if it fails to maintain the business integrity and ethical behaviour.	2018 Atos Registration document, D.2.3.2 "Recognition and Loyalty	

Atos challlenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
Business & Innovation	Cyber Attack	X	Cyber and advanced security offering	As a result of the international exposure of the Group, the sensitivity of activities, and increasing sophistication of cyber-crime, the Company could be materially adversly affected if it fails to timely prevent and react to cyber-attacks, maintain availability or continuity in services for internal and external business activities	2019 Registration Document, F.3.2 "Mitigation measures" - Security risks	A3 Data security incidents
	Systems & data security, reliability & continuity	X			2019 Registration Document, F.3.2 "Mitigation measures" - Security risks	A3 Data security incidents
	Customer relationship, delivery quality	X	Qualitative delivery quality and competitive advantage	As a result of evolving customer preferences and IT services being a critical element for the performance of customers' business development, the Company could be materially adversly affected if it fails to adequately deliver and manage client relationship.	Registration Document, F.3.3 "Mitigation measures" – Operational risks	102-43 102-44 Customer satisfaction survey
	Partners & Alliances	X	Powerful eco-system	Evolving in an ecosystem of partners and alliances for the design and delivery of products and services, the Company could be materially adversly affected if it fails to develop and maintain effectively the critical relationships to deliver innovative and qualitative services..	Registration document, D.3.6 "Accelerating digital value through our Partner ecosystem"	A12 Business partners & Ecosystem
	Innovation & customer Digital transformation	X	Sustainable digital transformation and Business reinvention	As a result of the swift evolution of disruptive new and emerging technologies, the Company could be materially adversly affected if it fails to develop and innovate at the speed required to take advantage from innovations, digitalisation, new patent creation and registration.	2019 Registration Document, F.3.4.2 "Mitigation measures" - Innovation and customer digital transformation	A10 Initiatives regarding innovative services / Product developments

Atos challlenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
Ethics & Governance	Change in laws & regulations	X	Operational excellence / Reputation resilience / Legal & internal control mechanisms / Trust & compliance throughout the value chain	As a result of regular local and global changes in laws and regulations in multiple areas, the Company could be materially adversly affected if it fails to timely comply with them.	2019 Registration Document, D.4.1 « Atos Ethical & compliance challenges » - Anti-corruption, D.4.2 "Atos Ethics & Compliance program"	419-1 Significant fines for non-compliance
	Bribery & corruption	X	Reputation resilience / Legal & internal control mechanisms / Trust & compliance throughout the value chain	Being exposed internationally with evolving regulations, the Company could be materially adversly affected if it fails to maintain the business integrity and ethical behaviour.	2019 Registration Document, D.4.1 « Atos Ethical & compliance challenges » - Anti-corruption, D.4.2 "Atos Ethics & Compliance program"	205-1 Total number and percentage of operations assessed for risks related to corruption 205-3 Actions taken in response to incidents of corruption
	Human rights	EFPD		Being exposed internationally with violations of human rights, the Company could be materially adversly affected if it fails to maintain the business integrity and ethical behaviour.	2019 Registration Document, D.2 "Being a responsible employer"	
	Social commitments to sustainable development	EFPD		Committing to encourage sustainable actions, the Company could be materially adversly affected if it fails to rapidly scale up its reduction efforts.	2019 Registration Document, D.2, "Being a responsible employer"	
	Animal welfare	N/A				
	Responsible food	N/A				
	Waste and food insecurity	N/A				
	Tax evasion	EFPD	Reputation resilience / Legal & internal control mechanisms	As a transnational Group, the Company could be materially adversly affected if the organization is not effectively prepared to face from the effects of the disasters.	2019 Registration Document, D.4.2.4.1 « Atos Ethics and Compliance Program »	
	Client's data protection	X	Operational excellence / Reputation resilience / Legal & internal control mechanisms / Trust & compliance throughout the value chain	Controlling and processing data being the core of Atos business, the Company could be materially adversly affected if it fails to protect Client's data and therefore to comply with Data Protection requirements.	2018 Registration Document, F.3.2 « Mitigation measures » - Security Risks - Data protection	A3 Data security incidents

Atos challlenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
Environment	Natural disasters & extreme events	X	Resilience of sites and activities to host critical IT services	As a result of an exposure to the environmental disasters (flood, hurricanes, fires, extreme pollution, etc.) intensified by climate changes, the Company could be materially adversly affected if the organization is not effectively prepared to face/or recover from the effects of the disasters.	2019 Registration Document, D.5.3 "Main environmental opportunities and risks"	A20_A Natural disasters
	Energy & carbon emissions, Potential changes in regulations linked to Climate change	X	Operational efficiency & cost reduction, Attractiveness of eco-friendly offers and promotion of sustainable solutions	Committing to reduce energy consumption & carbon footprint and following the recent International Climate Agreements the Company could be materially adversly affected if it fails to rapidly scale up its reduction efforts.	2019 Registration Document, D.5.3 "Main environmental opportunities and risks"	302-1 Energy consumption within the organisation 302-2 Energy consumption outside the organisation
	Circular economy	EFPD	Positive impact for the plane	The finitude of resources, especially the rare raw materials used in electrical components, constitute a challenge for the industry as a whole, which will have to adapt and develop new solutions linked with eco-design and management of end-of-life products.	2019 Registration Document, D.5.3.4 “Other environmental challenges linked to digital solutions and technologies”	

Legend:
X: Relevant risks for the Atos Group
EFPD: Compliant with EFPD but not identified as a main extra-financial risk for Atos
N/A: Not-Applicable to Atos because not relevant regarding its activity.

D.7 Information about the report

D.7.1 Scope of the report

[GRI 102-10], [GRI 102-45], [GRI 102-48], [GRI 102-49], [GRI 102-50], [GRI 102-51], [GRI 102-52], [GRI 102-55], [GRI 102-56]

This chapter describes the scope of Atos 2019 Universal Registration Document and the guidelines on which it is based. It also addresses how Atos reports according to globally-accepted reporting standards, and the process used to obtain the information presented in this report.

D.7.1.1 French legal requirements related to the Corporate Responsibility reporting

[GRI 102-12]

With the Déclaration Performance Extra Financière (DPEF), French companies must report a greater amount of information related to corporate responsibility.

With the materiality methodology, Atos has defined objectively and according to the practices of reporting within IT sector the list of information which is "material" and needs to be reported, and the list of the one for which a justification of its omission must be given.

This methodology ensures to the external auditors, who will certify the presence of the information and the fairness of the justification, to release their Audit Report in accordance with the French law.

D.7.1.2 Respect of the AA1000 standard

[GRI 102-12], [GRI 103-1]

Atos uses the AA1000 SES (2011) standard as framework to structure its stakeholder dialogue, in alignment with the following principles:

Inclusivity

Collecting and integrating the opinions of Atos stakeholders is key in defining Atos materiality assessment and main challenges. To ensure the Atos Corporate Responsibility strategy meets the expectations of its stakeholders (employees, clients, partners, suppliers and shareholders), regular meetings, discussions, and surveys are organized to share views and receive input relating to different areas of concern. The aim is to work together and, by doing so, to create a more sustainable environment for Atos, its main partners and the community as a whole. A global stakeholders' workshop is organized yearly to address key subjects for Atos and also regular consultations with different parties. In 2019 the working meetings with the Societas Europeas Council (SEC) remains as an important component of the regular consultation process.

Materiality

The sustainability challenges considered to be the most significant for Atos activities are selected on a yearly basis. Atos materiality assessment process is described thoroughly in section D.1.3. The materiality assessment is established based on Atos' stakeholders' expectations as well as Atos' internal prioritization, which is developed based on objective criteria related to its markets, opportunities and actions.

Responsiveness

Since 2013 (2012 results) the Atos Registration Document contains the extra-financial KPIs that Atos monitors. In addition, a separate communication document, the Integrated Report, is produced annually highlighting the four sustainability challenges and focusing on the material KPIs that Atos monitors as well as interviews and case studies. Since 2013, Atos has a steady commitment to adhere to Integrated Reporting international principles. Atos aims to have a constructive reporting environment to articulate its strategy in order to drive performance internally and better explain to investors the value creation over time.

Impact

Since 2018 (2017 results) Atos carries out an impact valuation assessment with the objective to measure the most relevant externalities. This analysis seeks to explain the most relevant impacts that Atos is monitoring, measuring and accountable for in terms of how their actions affect their broader ecosystems.

D.7.1.3 Alignment with Global reporting initiative Standards(GRI)

[GRI 103-2 Economic performance], [GRI 103-2 Market Presence], [GRI 103-2 Indirect Economic Impacts], [GRI 103-2 Procurement Practices], [GRI 103-2 Anti-corruption], [GRI 103-2 Energy], [GRI 103-2 Emissions], [GRI 103-2 Employment], [GRI 103-2 Training and Education], [GRI 103-2 Diversity and Equal Opportunity], [GRI 103-2 Customer Privacy], [GRI 103-2 Socio-economic Compliance], [GRI 103-2 Atos specific indicators]

In 2018, Atos reviewed the results from the last material analysis with a third party, and aligned with GRI Standards in order to confirm the prioritization of its sustainable issues and its strategic axes.

Interviews are conducted annually in order to evaluate the importance of each challenge in relation to its significance for Atos' business strategy, its relationship to existing regulations as well as its link with targets set by the Atos Group.

Material issues and new strategic axes are validated by the members of the Corporate Responsibility and Sustainability Program and approved by the Group Management Committee.

This global review in 2018 confirmed that the issues previously identified in Atos' sustainability strategic axes were still relevant. Nevertheless, it helped the Company to focus on more specific subjects and to reprioritize some aspects within this strategy. The materiality matrix presented in D.1.3.2 better emphasizes the prioritization of Atos' corporate responsibility challenges and restructures the strategic axes into four main focus areas according to these priorities.

Atos reports on the full general disclosures and around 40 of the GRI topic-specific disclosures clustered into management disclosures and six categories (economic, environment, labor practices & decent work, human rights, society, product responsibility). Additionally, twelve Atos-specific Key Performance Indicators are also disclosed. The 2019´s Integrated Report has been prepared in accordance with the GRI Standards Comprehensive option. Atos has successfully completed the GRI Content Index Service. Atos aims to demonstrate that the extra-financial performance disclosures are accurate and extensive in line with the GRI Standards requirements.

Atos has applied the "Guidance on Defining Report Content" following the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness.

Atos is committed to transparent and public reporting on sustainability. This report covers the period from January 1, 2019 to December 31, 2019 in a comparable period (one year) to the previous 2018 report. In terms of scope the geographical perimeter has changed compared to 2018. Detailed explanations are provided in the next paragraphs.

D.7.1.4 Process for defining report content

The selection of the corporate responsibility challenges and indicators is aligned with Atos' business strategy and based on a materiality assessment (see section D.1.3.3). Atos' Corporate Responsibility strategy includes a prioritization of topics, which is an essential requirement for our performance dashboard and the internal foundation of the Corporate Social Responsibility Program follow up.

The GRI Content Index table can be found in the Integrated Report. It states which subjects have been considered applicable and then included in the report. The required profile information and an overview of the management approach for each indicator category is also provided.

Topics boundaries

[GRI 102-45], [GRI 103-1]

The following topics of GRI Standards are material for the Atos Group for the overall Atos organization with the exception of the "product responsibility compliance" aspect, which is only material for Bull within the organization. Outside the organization, these topics are material for the stakeholders mentioned below.

Material Topics	Topic boundaries outside the organization
Economic Performance	Clients, investors and analysts, communities and NGOs
Market Presence	Business partners, research institutions and universities, communities and NGOs
Indirect Economic Impacts	Suppliers, communities and NGOs
Procurement Practices	Suppliers, business partners, research institutions and universities
Energy	Clients, investors and analysts
Emissions	Clients, investors and analysts
Employment	Not material outside the organization
Training and Education	
Diversity and Equal Opportunity	
Equal remuneration for women and men	
Anti-corruption	Clients, investors and analysts, suppliers, and public entities
Socioeconomic Compliance	Clients, investors and analysts, communities and NGOs, and public entities

Reporting scope for the indicators resulting from the materiality study
[GRI 102-4]

The Corporate Responsibility perimeter (entities under scope) does not include the entities such as IDnomic or Maven Wave, acquired by the group in 2019 and included in the consolidated financial scope on December 31,2019.

Atos obtains its Corporate Responsibility data from internal measurement and from external sources (third parties). Data relating to subcontractors is not reported here and can be found in section F.2.6.3 Partnerships and subcontractors.

For the year 2019, the Atos Group is organized as follows:

- APAC (Asia Pacific): Australia, China, Hong Kong, India, GDC India, Japan, Korea, Malaysia, New Zealand, Philippines, GDC Philippines, Singapore, Taiwan and Thailand;
- BTN (Benelux and the Nordics): Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, the Netherlands, Poland, GDC Poland, Russia and Sweden;
- CEE: Austria, Bulgaria, GDC Bulgaria, Croatia, GDC Croatia, Czech Republic, Hungary, Israel, Italy, GDC Greece, Romania, GDC Romania, Serbia, Slovakia and Switzerland;
- CORPORATE: France, Netherlands, Switzerland, United Kingdom and Germany;
- France: France, French Polynesia and New Caledonia;
- GCH: Agarik;
- Germany: Germany;
- Iberia: Andorra, Portugal, Spain and GDC Spain;
- MAJOR EVENTS: Major Events Spain;
- MEA: Algeria, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Morocco, Morocco GDC, Qatar, Senegal, South Africa, Turkey and United Arab Emirates;
- NAO (North America Operations): Canada, Guatemala, Mexico, NAO China, NAO India, Puerto Rico and USA;
- SAM (South America): Argentina, Brazil, Chile, Colombia, Peru, Uruguay and Venezuela;
- UK/IR: Ireland and United Kingdom.

On the basis of this context, the perimeter (countries under scope) of the indicators does not vary significantly from the 2018 reporting period. The tables in sections D.2.7, D.3.7, D.4.5 and D.5.4 specify the perimeter associated to each indicator.

Reporting tool
[GRI 103-3]

Atos' Corporate Social Responsibility team is the contact point for questions regarding the report and includes representatives from each Global Business Unit and representatives from the global functions. Representatives are responsible for the collecting process and evidence archiving.

Since 2011, Atos uses an SAP tool called Sustainability Performance Management (SuPM) to facilitate the gathering of information, global workflows, validations, exploitation and visualization of indicators results. Atos' challenge is to report every year with the global tool.

The environmental indicators are gathered through the sustainability global tool (SuPM) at country level. Other indicators such as human resources, financial, legal or customer satisfaction are collected at group level through other Atos´ internal tools.

All the procedures, templates and final data are stored in Atos' collaborative tools (blueKiwi and SharePoint) with worldwide access.

D.7.1.5 Methodological detailed information
[GRI 103-1], [GRI 103-2], [GRI 103-3]

Detailed information related to the restatements of information
[GRI 102-48]

No restated information from last year, on Fiscal Year (FY) 2019 reporting.

Detailed information regarding direct economic value generated and distributed indicators and infrastructure investments and services supported indicator
[GRI 201-1], [GRI 203-1], [GRI 103-3 Indirect economic impacts]

The information required for the direct economic value generated and distributed is mostly included in financial statement (A.1. Revenue Profile, Notes in E.5.7.3, and G.5.3 Dividend Policy), but for the part relating "Community Investment" Atos reports the total Social Contribution reached in 2019.

Atos Social Contribution is the accountability of initiatives under the Corporate Citizenship program. That accountability is aligned with the London Benchmark Group (LBG) framework for measuring Corporate Community Investment. Atos accounts its businesses' voluntary engagement with charitable organizations or activities within four categories: donations to charity, commercial initiatives for good causes, contribution to universities and similar institutions, and responsible IT Projects. The last two categories correspond to what LBG considers "Community Investment". The total cost of Atos categories is detailed in table of part D.4.5 (Ethical & Governance excellence in Atos' sphere of influence – KPI overview).

The forms of contribution are cash, time (employee volunteering during paid working hours), in-kind (including pro bono) and management costs [GRI 203-1]. See the KPI overview of the section Ethical & Governance excellence in Atos' sphere of influence for details of the community investment in the mentioned forms of contribution.

Detailed information GHG Protocol Scopes 1, 2 and 3 [GRI 305-1], [GRI 305-2], [GRI 305-3]

Atos calculates its carbon footprint using the most widely adopted standard: the "Greenhouse Gas Protocol (GHG Protocol). All Business Units monitor their carbon emissions and must put in place the proper action plans to progressively reduce their carbon intensity emissions (tCO_2e/€m) (see sections D.5.3.1 and D.5.3.2).

As defined within the GHG Protocol, Atos' emissions are sub-categorized between Scopes 1, 2 and 3 and the Scope 3 is again sub-divided into fifteen distinct categories. For operational and monitoring purposes Atos' Scope 3 has been regrouped into 2 parts (part A and part B):

- Atos' Scope 3 – part A. This sub-scope called "Operational Scope 3" regroups categories covering Atos' main challenges and activities under operational control or direct influence. The categories include emissions from energy for offices, datacenters and travel (planes, cars, trains and taxis). For these emissions a sound reporting process externally verified has been in place since 2008. In 2019, the coverage was 98% of Atos´ revenue (97% in 2018)
- Atos' Scope 3 – part B. This sub-scope called "Other Scope 3 emissions" regroups other categories not under Atos' direct control or influence. The most significant emissions come from categories 1 and 2 "Goods and services" and "Capital goods." For these emissions, estimations were made using the GHG Protocol Scope 3 evaluator. The most significant emissions come from the categories 1 "Goods and services", 2 "Capital goods" and 11 "Use of sold products".

Detailed information regarding energy and carbon indicators [GRI 302-1], [GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4], [GRI 305-5]

The data collection related to the environmental KPIs involves all the Business Units. With few exceptions, countries provided the information necessary to get a reliable estimation of the carbon footprint. In order to align the GRI collecting process to the Carbon Disclosure Abatement Project, Atos uses a methodology of collecting based on the GHG protocol and the GRI guidelines. In this way the two processes can be integrated and the data for both reports can be gathered.

For the CO_2e calculations, country regulations and calculation methods have been applied.

The conversion factors have been adjusted according to the country for the electricity and district heating consumption and according the type of energy consumed (fuel oil, diesel, gas).

Conversion factors are based on Defra and the International Energy Agency (IEA). Atos uses the last versions available at the end of the first semester of the reporting period. The electricity conversion factors for all countries are gathered from the document "CO_2 Emissions from Fuel Combustion 2017" available at:
http://www.iea.org/bookshop/757-CO2_Emissions_from_Fuel_Combustion_2018.

The rest of the conversion factors are gathered from the Defra´s database "Conversion Factors 2018. MS Excel Spreadsheet" available at: https://www.gov.uk/government/publications/

greenhouse-gasreporting-conversion-factors-2017.

The methodology used is provided directly through the local power supplier or landlord:

- regarding electricity, meters are installed at site level to measure the energy consumed in kWh. The measurement recorded by the meters is used by suppliers or via landlords to issue invoices;
- regarding gas, meters are installed at site level to measure the energy consumed in m^3 and converted in kWh according to local conversion ratios, in many cases directly by the supplier. The invoice is provided directly by the gas supplier or via the landlord.

Invoices state the total amount consumed in kWh and/or its monetary value (local currency). If only the monetary value is provided, the respective consumption in kWh is calculated by using a respective cost per unit rate.

Atos has included some assumptions and techniques for underlying estimations applied to the compilation of the indicators and other information in the specific indicators.

For example, in case of unavailability of actual consumption data, estimations based on previous period consumptions are used to calculate the current consumption. In case of unavailability of consumption data, estimations based on footage and average consumptions from other sites are used to calculate the actual consumption. The corresponding data is entered into the organization's application for each site. The cooling purchased through local district cooling schemes, for DC and offices is 0 GJ.

Atos does not sell electricity, heating, cooling, or steam to third parties.

Detailed information regarding energy intensity indicators [GRI 302-3]

The energy intensity ratio is calculated by dividing the absolute energy consumption during the reporting year (the numerator) by the revenue metric expressed in millions of euros (the denominator) produced by the organization, in the same reporting year. The energy intensity expresses the energy required per unit of activity.

For the energy intensity ratio, the denominator for revenues is the complete organization, however, reporting is restricted to the list of countries included into the Office and Datacenter scope for 2019. Within that scope, the revenue is corresponding to the turnover generated by all countries (all GBUs) under analysis during the year (reporting period: January 1 to December 31). The revenue applicable for that scope of countries is 11,506.65 million of Euros.

For the energy intensity ratio the denominator for employees is the total headcounts registered at the end of the financial year (as on December 31) for all countries within the scope. The employees included in that scope of countries are 106,150.

The types of energy included in the intensity ratio are: electricity, gas, district heating, backup generator fuel (diesel and fuel oil).

The ratio uses energy consumed only within the organization (energy required to operate).

Detailed information regarding reduction of energy consumption indicator [GRI 302-4 KPI]

The types of energy included in the energy reductions are: electricity and gas.

Atos reports on initiatives that were implemented during the reporting period, and that have the potential to contribute significantly to reducing energy consumption. As these primarily arise through investment in infrastructure changes, the savings published are based upon full-year savings and will usually continue over several years (although each initiative is only published in its first year).

The reduction is calculated as follows:

- for datacenters, where multiple small activities take place savings are calculated through Power Usage Effectiveness (PUE) reductions measured in conjunction with site energy consumption;
- for offices, individual initiatives are justified based upon energy savings (cost savings) and are implemented based upon their merits. Those that are implemented are recorded and consolidated for this value. The total number of Datacenters and Offices are then combined.

Detailed information regarding reductions in energy requirements of product and service indicators [GRI 302-5]

The scope of GRI 302-5 is the strategic datacenters (DCs) of Atos Infrastructure & Data Management (IDM).

Initial data required: Current IT Load (kWh), Current PUE, PUE reduction (in %), new PUE after reduction.

- Calculation of the kWh per year before PUE reduction= current IT load x 730 hours per month x 12 months x current PUE.
- Calculation of the kWh per year after PUE reduction= current IT load x 730 hours per month x 12 months x new PUE.
- KWh saving per year = (a)-(b).

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries [GRI 302-5_B].

The PUE is a standard calculation: total kWh consumed by the entire site infrastructure divided by the kWh consumed by the IT infrastructure. The PUE, a measure defined by the Green Grid, is the industry standard indicator used to measure and monitor the energy efficiency of a Datacenter [GRI 302-5_C].

Detailed information regarding GHG emissions [GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4]

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries [GRI 305-1_D].

Atos is applying the GHG protocol methodology for all GHG Scopes (Scopes 1, 2, 3). The GHG, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions [GRI 305-1_E, GRI 305-2_D, GRI 305-3_F, GRI 305-5_D].

The gases included in GRI disclosure 305-2 (GHG emissions scope 2) are CO_2e [GRI 305-2_B]. The gases included in the calculation of gases included in GRI disclosure 305-1 (GHG emissions scope 1), in GRI disclosure 305-3 (GHG emissions scope 3), and GRI disclosure 305-4 (GHG emissions intensity) are CO_2e.

The chosen consolidation approach for emissions is based on an operational control. Site related data are collected at site level, and then consolidated with travel data which is collected at country level. This is then consolidated at Business Unit level then Global level [GRI 305-1].

For the GHG emission intensity ratio the denominator for revenues is the complete organization, however, reporting is restricted to the scope of countries included in at least one of the following perimeters: office perimeter, datacenter perimeter, travel perimeter measured in 2018. With those perimeters a weighted average perimeter is created for the emission´s indicators. Within that perimeter, the revenue is corresponding to the turnover generated by all countries within the scope (all Divisions) during the year (reporting period: January 1 – December 31) under analysis. The revenue applicable for that scope of countries are € 11,958 million [GRI 305-4_B].

For the GHG Emission Intensity ratio the denominator for employees is the total headcounts registered at the end of the financial year for all countries within the emission´s perimeter as on December 31. The employees included in that scope of countries are 106,150 [GRI 305-4_B].

Atos is not producing any biogenic CO_2 emissions [GRI 305-1_C, GRI 305-3_C].

Detailed information regarding GHG emissions [GRI 305-5]

The reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions [GRI 305-5_E].

Detailed information regarding energy and GHG emissions KPIs rebaselining [GRI 302-1], [GRI 302-2], [GRI 302-3], [GRI 305-1], [GRI 305-2], [GRI 305-3], [GRI 305-4]

The rapid transformations ongoing in the Atos Group both internally and externally (acquisitions or divestitures) have a direct impact on its energy and carbon emissions. New changes in geographic areas (with specific local energy mix), in activities and production capacities or in intensity profiles (e.g. new industrial business versus services) must be considered. To accommodate these changes, stay in line with the reality of the Company and compare similar scopes, Atos must regularly realign its absolute and intensity baselines. Concretely, to be able to compare the different years over an equivalent perimeter, it is necessary to reintegrate or exclude the emissions associated with these transformations.

The methodology for rebaselining/adjustments is in line with the requirements of the Science-Based target:

- revenue rebaselining/adjustments: The revenue is uplifted by adding the known revenue of the acquired companies to the known revenue of the Atos Group prior to the acquisitions. For the year preceding the integration (Y-1), the revenue for the acquired companies comes from publicly available information, known at the time of the acquisition. For the preceding years (Y-2, Y-3...), and if not available, the revenue is estimated by subtracting 5% each year from the annual revenue (SBT recommended annual progression/regression rate);
- margin/ Value Added (VA) rebaselining/adjustments: The VA is uplifted by adding the known VA of the acquired companies to the known VA of the Atos Group prior to the acquisitions. For the year preceding the integration (Y-1), the VA for the acquired companies comes from publicly available information, known at the time of the acquisition. If the VA of the acquired companies is not publicly available estimation are made based on the Atos Revenue/VA ratio (if same type of activities) or based on the profile of the acquired companies (if not same type of activities). For the preceding years (Y-2, Y-3...) and if not available, the VA is estimated by subtracting 3.5% each year from the annual VA (SBT recommended annual progression/regression rate);
- CO_2e absolute emissions rebaselining/adjustments: The CO_2e is uplifted by adding the known absolute CO_2e emissions of the adquired companies to the known absolute CO_2e emissions of the Atos Group prior to the acquisitions. For the year preceding the integration (Y-1), the CO_2e for the acquired companies comes from publicly available information, known at the time of the acquisition. If the CO_2e of the acquired companies is not publicly available, estimations are made based on the Atos Revenue/VA ratio (if same type of activities) or based on the profile of the acquired companies (if not same type of activities). For the preceding years (Y-2, Y-3...), the CO_2e emissions are estimated following the SBTi recommended methodology, by multiplying the VA by the estimated GEVA. In addition, each year, the CO_2e emissions from Atos data collection are uplifted to 100% by extrapolating the externally-verified footprint (for example, 97% in 2019) to the entire Company. This allows to compare several years with the same coverage of 100%;
- GEVA rebaselining/adjustments: GEVA is the tons of absolute CO_2 emissions divided by the Value Added (tCO_2/VA). For the years preceding the integration (Y-1, Y-2, Y-3...), the GEVA is the known or estimated absolute CO_2e emissions (tCO_2e) divided by the known or estimated VA. Following the SBTi recommended methodology, the GEVA for the preceding years can also be recalculated by adding 2% each year to the year that follows (SBT annual regression rate);
- energy rebaselining/adjustments: The energy is uplifted by adding the known absolute energy consumption of the acquired companies to the known absolute energy consumption of the Atos Group prior to the acquisitions. For the year preceding the integration (Y-1), the energy consumption for the acquired companies comes from publicly available information, known at the time of the acquisition. If the energy consumption of the acquired companies is not publicly available, estimations are made based on the Atos revenue/energy ratio (if same type of activities) or if not same type of activities based on either local CO_2e intensity/energy intensity ratios or either on the specific profile of the acquired companies (e.g.: high or low intensity activities).

Detailed information regarding Science-Based targets [GRI 305-4]

The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World-Wide Fund for Nature (WWF). The SBTi defines and promotes best practice in science-based target setting and independently assesses companies' targets.

Science-based targets are emissions reduction targets in line with what the latest climate science says is needed to meet the goals of the Paris Agreement - to limit global warming to well-below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C. Science-based targets are emissions reduction goals in line with what the latest climate science says is needed to prevent the worst impacts of climate change. Science-based targets show companies how much and how quickly they need to reduce their greenhouse gas emissions in order to be consistent with keeping warming below the most dangerous levels.

Atos has had its emissions reduction targets approved by the Science Based Targets initiative as consistent with climate science. The targets covering GHG emissions from Atos' operations (Scopes 1, Scope 2 and Scope 3 – part A called "Operational Scope 3" are consistent with reductions required to keep warming to 2°C. Atos' target for the emissions from its value chain (Scope 3 – part B called "Other Scope 3 emissions") meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice.

Detailed information regarding diversity perception indicator [A6]

The KPI A6 related to percentage of diversity perception is calculated by taking the arithmetic averages of the following 5 individual scores provided in the Great Place To Work (GPTW) survey:

- people here are treated fairly regardless of their age;
- people here are treated fairly regardless of their race or ethnic origin;
- people here are treated fairly regardless of their sex;
- people here are treated fairly regardless of their sexual orientation;
- people here are treated fairly regardless of disability.

Each one of these 5 individual scores is calculated by GPTW survey as the weighted average of responses in each country.

Since 2018, unlike 2017, school trainees (interns) are included into the total value of these indicators.

Detailed information related to Human Resources indicators [GRI 103-3 Employment], [GRI 103-3 Training and education], [GRI 103-3 Diversity and equal opportunity]

All the human resources indicators derived from the HR Information System (GRI 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 202-1, GRI 202-2, and A6) are based on an extraction made in January 2019. Due to late and retroactive entries on staff movements into the HR Information System, the actual situation as of December 31 is different from the one presented through the HR dedicated indicators. This difference however remains limited: it is about 1% of the total workforce at the end of the period.

Detailed information about the Net Promoter Score (NPS) [GRI 102-43], [GRI 102-44]

"Net Promoter Score": Percentage of "Promoters" minus Percentage of "Detractors".

"Promoters" are ready to recommend us (Score of 9 or 10 answering the recommendation question); "Detractors" are not likely to (score below or equal to 6).

This score relates to the strategic clients that have responded the Atos customer satisfaction survey or to top clients only that responded to the strategic surveys.

The indicators measured are:

- the "Net Promoter Score for our top clients", which includes only the top clients that responded to the strategic surveys.
- the "Net Promoter Score for all clients", which includes all the clients that responded to the strategic surveys.

Detailed information related to employees´ turnover [GRI 401-1]

The turnover is calculated as the total leaving excluding outsourcing divided by total headcount at the end of the year.

Detailed information related to lost working days and absenteeism indicators

Since 2013, Atos publishes data related to work accidents. The data is gathered from the local data reported into the Sustainabilty tool up to end of November and an estimation for December is added, at group level, to adjust the total group value for the reporting year.

Detailed information related the average hours of training per year per employee [GRI 404-1]

The calculation of the average training by employee is done using the headcount closing 2019. This includes the hours registered in the Atos formal training tools and also the hours registered as informal training (self-directed training not accessed through the Atos´ learning management system).

Detailed information related to the training on the Code of Ethics indicators [GRI 205-2]

The Code of Ethics training includes:

- the e-learning training for all employees: mandatory, it is available on the Training platform of Atos;
- classroom training or with remote participation: for all managers N-1, N-2 and N-3 of the Company. "N" meaning the Executive Vice-Presidents of the Group. The same content is used by Atos' lawyers: ETO²S. For Germany and Iberia, N-4 Procurement and sales managers are also considered as they are exposed.

Detailed information regarding non-compliance with laws and regulations in the social and economic area [GRI 419-1]

The reporting of the significant fines for non-compliance is linked to a global procedure called "Litigation Docket", which requires the reporting from the countries to the group litigation department of all fines, claims and sanctions higher than € 300,000. The reporting for GRI 419-1 follows this procedure and the results of 0 means that Atos has not been subject to fines for non-compliance higher than €300,000. Compared to other companies, this threshold is very low, and enables Atos to have a clear and efficient control of the litigation issues within the Atos Group.

Detailed information related to employee satisfaction indicator [A2]

This indicator is based on the Great Place to Work survey. In 2018, unlike 2017, school trainees (interns) are included into the total value of these indicators.

Detailed information related to ISO 27001 Audits [A3]

The percentage coverage of ISO 27001 audits demonstrates the number of on-boarded sites that have passed an external 27001 audit and the number of already certified sites that have passed an external 27001 audit in the reported year. All Atos worldwide sites with greater than 50 staff are in scope, however due to mergers & acquisitions, not all sites will be ready for inclusion and are therefore waiting to be on-boarded.

Detailed information related to Supplier Screening and anti-corruption [A17], [GRI 205-1]

A17 information contains data provided by EcoVadis. EcoVadis assessment is not only on corruption, but also on human rights and environment. Atos works with EcoVadis to assess strategic supplier's risks related to corruption (GRI 205-1: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified).

A17_A_c0 Number of strategic suppliers assessed by EcoVadis: Number of suppliers assessed by EcoVadis during the current year out of the strategic suppliers (representing 70% of revenues spent).

A17_A_c1 Percentage of strategic suppliers evaluated by EcoVadis = Number of Atos's strategic suppliers evaluated by EcoVadis / number of Atos's strategic suppliers.

A17_A_c2 Total spend evaluated by EcoVadis (M EUR) = Total spend assessed by EcoVadis (regardless if spent on strategic suppliers).

A17_A_c3 Total percentage of spend assessed by EcoVadis = Total spend assessed by EcoVadis / global Atos spend during the year.

Detailed information related to Sustainable technologies and solutions [A7]

A7 KPI is calculated based on the revenues of the sustainability-oriented offerings that Atos sells to its clients. Atos' growth strategy revolves around our Digital Transformation Factory; a portfolio of four end-to-end offerings which brings together all of Atos expertise and experience for the benefit of its customers: Hybrid Cloud, Business Accelerators, Digital Workplace and Connected Intelligence, supported by our cybersecurity technologies across all Atos offerings. These revenues are multiplied by an index that assesses the degree of sustainability within each offering (from 20 - 100%). Sustainability- oriented offerings are identified and the associated indexes (degrees of sustainability) are set by Atos Group Solution Managers based on the screening of offerings on 24 aspects (regrouping economic benefits, social impact and human rights, environmental footprint and climate change, governance trust and compliance provided by the offering). This methodology assesses the main positive impacts of Atos' offers in terms of sustainability, yet some impacts that are difficult to assess may not be taken into account. The overall process is coordinated by a dedicated person at Group level. Atos portfolio continually evolves and the KPI definitions are subject to updates.

Indicator A7 - 2019	Revenue (in € million)
CODEX CONNECTED INTELLIGENCE	1,018
Hybrid CLOUD	1,072
DIGITAL WORKPLACE	535
BUSINESS ACCELERATORS	139
TOTAL SUSTAINABLE REVENUE ESTIMATED	**2,764**

Detailed information related to [A10]

This indicator includes the number of "Innovation Workshops", "StratHacks" and "Multi-Client events" promoted by the Global and/or Local Markets and Global and/or Local Divisions and delivered to our clients with the support of the Atos Scientific Community and our network of Business Technology and Innovation Centers (BTICs).

StraHacks: Strategic Hackathons are Innovation Workshops with one client. Multi-Client Events: refers to the Innovation Workshops with several clients.

Detailed information for the non-reporting of some extra-financial performance:

- The amount of the provisions and guarantees for environment-related risks: this information is not reliable compared to the activity sector.
- Noise effects or any other form of specific pollution: The Materiality Matrix Assessment has highlighted that the Atos Group operations do not have a significant or critical impact on other forms of pollution including noise nuisances for instance.

As a consequence, no relevant and appropriate actions or measures need to be taken in this area.

- Biodiversity and land use: Atos' operations do not impact significantly biodiversity or land use; it is operating within areas already zoned for economic activities (business / commercial / industry zones). This subject has not been identified as essential/priority in Atos' materiality assessment;
- Adaptation to the consequences of climate change: this has been assessed and the conclusion is that the risk is marginal for Atos.

Working accidents, including accident frequency and severity rates: since 2013, Atos publishes data related to working accidents. In 2019, the scope represented 64% of the Headcount. Due to the small value gathered the detail of the frequency and severity is considered not relevant to be monitored in the Group.

D.7.2 Report of one of the statutory auditors, appointed as independent third-party, on the consolidated non financial statement published in the Group management report for the year ended December 31, 2019

[GRI 102-55], [GRI 102-56]

To the Shareholders,

In our capacity as Statutory Auditor of Atos S.E, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the Company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the Company's website or on request from its headquarters.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on the Company's compliance with other applicable legal and regulatory provisions, particularly with regards to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with Articles A. 225-1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 (assurance engagements other than audits or reviews of historical financial information).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- we familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- we verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion.

- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code.
- we verified that the Statement presents the business model and a description of principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1] ; concerning anticorruption and other qualitative information selected, our work was carried out on the consolidating entity;
- we verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- we carried out, for the key performance indicators and other quantitative outcomes[2] that in our judgment were of most significance:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto,
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities[3] and covered between 21% and all the consolidated data for the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

1 *Scope 3-part B "other Scope 3 emissions" CO_2e emissions; More frequent and more extreme natural events and disasters; Anticorruption, Accelerating digital value through our Partner ecosystem*
2 *Number of employees at the end of the Reporting Period (Legal staff); Number of employees leaving employment during the Reporting Period; Average hours of training per employee; Percentage of employees with an Individual Development Plan; Number of digital certifications obtained per year; Percentage of female within Atos; Percentage of women identified in talents pool; Atos Trust Index® informed by Great Place to Work (GPTW); Global absenteeism Rate (%); Net Promoter Score for our Top clients; Net Promoter Score for All clients; Client innovation workshops delivered in GBUs; Percentage of coverage of ISO 27001 certifications; Total number of material complaints regarding breaches of customer privacy and losses of customer data resulting in judicial action; Offsetting of all data centers GHG emissions (%); Percentage of female in Governance bodies (Board of Directors); Attendance rate at Board meetings; Percentage of employees who successfully completed the Code of Ethics' e-learning; Number of significant fines (higher than 100 k EUR); Percentage of strategic suppliers evaluated by EcoVadis; Total percentage of spend assessed by EcoVadis; Total number of employees recruited;Percentage of graduates recruited; Global estimated average PUE for core datacenters; Energy intensity by revenue (GJ per Million EUR) – before rebaselining; Energy intensity by employee (GJ per employee); GHG emissions by revenue (tCO_2 per Million EUR) – before rebaselining; GHG emissions by employee (tCO_2 per employee); Offices and datacenters certified ISO 14001; Share of electricity supplied by decarbonized sources in Atos' core Data Centers (co-location excluded); Percentage of the core data centers that have synchronous data replication capacities.*
3 *Atos Netherlands, Atos United-Kingdom, Atos Hong Kong*

Means and resources

Our work engaged the skills of nine people between October 2019 and February 2020.

To assist us in conducting our work, we referred to our Corporate Social Responsibility and sustainable development experts. We conducted around twenty interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comment

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comment: as mentioned in the methodological Note of the statement (”Information about the report”) and the main KPIs tables, the reporting perimeter is limited for some indicators (including absenteeism rate and percentage of graduates recruited).

Paris-La Défense, February 19, 2020

One of the statutory auditors,

Deloitte & Associés

Christophe Patrier

Partner

Erwan Harscoët

Director, Sustainability Services

E

Financials

E.1 Operational review

E.1.1 Statutory to constant scope and exchange rates reconciliation

2019 revenue was € 11,588 million, down -5.5% compared to 2018 reported statutory, -6.4% at constant exchange rates, and +1.4% at constant scope and exchange rates. Operating margin reached € 1,190 million (10.3% of revenue), -5.6% compared to 2018 reported statutory and +5.8% compared to € 1,125 million (9.8% of revenue) in 2018 at constant scope and exchange rates.

(in € million)	2019	2018	% change
Statutory revenue	11,588	12,258	-5.5%
Exchange rates effect		117	
Revenue at constant exchange rates	**11,588**	**12,375**	**-6.4%**
Scope effect		-982	
Exchange rates effect on acquired/disposed perimeters		37	
Revenue at constant scope and exchange rates	**11,588**	**11,430**	**1.4%**
Statutory operating margin	1,190	1,260	-5.6%
Scope effect		-154	
Exchange rates effect		19	
Operating margin at constant scope and exchange rates	**1,190**	**1,125**	**5.8%**
as % of revenue	*10.3%*	*9.8%*	

The table below presents the effects on 2018 revenue of acquisitions and disposals, internal transfers reflecting the Group's new organization, and change in exchange rates.

	FY 2018 revenue				
(in € million)	FY 2018 statutory	Scope effects	Internal transfers	Exchange rates effects*	FY 2018 at constant scope and exchange rates
North America	2,022	628		138	2,789
Germany	2,161	-8			2,153
France	1,710	16			1,727
UK & Ireland	1,612	44		13	1,668
Benelux & The Nordics	1,017	-1		-0	1,016
Other Business Units	2,061	13		3	2,077
Worldline	1,674	-1,674			
TOTAL GROUP	**12,258**	**-982**		**154**	**11,430**
Infrastructure & Data Management	6,328	-14	-47	96	6,362
Business & Platform Solutions	3,361	739	30	50	4,180
Big Data & Cybersecurity	895	-32	18	8	888
Worldline	1,674	-1,674			
TOTAL GROUP	**12,258**	**-982**	**0**	**154**	**11,430**

* *At FY 2019 exchange rates*

Scope effects amounted to €-982 million for revenue, of which:

- €-1,674 million related to the restatement of the contribution of Worldline to the Group revenue in FY 2018 following the deconsolidation of Worldline from the Group as of January 1, 2019. As a reminder, after having distributed 23.5% of Worldline's share capital to its shareholders on May 7, 2019, out of the 50.8% owned by the Group, Atos has completed as of October 30, 2019, the sale of c. 14.7 million Worldline shares (c. 8% of Worldline's share capital), for c. 0.8 billion euro, through a placement to qualified investors only by way of accelerated bookbuilding offering. Concurrently, Atos issued bonds due 2024 for an aggregate nominal amount of approximately € 500 million, which will be exchangeable into Worldline shares (c. 4% of Worldline's share capital in case of full conversion) at a premium of 35%. In addition, Atos has agreed to transfer to Atos UK 2019 Pension Scheme c. 4.3 million Worldline shares (c. 2% of Worldline's share capital) representing £ 198 million (c. € 230 million). Following these transactions, and in case of exchange in full of the bonds, Atos would retain a direct stake of 13% of Worldline share capital and 22% of voting rights;
- €+65 million corresponding to the revenue realized by Atos' entities with Worldline in FY 2018. This revenue is no more neutralized in the Group consolidation but recognized as Group revenue following the deconsolidation of Worldline as of January 1, 2019;
- the remaining net positive amount of €+627 million was mostly related to the acquisition of Syntel, consolidated as of November 1, 2018 (10 months restated for €+709 million), the acquisition of IDnomic, consolidated as of October 1, 2019 (3 months restated for €+5 million), the disposal of some specific Unified Communication & Collaboration activities as well as former ITO activities in the UK, and the disposal and decommissioning of non-strategic activities within CVC;
- as the closing of the recent acquisition of Maven Wave has taken place earlier in Q1 2020, no restatement is necessary for FY 2018 revenue.

Scope effects amounted to €-154 million for operating margin. Most of the impact came from the restatement of the contribution of Worldline to the Group operating margin in FY 2018 (€-293 million), the acquisition of Syntel (10 months for €+176 million) and the disposal of some specific Unified Communication & Collaboration activities, as well as former ITO activities in the UK and the disposal and decommissioning of non-strategic activities within CVC. As the operating margin realized by Atos' entities with Worldline in FY 2018 was not eliminated from a contributive standpoint, no restatement is necessary.

Internal transfers mostly referred to Healthcare contracts in North America transferred to Syntel, previously reported within Infrastructure & Data Management and now reported within Business & Platform Solutions as of January 1, 2019, as well as Cybersecurity consulting services formerly reported in Business & Platform Solutions and now integrated under Big Data & Cybersecurity.

Currency exchange rates effects mostly came from the US dollar which positively contributed to revenue for €+154 million and to operating margin for €+19 million.

The table below presents the described effects on 2018 operating margin:

	FY 2018 operating margin				
(in € million)	FY 2018 statutory	Scope effects	Internal transfers	Exchange rates effects[1]	FY 2018 at constant scope and exchange rates
North America	202	84		15	300
Germany	137	-10			126
France	150	0			151
UK & Ireland	193	4		1	198
Benelux & The Nordics	76	-5		0	71
Other Business Units	275	66		3	344
Global structures[2]	-66			0	-66
Worldline	293	-293			
TOTAL GROUP	**1,260**	**-154**		**19**	**1,125**
Infrastructure & Data Management	604	-20	-3	9	589
Business & Platform Solutions	300	176	-1	9	483
Big Data & Cybersecurity	138	-17	5	2	127
Corporate costs	-74			-0	-74
Worldline	293	-293			
TOTAL GROUP	**1,260**	**-154**		**19**	**1,125**

1 At FY 2019 exchange rates.
2 Global structures include the Global Divisions costs not allocated to the Group Business Units and Corporate costs.

E

E.1.2 Performance by Division

Revenue was € 11,588 million, +1.4% at constant scope and exchange rates, particularly led by the Cloud performance and Big Data & Cybersecurity.

Operating margin was **€ 1,190 million**, representing **10.3% of revenue**, compared to 9.8% in 2018 at constant scope and exchange rates. Each Division contributed to the operating margin increase, Infrastructure & Data Management benefitting from automation and the RACE program, Business & Platform Solutions from the cost synergies with Syntel, Big Data & Cybersecurity from the topline growth. Finally, corporate central costs were reduced thanks to continued efforts on expense optimization.

	Revenue			Operating margin		Operating margin%	
(in € million)	2019	2018*	Organic evolution	2019	2018*	2019	2018*
Infrastructure & Data Management	6,321	6,362	-0.6%	614	589	9.7%	9.3%
Business & Platform Solutions	4,216	4,180	0.9%	492	483	11.7%	11.6%
Big Data & Cybersecurity	1,050	888	18.3%	149	127	14.2%	14.3%
Corporate costs	-	-		- 65	- 74	-0.6%	-0.7%
TOTAL	**11,588**	**11,430**	**1.4%**	**1,190**	**1,125**	**10.3%**	**9.8%**

* *At constant scope and exchange rates.*

E.1.2.1 Infrastructure & Data Management

(in € million)	2019	2018*	Organic evolution
Revenue	6,321	6,362	-0.6%
Operating margin	614	589	
Operating margin rate	9.7%	9.3%	

* *At constant scope and exchange rates.*

Infrastructure & Data Management **revenue** was € 6,321 million, down -0.6% at constant scope and exchange rates. The Division managed to turn back to growth in the third quarter 2019 and continued the positive trend, achieving +0.3% organically during the fourth quarter. In line with the transformation of the business model of the Division, revenue share increased in Digital Workplace, Codex and in projects in Technology Transformation Services. The Division continued the digital transformation of its main clients through automation and artificial intelligence, supporting growth in several geographies, notably in Asia Pacific, Central & Eastern Europe, South America, Iberia and Middle East & Africa, while Germany, the United Kingdom, France and Benelux & The Nordics faced reduced volumes.

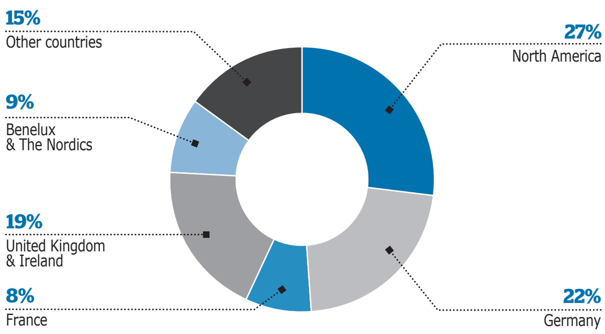
Financial Services posted a double-digit growth, mainly fueled by the ramp-up of the significant contracts in the North America, notably with CNA Financial Corporation, and in United Kingdom & Ireland with Aegon, National Savings & Investments and Aviva, which have more than compensating one large contract not renewed in 2018 in North America.

Telcos, Media & Utilities grew thanks to additional sales achieved with BBC in the United Kingdom, new logos notably with National Grid and Entergy Corporation in North America, as well as the ramp-up of the contracts with Scottish Water in the United Kingdom and with a Spanish mobile telco operator. In France, the activity was challenging with businesses not repeated in Utilities compared to Q4 last year. The Division performed a strong activity in Unified Communication & Collaboration in Benelux & The Nordics and in the Other Business Units while the situation was more challenging in Germany.

Manufacturing, Retail & Transportation slightly stepped back, facing the effects of the non-renewal of a contract with Marriott International in North America in 2018, a strong reduction of activity in Unified Communication & Collaboration in several geographies such as North America and Benelux & The Nordics, as well as volumes reduction and contract ramp downs in Germany. The Industry benefitted from the ramp-up of several contracts signed in North America during the year which partially offset the above effects.

The situation in Public sector remained challenging, in particular in the United Kingdom impacted by the base effect of transitions completed last year with the Ministry of Justice and suffered from lower volumes with a pension, insurance and investment company. North America was also impacted by contract terminations and by scope reduction. This was partially offset by the increased activity in "Other Business Units" and in France.

INFRASTRUCTURE & DATA MANAGEMENT REVENUE PROFILE BY GEOGRAPHY



Operating margin in Infrastructure & Data Management was € 614 million, representing 9.7% of revenue. The increase of +40 basis points was mainly driven by strong cost saving actions including the RACE program across geographies as well as the adaptation of the Group workforce in several countries, more particularly in Germany which benefited from the effects of the acceleration of the adaptation plan launched in H1. In the United Kingdom, the operating margin was affected by price constraints in Business Process Outsourcing (BPO).

E.1.2.2 Business & Platform Solutions

(in € million)	2019	2018*	Organic evolution
Revenue	4,216	4,180	0.9%
Operating margin	492	483	
Operating margin rate	11.7%	11.6%	

* *At constant scope and exchange rates.*

Business & Platform Solutions **revenue** reached € 4,216 million, +0.9% at constant scope and exchange rates in 2019. The activity was contrasted over the year, with a first semester at +2.3% organic growth while the Division was slightly down at -0.5% over the second semester. Indeed, Business & Platform Solutions faced with tensions in Financial Services in North America both in Q3 and in Q4. The reduction of the number of low margin contracts implemented in H1 2019 at the time of the transfer of contracts under Syntel management impacted the revenue organic growth both in Q3 and Q4. Finally, towards the end of the year, growth was impacted by a slowdown in the Automotive industry in Germany.

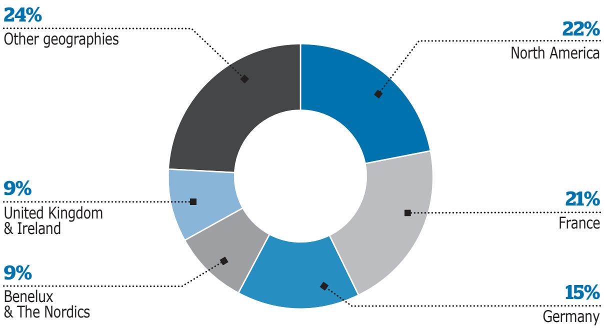
Growth was strong in Manufacturing, Retail & Transportation, which benefitted from good performance in almost all geographies. In particular Germany recorded a solid growth thanks to new application management services contract with Siemens combined with S4HANA engagement in Austria, ramp-up of contracts such as Philips in Benelux & The Nordics, as well as increased volumes in the United Kingdom.

Financial Services slightly grew mainly thanks to a contract with a large insurance company in the United Kingdom as well as cloud business with an insurance company in Benelux & The Nordics and ramp-up of contracts in Germany, while the situation remained challenging in France and in North America impacted by volume reductions.

The Division posted a slight decrease organically in Telcos, Media & Utilities. Germany was impacted by the ramp-down with one large customer in application management while Benelux & The Nordics and North America suffered from lower volumes in application management contracts. This challenging situation could not be compensated by higher volumes with Italian and Spanish utilities while France benefitted from higher activity through Worldgrid contracts and United Kingdom recorded a growth thanks to ramp-up of several contracts.

The situation was more contrasted in Public & Health which performed an increased activity for digital projects in France as well as new contracts in Italy and in Iberia. Conversely, it faced with volume reduction in healthcare in North America due to not repeated migrations delivered last year to hospitals as well as project completions in the United Kingdom.

BUSINESS & PLATFORM SOLUTIONS REVENUE PROFILE BY GEOGRAPHY



Operating margin was € 492 million, representing 11.7% of revenue, an improvement of +10 basis points. Syntel synergies contributed positively to the Division margin improvement at the level expected. Operating margin improvement achieved in the first semester slowed down in the second half, due to the slow-down of the revenue organic growth of the Division, the ramp down in Germany of a high margin application management contract with one large customer, as well as some cost overruns in Atos legacy contracts.

E.1.2.3 Big Data & Cybersecurity

(in € million)	2019	2018*	Organic evolution
Revenue	1,050	888	18.3%
Operating margin	149	127	
Operating margin rate	14.2%	14.3%	

* *At constant scope and exchange rates.*

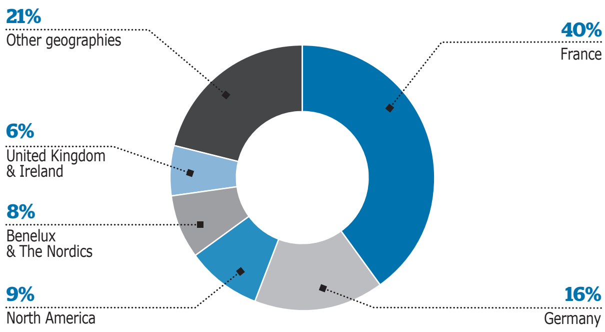
Revenue in Big Data & Cybersecurity was € 1,050 million, up +18.3% organically, maintaining a strong performance all over the year and pursuing the extension of the Division's markets both in terms of industries served and geographies.

In particular, growth was notably sustained by Big Data activity, mainly coming from ramp up of large contracts in France like Météo-France, a French research institute and a French Ministry, in Germany with HRLN Supercomputing Service and Forschungszentrum Jülich, in the United Kingdom with the European Centre for Medium Range Weather Forecast, and in Benelux & the Nordics with notably CSC in Finland. It largely compensated for the non-repeated high level of product sales performed last year in North America.

Cybersecurity activities also posted a positive growth led by new business opportunities in North America combined with good performance in Benelux & the Nordics which largely offset revenue from licenses not repeated this year in the United Kingdom.

The performance was also driven by strong activity of Mission critical systems in Central and Eastern Europe.

BIG DATA & CYBERSECURITY REVENUE PROFILE BY GEOGRAPHY



Operating margin was € 149 million, representing 14.2% of revenue broadly stable compared to 2018. All in all, the Division generated a solid profitability from operations while continuing to invest in Research & Development and commercial investment on offerings in both Cybersecurity and Big Data solutions. Operating margin was high in growing geographies such as France, Benelux & The Nordics and Other Business Units, while North America benefited from a favorable revenue mix.

E.1.3 Performance by Business Unit

(in € million)	Revenue 2019	Revenue 2018*	Organic evolution	Operating margin 2019	Operating margin 2018[1]	Operating margin% 2019	Operating margin% 2018*
North America	2,725	2,789	-2.3%	343	300	12.6%	10.8%
Germany	2,167	2,153	0.7%	152	126	7.0%	5.9%
France	1,788	1,727	3.5%	164	151	9.2%	8.7%
United Kingdom & Ireland	1,669	1,668	0.0%	165	198	9.9%	11.9%
Benelux & The Nordics	1,047	1,016	3.0%	88	71	8.4%	7.0%
Other Business Units	2,192	2,077	5.6%	319	344	14.6%	16.5%
Global structures[2]	-	-		-42	-66	-0.4%	-0.6%
TOTAL	**11,588**	**11,430**	**1.4%**	**1,190**	**1,125**	**10.3%**	**9.8%**

1 At constant scope and exchange rates.
2 Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs.

E.1.3.1 North America

(in € million)	2019	2018*	Organic evolution
Revenue	2,725	2,789	-2.3%
Operating margin	343	300	
Operating margin rate	12.6%	10.8%	

** At constant scope and exchange rates.*

Revenue reached € 2,725 million, decreasing by -2.3% organically. After a challenging situation in the first half 2019 when the performance was hampered by the base effect of two contracts terminated in 2018, the Business Unit managed to turn back to growth, posting a robust +2.7% in the last quarter of 2019.

As a result of the implementation of a sales reorganization and the change or removal of most of the client executives the last eighteen months, Infrastructure & Data Management stabilized revenue organically, fueled by new logo and ramp up of existing contracts which compensated the remaining impact of terminated contracts. Financial Services recorded a good performance driven from the ramp-up of the contract with CNA Financial Corporation, which more than compensated for an important legacy contract not renewed last year. Telcos, Media & Utilities market showed a sustained activity as well, attributable to new logos notably with a large integrated energy company. Public & Health sector benefitted from higher volumes with Texas Department of Information Resource, but was impacted by less revenue further to migrations as well as a ramp-down with a leader in healthcare IT. Within Manufacturing, Retail & Transportation, new business achieved with several new customers of large contracts could not offset the negative effect from the terminated contract with Marriott International in 2018 and lower volumes with some clients.

Business & Platform Solutions decreased compared to last year. The situation remained challenging in Healthcare area due to the end of large software roll out to hospitals, even if the decline was significantly reduced in the last quarter. Financial Services sector was impacted by less volumes and a lower demand as some customers in the banking area reduced expenses in H2. Manufacturing, Retail & Transportation was broadly stable.

Big Data & Cybersecurity reached a good performance in Financial Services and Telcos, Media & Utilities, driven notably by new business opportunities with CNA Financial Corporation. However, this was not sufficient to compensate for the non-repeated high level of product sales performed last year in Public & Health and in Manufacturing, Retail & Transportation, despite new business achieved in Q4.

Operating margin reached € 343 million, representing 12.6% of revenue, increasing by +180 basis points compared to last year. All Divisions reported a double digit level of profitability. In Business & Platform Solutions, the Business Unit increased its operating margin rate thanks to the contribution from Syntel, including the effect of synergies. In addition, Infrastructure & Data Management contributed as well on the improvement of the operating margin rate due to workforce optimization initiatives and strong cost reduction actions. Profitability also increased in Big Data & Cybersecurity, which benefited from new logos in Q4.

E.1.3.2 Germany

(in € million)	2019	2018*	Organic evolution
Revenue	2,167	2,153	0.7%
Operating margin	152	126	
Operating margin rate	7.0%	5.9%	

* *At constant scope and exchange rates.*

In 2019, the Business Unit achieved an organic growth of +0.7% compared to the same period last year at constant scope and exchange rates, leading to € 2,167 million **revenue**. Growth derived from the good performance in Big Data & Cybersecurity and Business & Platform Solutions, while the situation of Infrastructure & Data Management remained challenging.

Infrastructure & Data Management decreased organically compared to last year. In this Division, Public & Health market was stable. Manufacturing, Retail & Transportation and Telcos, Media & Utilities were both impacted by one off sales achieved last year and not repeated this year, even though partially offset by increased activities with Karstadt and Bayer within Manufacturing, Retail & Transportation. Financial Services faced with contract terminations also partially compensated by new business with Deutsche Bundesbank.

Business & Platform Solutions revenue increased compared to last year, but slowed down in the second semester after a solid growth reported in the first half. Manufacturing, Retail & Transportation drove the Division growth thanks to a new application management services with Siemens and a new logo wins. Public & Health also grew thanks to new services notably with a government institution in information technologies and Autobahn, which offset scope reduction with Bundesagentur fur Arbeit. Financial Services also recorded a positive performance. This largely compensated for the ramp down of the contract with a large customer in application management which impacted Telcos, Media & Utilities.

Big Data & Cybersecurity achieved a particularly strong growth, accelerating in the second semester, notably benefitted from high performance computing sale with HRLN Supercomputing Service and Forschungszentrum Jülich within Public & Health sector and finally Bullion sales within Telcos, Media & Utilities sector.

Operating margin reached € 152 million, representing 7.0% of revenue, +120 basis points compared to 2018 at constant scope and exchange rates. Profitability improved significantly due to refocusing of Unified Communication activities in Infrastructure & Data Management and to restructuring efforts combined with strong actions on the cost base. This over compensating the performance in Business & Platform Solutions notably caused by ended contract with a telecommunication provider.

E.1.3.3 France

(in € million)	2019	2018*	Organic evolution
Revenue	1,788	1,727	3.5%
Operating margin	164	151	
Operating margin rate	9.2%	8.7%	

* *At constant scope and exchange rates.*

At € 1,788 million, **revenue** improved by +3.5% organically. The performance of the Business Unit was driven by Big Data & Cybersecurity thanks to a continued solid performance over the year.

Infrastructure & Data Management decreased organically. Growth was posted mainly in Financial Services notably coming from higher volumes within banking sector through hybrid cloud activities. Public & Health also contributed positively to the growth benefitting from higher volumes and increasing hybrid cloud business, partly offset by several ramp-down contracts. However, this was not enough to compensate for Telcos, Media & Utilities and Manufacturing, Retail & Transportation sectors notably impacted by lower volumes with a global electricity company as well as some contracts which ended.

Business & Platform Solutions revenue grew in 2019 primarily driven by Public & Health with new business notably with a large pension institution coupled with higher volumes with a public institution of labor. Telcos, Media & Utilities showed a sustained activity as well, attributable to the ramp-up of a contract with large Group of energy through Worldgrid activities. Conversely, in Manufacturing, Retail & Transportation sector, the ramp-up contracts with a large Hotel Group in Digital workplace and with a large car manufacturer was not sufficient to compensate for the ending contract in the pharmaceutical segment. The Business Unit was also affected by an underperformance in Financial Services.

Big Data & Cybersecurity achieved double-digit growth benefitting from the strong performance largely concentrated in Public & Health, thanks to new contracts through High Performance Computer with Météo-France and a French research institution, as well as the renewal of software and hardware licenses contract with French institutions. To a lesser extent, Manufacturing, Retail & Transformation also contributed positively to the growth, benefitting from the ramp-up of several High Performance Computer contracts with international clients. Finally, Telcos, Media & Utilities market was affected by the comparison base with High Performance Computer delivery, successfully achieved in 2018 with a large national energy provider last year.

Operating margin reached € 164 million, representing 9.2% of revenue, +50 basis points at constant scope and exchange rates. The improvement of operating margin was largely attributable to Big Data & Cybersecurity, supported by strong revenue growth. Conversely, in Infrastructure & Data Management, actions on costs and on productivity started to result in the second semester but was not sufficient to compensate for the challenging situation faced in the first semester. Business & Platform Solutions operating margin slightly decreased compared with previous year.

E.1.3.4 United Kingdom & Ireland

(in € million)	2019	2018*	Organic evolution
Revenue	1,669	1,668	0.0%
Operating margin	165	198	
Operating margin rate	9.9%	11.9%	

* *At constant scope and exchange rates.*

Revenue was € 1,669 million, stable organically. Strong business growth in Big Data & Cybersecurity and dynamism of Business & Platform Solutions were hampered by more challenging situation in Infrastructure & Data Management.

Infrastructure & Data Management decreased compared to last year. Financial Services posted a strong growth, notably thanks to the ramp-up of Aegon contract and increased revenue with National Savings & Investments and Aviva. Telcos, Media & Utilities market was mainly driven by additional sales achieved with BBC and the ramp-up of the hybrid cloud contract with a large water provider. Manufacturing, Retail & Transportation increased slightly, thanks to the hybrid cloud deliveries on contract extension and transformation projects with a UK postal service company. This could not fully offset the decline in Public Sector impacted by the base effect from transition completion of Ministry of Justice and from lower volumes with a pension, insurance and investment company.

Business & Platform Solutions grew organically. In Financial Services, the performance was supported by the ramp-up of Aegon contract signed at the end of previous year and increased business within Clydesdale Bank and Standard Life Investment. Within Manufacturing, Retail & Transportation market, growth was essentially derived from increased projects with Federal Express Corporation, a customer provided by Syntel. Telcos, Media & Utilities benefitted from contracts ramp-up with a large water provider and Northern Ireland Electricity, while Public & Health faced with end of projects.

Revenue in Big Data & Cybersecurity showed a strong momentum, with a very significant organic growth led by new HPC contract with the European Centre for Medium Range Weather Forecast in Public & Health market, despite the base effect of cyber services sales achieved the year before with International Airlines Group.

Operating margin was € 165 million and represented 9.9% of the revenue, or -200 basis points compared to last year at constant scope and exchange rate. While the profitability increased in Business & Platform Solutions benefitting from revenue growth, improved operational efficiency and cost control. It did not compensate Infrastructure & Data Management impacted by revenue decrease.

E.1.3.5 Benelux & The Nordics

(in € million)	2019	2018*	Organic evolution
Revenue	1,047	1,016	3.0%
Operating margin	88	71	
Operating margin rate	8.4%	7.0%	

* *At constant scope and exchange rates.*

At € 1,047 million, **revenue** was up by +3.0% organically, driven by a strong activity in Big Data & Cybersecurity.

Infrastructure & Data Management slightly decreased. In Telcos, Media & Utilities, the Division achieved a strong growth through UCC activities and thanks to a new contract signed in 2019 with T-Mobile. Public & Health sector recorded growth thanks to the ramp-up of the contract signed with Dutch University Hospitals. Financial Services benefitted from ramp-up of several contracts partly offset by volume reductions with an Insurance company and Kas Bank. Conversely, Manufacturing, Retail & Transportation sector was affected by the base effect on activities achieved last year within Siemens Windpower in The Nordics, partly compensated by the recently signed extended Philips contract coupled with higher volumes achieved with Philip Morris International.

Business & Platform Solutions showed a growth recovery. In particular, Manufacturing, Retail & Transportation posted a solid growth fueled by the ramp-up contract with Philips and in Financial Services from higher volumes with a Dutch insurer. The situation was more challenging in other sectors: within Public & Health the new business with a Dutch Ministry was not enough to compensate for the decline from an ended contract with another Public Institution while Telcos, Media & Utilities faced with the decline of the contract with KPN.

Big Data & Cybersecurity recorded a strong organic growth, primarily driven by a sustained demand through HPC area with CSC in Finland coupled with the Norway's National Research and Education Network, as well as higher product sales notably with a large IT Group in Belgium. Additionally, the Division benefitted from a good performance in several countries such as Poland, Sweden or Denmark.

Operating margin reached € 88 million, representing 8.4% of revenue, an improvement of +140 basis points compared to last year at constant scope and exchange rates. The profitability increased in Big Data & Cybersecurity and Business & Platform Solutions driven by improved revenue mix combined with increased operational efficiency through continued tight project management and strong actions to optimize the cost base through the RACE project. Infrastructure & Data Management margin decreased but remained at a high level of profitability.

E.1.3.6 Other Business Units

(in € million)	2019	2018*	Organic evolution
Revenue	2,192	2,077	5.6%
Operating margin	319	344	
Operating margin rate	14.6%	16.5%	

* *At constant scope and exchange rates.*

Revenue in "Other Business Units" reached € 2,192 million, up +5.6% organically, growing in all Divisions and especially in Infrastructure & Data Management and Business & Platform Solutions.

Infrastructure & Data Management delivered a strong performance. Public Sector posted a double-digit growth, thanks notably to the ramp-up of projects with the Western Australian Department of Health, alongside with the sales achieved in Central & Eastern Europe. Telcos, Media & Utilities expanded as well, driven mainly by a new cloud contract with a Spanish mobile telco operator signed in March and by the ramp-up of a global contract with an international consulting firm in Asia Pacific. Financial Services benefitted from increased business with a large private bank in Morocco and from the ramp-up of a digital Workplace contract with a large insurance company in Italy. The situation was more challenging in Manufacturing, Retail & Transportation.

Business & Platform Solutions grew in all markets. Public & Health was fueled by a new contract with a Public Education Institution in Spain, ramp-up of Olympics Tokyo 2020 and Beijing 2022 as well as increased business with governmental institutions in Central & Eastern Europe. Telcos, Media & Utilities market benefitted from higher volumes, notably with Italian and Austrian clients and new projects in Middle East & Africa. Growth in Manufacturing, Retail & Transportation was essentially driven by the ramp-up of new contracts in Central & Eastern Europe. Finally, new wins in banking sector within Financial Services in South America fully compensated for ramp-downs in Iberia and volume reductions in Italy.

Big Data & Cybersecurity benefitted from HPC deliveries in Asia Pacific and Middle East & Africa, coupled with higher project activity within Cybersecurity services in Central & Eastern Europe.

Operating margin was € 319 million, representing 14.6% of revenue. Infrastructure & Data Management as well as Big Data & Cybersecurity managed to improve their profitability. Conversely, the situation was more challenging for some contracts in India in Business & Platform Solutions.

E.1.3.7 Global structure costs

Global structures costs reached €-42 million, decreasing by € 24 million compared to 2018 at constant scope and exchange rates, primarily driven by the continued efforts on internal costs optimization in most of the support functions as well as on subcontracting costs with third parties. A positive impact came as anticipated from pension as a result of the implementation of the PACTE law for the Group.

E.1.4 Revenue by Market

(in € million)	Revenue 2019	2018*	Organic evolution
Manufacturing, Retail & Transportation	4,139	4,181	-1.0%
Public & Health	3,411	3,387	0.7%
Financial Services	2,169	2,032	6.8%
Telcos, Media & Utilities	1,869	1,831	2.1%
TOTAL	**11,588**	**11,430**	**1.4%**

* *At constant scope and exchange rates.*

E.1.4.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation was the largest market segment of the Group (36%) and reached € 4,139 million in 2019, declining by -1.0% compared to 2018 at constant scope and exchange rates. Good performance was recorded in Germany within Business & Platform Solutions Division compensating ramp down on some contracts in North America during the first half of the year for Infrastructure & Data Management Division.

In this market, the top 10 clients (excluding Siemens) represented 20% of revenue with a leading North American logistics company, Conduent, Triple Five, Daimler Group, Bayer, a global leader in Aerospace & Defense, Johnson & Johnson, Rheinmetall, Philips and Volkswagen.

E.1.4.2 Public & Health

Public & Health was the second market of the Group (29%) with total revenue of € 3,411 million, up +0.7% compared to 2018 at constant scope and exchange rates. Revenue increase mainly came from France within Big Data & Cybersecurity Division.

34% of the revenue in this market was realized with 10 main clients: Texas Department of Information Resources, UK Department for Work & Pensions (DWP), European Union Institutions, McLaren HealthCare Corporation, a leader in healthcare IT, UK Nuclear Decommissioning Authority, a French research institute, a French Ministry, the UK Ministry of Justice and SNCF (France).

E.1.4.3 Financial Services

Financial Services was the third Market of the Group and represented 19% of the total revenue at € 2,169 million, an increase of +6.8% compared to 2018 at constant scope and exchange rates. A good performance was recorded in the United Kingdom thanks to Aegon, National Savings & Investments and Aviva. The market was also benefiting from contract ramp-up with CNA Financial Corporation in North America.

In this market, 49% of the revenue was generated with the 10 main clients: UK National Savings & Investments, a UK bank based in Hong-Kong, a US financial payment institution, CNA Financial Corporation, State Street Corporation, Deutsche Bank, Aegon, a Dutch Insurance company, Aviva and BNP Paribas.

E.1.4.4 Telcos, Media & Utilities

Telcos, Media & Utilities represented 16% of the Group revenue and reached € 1,869 million, representing an increase of +2.1% compared to 2018 at constant scope and exchange rates. Revenue increase was mainly coming from Other Business Units with a new cloud contract with a Spanish mobile telco operator, the United Kingdom increasing activities with BBC and Scottish Water, and in North America thanks to a large utilities provider.

Main clients were EDF, Orange, BBC, Telefonica/O2, a large US entertainment company, Worldline, Enel, Deutsche Telekom, Telecom Italia and a large Nordic telecommunication provider. The top 10 main clients represented 50% of the total Telcos, Media & Utilities Market revenue.

E.1.5 Portfolio

E.1.5.1 Order entry and book to bill

In 2019, the Group **order entry** totaled **€ 12,245 million**, increasing by 3.9% **year-on-year** excluding Worldline, representing a **book to bill ratio** of **106%** compared to 111% in 2018 (excluding Worldline). Indeed, the performance remained strong in 2019 in a year with much less contracts coming for renewal in the Infrastructure & Data Management Division. During the fourth quarter, the Group reported strong performance with a book to bill at 121%.

Order entry and book to bill by **Division** was as follows:

	Order entry			Book to bill		
(in € million)	H1 2019	H2 2019	FY 2019	H1 2019	H2 2019	FY 2019
Infrastructure & Data Management	2,867	3,341	6,208	91%	105%	98%
Business & Platform Solutions	2,228	2,446	4,674	104%	117%	111%
Big Data & Cybersecurity	647	716	1,363	137%	124%	130%
TOTAL	**5,742**	**6,503**	**12,245**	**100%**	**111%**	**106%**

Several large new contracts were signed over the period in Infrastructure & Data Management, which contributed to growth in Hybrid Cloud and Digital Workplace. In particular, large order entries were contracted in North America with a leading healthcare company, National Grid, the NG911 contract with the State of California, and with Entergy. In addition, Germany closed several major deals notably with BASF and Itergo, whereas Benelux & The Nordics concluded a large contract in the Public & Health sector. Business & Platform Solutions signed new contracts notably in Benelux & The Nordics such as Fortum within Manufacturing, Retail & Transportation and a Dutch insurance company within Financial Services. Big Data & Cybersecurity pursued its strong commercial dynamics, fueled by a large win in the United Kingdom with the European Centre for Medium-Range Weather Forecast and in France with Méteo France as well as in Germany with Bayer.

Renewals of the year included several large contracts in Infrastructure & Data Management such as in Manufacturing, Retail & Transport in France with PWC, in Telcos, Media & Utilities in the United Kingdom with BBC and in Financial Services in Benelux & The Nordics with Dutch insurance company and in France with BNP Paribas. In addition, a large deal was renewed with a large UK postal company including offerings of both Infrastructure & Data Management and Big Data & Cybersecurity. Other major wins of the period were concluded within Public sector in France contributing to the order entries in Big Data & Cybersecurity and Business & Platform Solutions, coupled with a deal in Financial Services in the United Kingdom within Business & Platform Solutions.

Order entry and book to bill by **Market** were as follows, with a strong contribution from Manufacturing, Retail & Transport:

	Order entry			Book to bill		
(in € million)	H1 2019	H2 2019	FY 2019	H1 2019	H2 2019	FY 2019
Manufacturing, Retail & Transportation	2,132	2,554	4,686	103%	123%	113%
Public & Health	1,663	1,918	3,581	99%	111%	105%
Telcos, Media & Utilities	1,068	959	2,027	119%	99%	108%
Financial Services	879	1,072	1,951	80%	100%	90%
TOTAL	**5,742**	**6,503**	**12,245**	**100%**	**111%**	**106%**

E.1.5.2 Full backlog

In line with the positive evolution of Atos commercial activity, the **full backlog** at the end of December 2019 increased by **+2.5%** compared to December 2018 (excluding Worldline contribution in 2018), and amounted to **€ 21.9 billion** representing **1.9 year of revenue**.

E.1.5.3 Full qualified pipeline

The **full qualified pipeline** remained strong at **€ 7.4 billion** at the end of 2019, up **+7.5%** compared to the end of 2018 (excluding Worldline contribution in 2018), representing **8 months of revenue**.

E.1.6 Human Resources

The total headcount was 108,317 at the end of December 2019, compared to 122,110 at the end of December 2018 which included Worldline staff. The evolution was strongly impacted by -11,514 headcounts scope impact mostly related to the deconsolidation of Worldline. Excluding the scope effect, the total decrease amounted to -1.9% mainly in Business & Platform Solutions and Infrastructure & Data Management to anticipate and accompany automation and robotization while the Group continued to recruit profiles to support its client in their digital transformation. In Big Data & Cybersecurity, direct staff increased by +6.4% during the year excluding the scope effect, supporting the strong growth of both in Cybersecurity/Mission Criticals and in Big Data.

In 2019, the Group hired 18,516 staff (94% were direct employees). The hirings were mainly achieved in near and offshore countries (totalling 66% of direct hirings) such as India, Poland, Romania and the Philippines, as well as in the United Kingdom, the United States and France to design and develop to new offerings, to fulfil new contracts and to compensate attrition. 55% of the direct hirings over the period were performed in Business & Platform Solutions where the attrition is above the two other Divisions.

Attrition rate was 15.1% at Group level, stable compared to previous year, of which 20.6% in offshore countries. The number of restructured and dismissed employees over the period amounted to 3,983.

Headcount evolution in 2019 by Business Unit and by Division was the following:

	End of December 2018	Scope	Hiring	Leavers, dismissals & restructuring	End of December 2019
Infrastructure & Data Management	44,530	-93	7,035	-7,834	43,638
Business & Platform Solutions	52,954	41	9,573	-11,948	50,619
Big Data & Cybersecurity	5,186	-28	777	-447	5,489
Functions	156		1	3	160
Worldline	10,452	-10,452	0	0	0
Total Direct	**113,278**	**-10,532**	**17,386**	**-20,226**	**99,906**
Germany	8,503	23	224	-402	8,348
North America	11,127	-10	1,802	-2,966	9,953
France	10,606	51	1,195	-1,360	10,493
United Kingdom & Ireland	8,485	-81	2,175	-1,667	8,912
Benelux & The Nordics	5,235	0	382	-822	4,795
Other Business Units	58,316	-63	11,535	-12,959	56,829
Global structures	554	0	73	-50	577
Worldline	10,452	-10,452	0	0	0
Total Direct	**113,278**	**-10,532**	**17,386**	**-20,226**	**99,906**
Total Indirect	**8,832**	**-982**	**1,130**	**-569**	**8,411**
TOTAL GROUP	**122,110**	**-11,514**	**18,516**	**-20,795**	**108,317**

The number of direct employees at the end of 2019 was 99,906, representing 92.2% of the total Group headcount. Indirect staff representing SG&A was 8,411 end of December 2019.

E.2 2020 objectives

In 2020, the Group targets the following objectives for its 3 key financial criteria:

- **revenue**: c. +2% organic growth;
- **operating margin rate**: +20bps to +40bps vs 2019;
- **free cash flow**: c. € 700 million.

The objectives herein-above have been disclosed on February 19, 2020 and do not take into account potential impacts from Covid-19.

E.3 Financial review

Worldline operations in 2019

Following the decision made on January 29, 2019 by Atos Board of Directors to submit to the Annual General Meeting the project to distribute 23.5% of Worldline total shares to Atos shareholders and the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, this distribution of Worldline shares took effect on May 7, 2019, the payment date for the stock dividend. Thus, in accordance with IFRS 5, Worldline's results up to April 30, 2019 (instead of May 7, 2019 for practical reasons) have been reclassified to "Net income from discontinued operation". The gain resulting from this transaction was recognized in the consolidated income statement in "Net income from discontinued operation" (see in Note 1 Changes in the scope of consolidation).

Worldline 2018 contributions to the Group income statement and cash flow were restated accordingly.

In addition, Atos has disposed in November 2019 part of its remaining Worldline shares and issued an exchangeable bond as follows:

- sale of 14.7 million of Worldline shares through an Accelerated Bookbuilding Offering (ABO);
- transfer of £ 198 million (€ 230 million) of Worldline shares to Atos UK Pension Scheme in exchange of no additional funding in cash of this scheme for the next 15 years; and
- issuance of a 5-year € 500 million bond which will be exchangeable into Worldline shares (Optional Exchangeable Bond) (OEB).

E.3.1 Income statement

The Group reported a net income from continuing operations (attributable to owners of the parent) of € 414 million for 2019, which represented 3.6% of Group revenue. Net income from continuing operations was impacted by several one-off items such as the Worldline shares transactions in November 2019, adaptation restructuring plan in Germany, and implementation costs to generate Syntel synergies as detailed below.

The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 834 million, representing 7.2% of 2019 Group revenue.

The net income from discontinued operation is resulting from the distribution of Worldline shares in May 2019 as described above.

(in € million)	12 months ended December 31, 2019	%	12 months ended December 31,2018[1]	%
Continuing operations				
Operating margin	**1,190**	**10.3%**	**967**	**9.1%**
Other operating income/(expenses)	-530		-337	
Operating income	**660**	**5.7%**	**630**	**5.9%**
Net financial income/(expenses)	-208		-67	
Tax charge	-82		-1	
Non-controlling interests	-3		-4	
Share of net profit/(loss) of associates	47		2	
Net income from continuing operations – Attributable to owners of the parent	**414**	**3.6%**	**560**	**5.3%**
Normalized net income from continuing operations – Attributable to owners of the parent[2]	**834**	**7.2%**	**803**	**7.5%**
Discontinued operation				
Net income from discontinued operation – Attributable to owners of the parent	**2,986**		**70**	

1 *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*
2 *The normalized net income is defined hereafter.*

E.3.1.1 Operating margin

Income and expenses are presented in the Consolidated Income Statement by nature to reflect the specificities of the Group's business more accurately. Below the line item presenting revenues, ordinary operating expenses are broken down into staff expenses and other operating expenses.

These two items together are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating margin represents the underlying operational performance of the on-going business and is analyzed in detail in the operational review.

E.3.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 530 million in 2019. The following table presents this amount by nature:

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Staff reorganization	-100	-76
Rationalization and associated costs	-34	-34
Integration and acquisition costs	-41	-44
Amortization of intangible assets (PPA from acquisitions)	-157	-107
Equity based compensation	-73	-36
Other items	-125	-40
TOTAL	**-530**	**-337**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

The € 100 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries. The increase in 2019 came mostly from the specific plan in Germany.

The € 34 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America and France.

Integration and acquisition costs at € 41 million mainly relate to the integration costs of Syntel to generate synergies while the other costs relate to the migration and standardization of internal IT platforms from earlier acquisitions.

The 2019 amortization of intangible assets recognized in the **Purchase Price Allocation** (PPA) of € 157 million was mainly composed of:

- € 67 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 22 million of SIS customer relationships amortized over 12 years starting July 1, 2011;
- € 20 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 17 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014.

In 2019, the amount of amortization of intangible assets increased from € 107 million to € 157 million, mainly due to the amortization in a full year basis of the Syntel Purchase Price Allocation (€ 67 million in 2019 to be compared with € 11 million over 2 months in 2018).

The **equity-based compensation** expense amounted to € 73 million compared to € 36 million in 2018 which reflected the lower performance and the decrease in the number of shares granted in 2018.

In 2019, **other items** increased significantly from € 40 million to € 125 million including exceptional expenses:

- at the time of the distribution of Worldline shares in May, the remaining Worldline shares were valued at the opening price on May 7, 2019 for € 54.7. Since that date, the Worldline participation was accounted for under equity method. The transactions made in November were at € 53.0 per share leading to a loss in the Group consolidated accounts as follows:
  - **accelerated Book building Offering of Worldline shares (ABO)**. The Accelerated Book building Offering of Worldline shares on the market led to a net loss on disposal of € 46 million, net of costs, in the consolidated income statement. The transaction generated a net gain in the statutory accounts of Atos SE,
  - **transfer of £ 198 million (€ 230 million) of Worldline shares to Atos UK Pension Scheme.** Atos has decided to fund its UK Pensions schemes with Worldline shares. This non-cash transaction will prevent Atos from any additional funding in cash for the next 15 years. This transaction led to a net loss on disposal of shares of € 7 million, in the consolidated income statement. The transaction generated a net gain in the statutory accounts of Atos SE;
- settlement signed over H2 2019 with a large German customer led to the recognition of a one-time charge of € 23 million.

E.3.1.3 Net financial expense

Net financial expense amounted to € 208 million for the period (compared to € 67 million prior year) and was composed of a net cost of financial debt of € 64 million and non-operational financial costs of € 144 million.

Net cost of financial debt was € 64 million (compared to € 30 million in 2018) and resulted from the following elements:

- the average gross borrowing of € 5,413 million compared to € 3,330 million in 2018 bearing an average expense rate of 1.55% compared to 1.25% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negotiable European Commercial Papers (NEU CP) and the Negotiable European Medium-Term Note program (NEU MTN) for an average of € 1,478 million (compared to an average of € 1,239 million in 2018) bearing an effective interest rate of 0.21%, benefiting from the attractive remuneration applied to the NEU CP,
  - a € 600 million bond issued in July 2015 bearing a coupon rate of 2.375%,
  - a € 300 million bond issued in October 2016 bearing a coupon rate of 1.444%,
  - a € 700 million bond issued in November 2018 bearing a coupon rate of 0.750%,
  - a € 750 million bond issued in November 2018 bearing a coupon rate of 1.750%,
  - a € 350 million bond issued in November 2018 bearing a coupon rate of 2.500%,
  - a $ 1,900 million 3 and 5-year term loan signed in October 2018 drawn in USD and EUR at variable rate, fully repaid on November 2019 bearing an average effective interest rate of 2.59%; Outstanding balances before repayment was $ 1,045 million and € 513 million,
  - other sources of financing, including securitization, for an average of € 50 million, bearing an effective interest rate of 3.12%;
- the average gross cash varied from € 1,313 million in 2018 to € 1,441 million in 2019 bearing an average income rate of 1.58% compared to 0.80% in 2018.

Non-operational financial costs amounted to € 144 million compared to € 36 million in 2018 and were mainly composed of:

- variance for € 54 million related to the OEB derivative at fair value driven by the Worldline share price evolution between the issuance in November and December 31, 2019 (as per IFRS 9) while the underlying Worldline shares were accounted for under equity method (as per IAS 28);
- pension related interest (broadly stable compared to € 27 million expense in 2018). The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets;
- lease liability interest of € 27 million following IFRS 16;
- net foreign exchange loss (including hedges) of € 4 million versus a net foreign exchange gain (including hedges) of € 4 million in 2018.

E.3.1.4 Corporate tax

The tax charge for 2019 was € 82 million with a profit before tax from continuing operations of € 452 million. The Effective Tax Rate (ETR) was 18.2% compared to 16.2% in 2018 (excluding the recognition of deferred tax assets inherited from Bull acquisition [€ 90 million]). This increase related mostly to the integration in the Group scope of Syntel, which has a higher ETR than average. This effect was similar to the effect that Worldline used to have on Group ETR when it was consolidated as part of the continuing operations. Therefore, the Group ETR remained stable compared to the situation before Worldline deconsolidation and Syntel acquisition.

E.3.1.5 Non-controlling interests

Due to the loss of control of Worldline, non-controlling interests are not significant for the Group anymore amounting € 3 million in continuing operations compared to € 4 million last year.

E.3.1.6 Share of net profit/(loss) of associates

Associates accounted for under equity method amounted to € 47 million in 2019 coming mainly from the contribution of Worldline since May 1, 2019.

E.3.1.7 Normalized net income

The normalized net income attributable to owners of the parent is defined as net income attributable to owners of the parent excluding unusual, abnormal, and infrequent items (attributable to owners of the parent) net of tax based on effective tax rate by country. In 2019, the normalized net income attributable to owners of the parent was € 834 million, representing 7.2% of Group revenue for the period.

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Net income from continuing operations – Attributable to owners of the parent	**414**	**560**
Other operating income and expenses net of tax from continuing operations	-380	-243
Change loss on derivative instrument net of tax	-40	-
Normalized net income from continuing operations – Attributable to owners of the parent	**834**	**803**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

E.3.1.8 Earnings per share

(in € million and shares)	12 months ended December 31, 2019	% Margin	12 months ended December 31, 2018*	% Margin
Continuing operations				
Net income from continuing operations – Attributable to owners of the parent [a]	**414**	**3.6%**	**560**	**5.3%**
Impact of dilutive instruments	-		-	
Net income from continuing operations restated of dilutive instruments – Attributable to owners of the parent [b]	**414**	**3.6%**	**560**	**5.3%**
Normalized net income from continuing operations – Attributable to owners of the parent [c]	**834**	**7.2%**	**803**	**7.5%**
Impact of dilutive instruments	-		-	
Normalized net income from continuing operations restated of dilutive instruments – Attributable to owners of the parent [d]	**834**	**7.2%**	**803**	**7.5%**
Average number of shares [e]	107,669,930		106,012,480	
Impact of dilutive instruments	4,659		15,254	
Diluted average number of shares [f]	107,674,589		106,027,734	
(in €)				
Basic EPS from continuing operations [a]/ [e]	**3.84**		**5.28**	
Diluted EPS from continuing operations [b]/ [f]	**3.84**		**5.28**	
Normalized basic EPS from continuing operations [c]/ [e]	**7.74**		**7.57**	
Normalized diluted EPS from continuing operations [d]/ [f]	**7.74**		**7.57**	
Discontinued operation				
Net income from discontinued operation – Attributable to owners of the parent [a]	**2,986**	**25.8%**	**70**	**0.7%**
Impact of dilutive instruments	-		-	
Net income from discontinued operation restated of dilutive instruments – Attributable to owners of the parent [b]	**2,986**	**25.8%**	**70**	**0.7%**
Average number of shares [e]	107,669,930		106,012,480	
Impact of dilutive instruments	4,659		15,254	
Diluted average number of shares [f]	107,674,589		106,027,734	
(in €)				
Basic EPS from discontinued operation [a]/ [e]	**27.74**		**0.67**	
Diluted EPS from discontinued operation [b]/ [f]	**27.73**		**0.67**	

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Potential dilutive instruments comprised vested stock options (equivalent to 4,659 options).

E.3.2 Cash Flow

Free cash flow representing the change in net cash or net debt, excluding net acquisitions/disposals, equity changes, and dividends paid to shareholders, reached € 642 million (includes € 37 million of one-off items related to the OEB) versus € 451 million achieved in 2018.

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018[1]
Operating Margin before Depreciation and Amortization (OMDA)	**1,802**	**1,210**
Capital expenditures	-324	-371
Lease payments	-345	-
Change in working capital requirement	-130	-95
Cash from operation (CFO)	**1,004**	**744**
Tax paid	-99	-80
Net cost of financial debt paid	-64	-30
Reorganization in other operating income	-92	-84
Rationalization & associated costs in other operating income	-40	-22
Integration and acquisition costs	-40	-40
Other changes[2]	-25	-37
Free Cash Flow (FCF)	**642**	**451**
Net (acquisitions)/ disposals	625	-3,138
Capital increase/(decrease)	18	13
Share buy-back	-113	-57
Dividends paid	-58	-72
Change in net cash/(debt)	**1,114**	**-2,803**
Opening net cash/(debt)	**-2,872**	**307**
Net debt from (used in) discontinued operation	35	-309
Opening net cash/(debt) restated	**-2,837**	**-2**
Change in net cash/(debt)	1,115	-2,803
Foreign exchange rate fluctuation on net cash/(debt)	-14	-32
Closing net cash/(debt)	**-1,736**	**-2,837**

1 *Net debt from items relating to Worldline for 2018 have been reclassified to "Net debt from (used in) discontinued operation", in accordance with IFRS 5.*

2 *"Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration and acquisition costs) and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals, and profit sharing amounts payable transferred to debt.*

Cash from Operations (CFO) amounted to € 1,004 million, up significantly from the prior year. This resulted from the change of the thee following components:

- OMDA net of lease (€ +248 million);
- capital expenditures (€ +47 million);
- change in working capital requirement (€-35 million).

OMDA of € 1,802 million represented 15.5% of revenue, compared to 11.4% of restated revenue of last year:

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Operating margin	**1,190**	**967**
+ Depreciation of fixed assets	334	336
+ Depreciation of right of use	336	-
+ Net book value of assets sold/written off	24	30
+/- Net charge/(release) of pension provisions	-60	-73
+/- Net charge/(release) of provisions	-23	-51
OMDA	**1,802**	**1,210**

* *OMDA items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Capital expenditures amounted to € 324 million or 2.8% of the revenue compared to 3.5% of the revenue 2018, reflecting the evolving business mix of the Group with a significant increase of the B&PS part as a result of Syntel integration, and the increasing of use of cloud compared to classic infrastructure.

The **change in working capital requirement** increased by €-35 million. The DSO ratio reached 47 days compared to 46 days at the end of December 2018 excluding Worldline. The level of trade receivables sold with no recourse to banks with transfer of risks as defined by IFRS 9 remain at the same level than the end of December 31, 2018.

Cash out related to **tax paid** reached € 99 million, up from the prior year, mainly due to Syntel scope.

The **cost of net debt** increased by € 34 million (reaching € 64 million compared to € 30 million in 2018) mainly explained by the financing structure due to Syntel acquisition. This impact was partially reduced thanks to the average rate of 1.58% on the average gross cash compared to 0.80% in 2018.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 173 million compared to € 146 million in 2018. The Group objective for the full year was reached at 1% of revenue plus Syntel costs synergies implementation and German transformation plan.

Other changes amounted to €-25 million, compared to €-37 million in 2018. The 2019 figures included positive one-off items of € 37 million related to the issuance of OEB (derivative instrument net of fees). The increase without the positive on-off mainly came from pension and early retirement programs in France and in Germany, break-up fees related to supplier contract terminations as already mentioned in H1, global transformation programs and foreign exchange impacts.

As a result, the **Group Free Cash Flow (FCF)** generated during the year 2019 was € 642 million, included € 37 million of one-off items related to the issuance of OEB.

The net cash impact resulting from **net acquisitions/disposals** amounted to € 625 million and originated from mainly the Accelerated Bookbuilding Offering of Worldline shares on the market for € 780 million, reduced by costs of disposal and tax, as well as the costs to distribute and other costs related to the May 2019 distribution. Acquisitions are mainly related to IDnomic and X-Perion.

Capital increase totaled € 18 million in 2019 compared to € 13 million in 2018. This is mainly explained by the Group shareholding program SHARE 2018 for employees which occurred only in the first half of 2019.

Share buy-back reached € 113 million during 2019 compared to € 57 million in 2018. These share buy-back programs are related to managers performance shares delivery and aim at avoiding dilution effect for the shareholders. The increase is due to the fact that Atos had to acquire shares for two plans instead of usually one plan (free share plan 2016 with 3-year vesting and Free share plan 2015 with 4.5-year vesting).

The Group distributed a **dividend** mostly related to dividend paid to owners of the parent which amounted to € 55 million (€ 1.70 per share) compared to € 68 million in the first half of 2018 (€ 1.70 per share).

Foreign exchange rate fluctuation determined on debt or cash exposure by country represented a decrease in net cash of €-14 million, mainly coming from the exchange rate of British Pound against Euro.

As a result, the **Group net debt position** was € 1,736 million at the end of December 2019, compared to a restated net debt position of € 2,837 million at the end of December 2018.

E.3.3 Financing policy

Atos has implemented a strict financing policy which is reviewed by the Group Audit Committee, with the objective to secure and optimize the Group's liquidity management. Each decision regarding external financing is approved by the Board of Directors. Under this policy, all Group treasury activities, including cash management, short-term investments, hedging and foreign exchange transactions, as well as financial position financing through lease contracts, are centrally managed through the Group Treasury department. Following a cautious short-term financial policy, the Group did not make any short-term cash investment in risky assets.

E.3.3.1 Financing structure

Atos' policy is to fully cover its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

On November 14, 2019 Atos has fully repaid the term loans in USD and EUR drew on October 9, 2018 to fund the Syntel acquisition. The outstanding amounts were $ 1,045 million and € 513 million.

On October 30, 2019 Atos has announced the disposal of Worldline share capital (€ 780 million through a private placement by way of Accelerated Book building Offering [ABO]) and the issuance of € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%. Total gross proceeds for Atos was € 1,280 million for the combined transactions.

On November 5, 2018, Atos announced the successful placement of its € 1.8 billion bond issue. The € 1.8 billion triple tranche bond issue consists of three tranches:

- € 700 million notes with a 3.5-year maturity and 0.75% coupon;
- € 750 million notes with a 6.5-year maturity and 1.75% coupon;
- € 350 million notes with a 10-year maturity and 2.50% coupon.

There are no financial covenants. The rating agency Standard and Poor's has assigned a rating of BBB+ to the three tranches, subsequently to the rating of Atos described here below.

On October 22, 2018, the rating agency Standard and Poor's has assigned a rating of BBB+ to Atos recognizing the strong investment grade profile of the Group.

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion revolving credit facility (the Facility) maturing in November 2023 with an option for Atos to request the extension until November 2025 in two times. Atos has exercised the option on 2019 to extend the maturity of the Facility until November 2024. Atos still keeps the option to extend the maturity of the Facility for another one year. The Facility is available for general corporate purposes and replaces the existing € 1.8 billion facility signed in November 2014. The Facility includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

On October 9, 2018, Atos drew a bridge loan of $ 1.9 billion for the acquisition of Syntel. The bridge loan was fully reimbursed on November 9, 2018.

On October 9, 2018, Atos drew a term loan of $ 1.9 billion for the acquisition of Syntel. The term loan was composed of a 3-year $ 1.1 billion loan and a 5-year $ 0.8 billion loan. The term loan issuance by currency was $ 0.6 billion equivalent euros and $ 1.3 billion in USD. On December 14, 2018, Atos reimbursed $ 200 million out of the loan drawn in USD. The $ 1.9 billion term loan includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

On May 4, 2018 Atos implemented a Negotiable European Medium-Term Note program (NEU MTN) in order to optimize financial expenses and improve Group liquidity management, for an initial maximum amount of € 600 million.

On June 2, 2017, Atos implemented a Negotiable European Commercial Paper program (NEU CP) in order to optimize financial expenses and improve Group liquidity management, for an initial maximum amount of € 900 million raised to € 1.8 billion in October 2018. On December 10, 2019 the maximum amount of € 1.8 billion was increased to € 2.4 billion.

On September 29, 2016, Atos issued a Euro private placement bond of € 300 million with a seven-year maturity and with a 1.444% fixed interest rate (unrated). There are no financial covenants.

On July 2, 2015 Atos issued a bond of € 600 million with a five-year maturity. The coupon rate is 2.375% (unrated). There are no financial covenants.

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The program has been restricted to two French participant entities.

The program is still structured with two compartments, called ON and OFF:

- compartment "ON" is similar to the previous program (i.e. the receivables are maintained in the Group statement of financial position) which remains by default the compartment in which the receivables are sold. This compartment was used at its lowest level;
- compartment "OFF" is designed so the credit risk (insolvency and overdue) of the debtors eligible to this compartment of the program is fully transferred to the purchasing entity of a third-party financial institution.

As of December 31, 2019, the Group has sold:

- in the compartment "ON" € 108 million receivables for which € 10 million were received in cash. The sale is with recourse, thus re-consolidated in the statement of financial position;
- in the compartment "OFF" € 37 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The Atos securitization program includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5.

E.3.3.2 Bank covenants

The Group was well within its borrowing covenant (leverage ratio) applicable to the multi-currency revolving credit facility and the securitization program, with a leverage ratio (net debt divided by OMDA) of 1.19 at the end of December 2019.

According to the credit documentation of the multi-currency revolving credit facility and the securitization program, the leverage ratio is calculated excluding IFRS 16 impacts, at the end of December 31, 2019.

The leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility and the securitization program.

E.3.3.3 Investment policy

Atos has a policy to lease its office space and data processing centers. Some fixed assets such as IT equipment and company cars may be financed through leases. The Group Treasury department evaluates and approves the type of financing for each new investment.

E.3.3.4 Hedging policy

Atos' objective is also to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the existing floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group Treasury department.

The Group has entered into interest rate swaps in 2018.

E.4 Consolidated financial statements

E.4.1 Statutory auditors' report on the consolidated financial statements for the year ended December 31, 2019

To the Annual General Meeting of Atos Company,

Opinion

In compliance with the engagement entrusted to us by the Annual General Meetings, we have audited the accompanying consolidated financial statements of Atos Company for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with 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 statutory auditors' responsibilities for the audit of the consolidated financial statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics (Code de Déontologie) for statutory auditors.

Emphasis of matter

Without modifying the opinion expressed above, we draw your attention to the paragraph C.5.7.2 of the consolidated financial statements regarding the change in accounting policy resulting from the first time application of IFRS 16 – Leases from January 1, 2019.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed 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, and we do not provide a separate opinion on specific items of the consolidated financial statements.

DISCONTINUED OPERATIONS RELATED TO THE DISTRIBUTION OF WORLDLINE SHARES TO ATOS SHAREHOLDERS

Note 1 Changes in the scope of consolidation of consolidated financial statements

Key Audit Matter	Our audit approach
The distribution of the majority of Worldline shares to Atos shareholders, approved by the General Shareholders' Meeting of April 30, 2019, became effective on May 7, 2019, corresponding to the payment date for the dividend in kind. This distribution led to a loss of control of Worldline and generated a net capital gain recorded in the Consolidated Income Statement in "Net income from discontinued operations" for € 2,931 million (including the Consolidated Income Statement of Worldline's net income up to April 30, 2019), in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The comparative condensed consolidated income statement has been restated to show the discontinued operation separately from continuing operations. Given that the distribution of Worldline shares to Group shareholders led to a significant change in the consolidation scope in 2019 and had a material impact on the Group net income, we considered the accounting recognition of this transaction and the resulting loss of control to be a key audit matter.	Our procedures consisted in: • assessing the compliance of the accounting treatment of this distribution and the resulting loss of control in accordance with the IFRS standards as adopted by the European Union; • substantiating the date of deconsolidation of Worldline's assets and liabilities with the effective date of loss of control; • verifying the arithmetical accuracy of the net capital gains calculation, both for the Worldline shares distributed and for the share capital retained; • verifying that the Worldline net income from discontinued operations presented on a separate line of the Consolidated Income Statement, correctly includes the following components: – the net capital gain on the Worldline shares sold and retained, – the net income from Worldline's activities for the period January 1, 2019, to the date of loss of control for fiscal year 2019, and per fiscal year 2018 comparative figures; • confirming that the information disclosed in the Note 1.3 to the consolidated financial statements is appropriate.

REVENUE RECOGNITION ON LONG TERM FIXED-PRICE CONTRACTS

Note 3 Revenue, trade receivables, contract assets and contract costs of consolidated financial statements

Key Audit Matter	Our audit approach
Regarding fixed-price contracts performed over the course of several years, particularly related to outsourcing, consulting and system integration activities, revenues are recognized, in accordance with IFRS 15 – Revenue from contracts with customers based on the transfer of the control of the service provided. For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each performance obligation when the control is transferred to the customer. Revenue recognized depends on the fair value of the performance obligation and its allocated transaction price. Total contract costs and expected remaining costs are subject to regular monitoring to determine whether the stage of completion and margin recognized should be revised. If these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion. We consider revenue recognition on long-term contracts and the associated costs as a key audit matter as identification of performance obligations and related allocations of the transaction price requires judgment from Management. When revenue is recognized on the basis of costs incurred, the completion degree relies on operational assumptions and estimates which impact the Group consolidated revenue and operating margin.	We assessed the internal control environment relating to contract accounting, in particular those relating to the costs incurred on contract and those relating to the costs to complete. For a number of contracts that were selected based upon quantitative and qualitative criteria (contracts that experienced technical difficulties or low profitability), we performed the following procedures: • for new fixed-price contracts, we corroborated the analysis and accounting treatment retained (allocation of the transaction price to the different performance obligations identified, and definition of recognition conditions of the revenue recognized for each performance obligation); • we corroborated initial budget margin to the financial data within the signed contract and the associated cost estimation; • for contracts in progress, we performed the following procedures on the completion degree when revenue is recognized over time: – we reconciled the financial data (revenue, billing and work-in-progress) including in the workprogress spreadsheet that is updated monthly by the financial controller to the accounting records, – we corroborated the amount of costs incurred with the data from the timesheet application system, – we analyzed standard hourly rates' calculation methodology, – we performed interviews with financial controllers and/or operational managers to assess the estimated costs yet to be incurred and the percentage of completion on the contract, which is the basis on which revenue and margin is recognized, we have furthermore analyzed the appropriateness of these estimates by comparing the forecasted data with the actual performance of the contract and by reconciling, if necessary, to the discussions with the client since the contract was signed, – when necessary, we analyzed assumptions used by management to determine the loss recognized on any unprofitable contracts and confirmed these assumptions with historical performance on the contract and the remaining technical milestones to be achieved.

GOODWILL VALUATION

Note 8 Goodwill and fixed assets of consolidated financial statements

Key Audit Matter	Our audit approach
As of December 31, 2019, the Goodwill is recorded in the balance sheet at a net book value of € 6,035 million, or 32% of the total assets. These assets are not amortized and are subject to an impairment test at least once a year, or if an impairment indication occurs. The annual impairment test is based on the value-in-use of each cash-generating unit (CGU), determined on the basis of an estimate of discounted future cash flows, requiring the use of assumptions and estimates. CGUs correspond to the geographical areas in which the Atos Group operates, with the exception of the Worldline CGU. We considered the valuation of goodwill as a key audit matter, given the weight of these assets in the consolidated balance sheet, the importance of management's judgment in determining cash flow assumptions, discount rates and long-term average growth rate, as well as the sensitivity of the valuation of their value-in-use to these assumptions.	As part of our audit, we examined the process implemented by the Company regarding the performance of impairment tests. We performed the following procedures, on the impairment tests for each CGUs: • we reconciled the cash-flow projections with the three year financial plan; • we analyzed the overall consistency of assumptions used with the performance history of the Group and/or the CGUs concerned and strengthened, especially through interviews with Management, future growth prospects, including the estimation of the perpetual growth rate used; • we assessed, with the support of our valuation specialists, the appropriateness of the valuation model and the discount rates used in relation with market benchmarks; • we performed our own sensitivity calculations, to corroborate the analysis performed by Management. We verified the information disclosed in Note 8, including assumptions used and the sensitivity analysis is appropriate.

VALUATION OF DEFINED BENEFITS PLANS

Note 11 Pension plans of other long-term benefits to the consolidated financial statements

Key Audit Matter	Our audit approach
Certain employees and former employees of the Group benefit from defined benefit pension plans, which can be prepaid through plan assets (pension funds or insurance companies). The net obligations recognized in the Group balance sheet in respect of pension plans amount to € 972 million at December 31, 2019. The Group amends on a regular basis, by collective agreement or options to beneficiaries, the lump sum payments or annuities rights of certain plans. The main amendments performed in 2019 and their related impacts are disclosed in Note 11 to the consolidated financial statements. We have considered the valuation of defined benefit pension plans as a key audit matter, based on: • the technical expertise required to assess inflation, discount, and longevity assumptions underlying the valuation of the plans, and the impacts that could result from a change in those assumptions on the recognized obligations; • the estimates related to beneficiaries' behaviors made by management to assess the impact of certain plan amendments, which could lead to significant impacts in operating margin, in case of variances with actual behaviors observed.	We reviewed the pension plans valuation process, and the methodology used by the Group to set up the underlying actuarial assumptions. With the support of our actuarial experts: • we assessed the actuarial assumptions used, in particular the consistency between the financial (inflation and discount rates) and demographic (mortality table) assumptions, in comparison with market indices and benchmarks; and • for the plans we considered as the most significants, we reviewed the independent actuaries reports. We also reconciled the fair-value of plan assets with their market value (listed shares, bonds, swaps) or other external reports (real estate, unlisted shares, investments in infrastructure projects). We also verified that the recorded amendments of rights reflected the agreements signed with the beneficiaries of the plans. For amendments implying estimates on the beneficiaries' behaviors, we corroborated those estimates with the ones observed on similar plan amendments. Then, we verified that the information disclosed on the Note 11 to the consolidated financial statements, in particular the description and changes on plans, the actuarial assumptions, and the sensitivity analysis disclosed, was appropriate.

DEFERRED TAX ASSETS RECOGNITION ON TAX LOSS CARRYFORWARD

Note 7 Income tax to the consolidated financial statements

Key Audit Matter	Our audit approach
Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as prepared by Management. Duration of forecasts depends on local specificities. Deferred assets on tax losses carryforward amount to € 294 million as of December 31, 2019. The deferred tax assets on tax losses carryforward amount to € 3,590 million in basis, as of December 31, 2019, of which only a part is recognized with respect to estimated use. Unrecognized deferred assets on tax losses carryforward amounts to € 665 million as of December 31, 2019. We identified this issue as a key audit matter due to the particularly high level of tax loss carryforward that can be recognized, and the importance of Management judgment in taxable profits estimated and in tax loss carryforward use.	Our audit approach consisted in verifying the probability of the Company making future use of the tax loss carryforward generated to date, particularly in regard to: • deferred tax liabilities in the same tax jurisdiction, that could be offset against deferred tax assets with the same maturity; and • the Group's ability to generate future taxable profits in the relevant tax jurisdiction in order to use prior-year tax losses recognized as deferred tax assets. We reviewed the appropriateness of main data and assumptions on which relies tax forecasts underlying the recognition and recoverability of deferred tax assets on tax loss carryforward. We also assessed the appropriateness of information disclosed in the Note 7 to consolidated financial statements.

Specific verifications

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report, being specified that, in accordance with the provisions of article L. 823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein and should be reported on by an independent insurance services provider.

Report on Other Legal and Regulatory Requirements

Appointment of the statutory auditors

We have been appointed as statutory auditors of the Company by your General Shareholders' Meetings held on December 16, 1993 for Deloitte & Associés, and on October 31, 1990 for Grant Thornton.

As at December 31, 2019, Deloitte & Associés was in its 26th year mandate, of total uninterrupted engagement, and for Grant Thornton in its 28th year mandate, total uninterrupted engagement, and for both statutory auditors, on 29 years of exercise of mandate since the Company securities were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (Code de Commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de Commerce) and in the French Code of Ethics (Code de Déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Neuilly-sur-Seine, February 25, 2020

The statutory auditors

French original signed by

Deloitte & Associés	**Grant Thornton**
Christophe Patrier	Virginie Palethorpe

E.4.2 Consolidated income statement

(in € million)	Notes	12 months ended December 31, 2019	12 months ended December 31, 2018*
Revenue	**Note 3.1**	**11,588**	**10,648**
Personnel expenses	Note 4.1	-5,277	-4,862
Operating expenses	Note 4.2	-5,121	-4,819
Operating margin		**1,190**	**967**
% of revenue		**10.3%**	**9.1%**
Other operating income and expenses	Note 5	-530	-337
Operating income		**660**	**630**
% of revenue		**5.7%**	**5.9%**
Net cost of financial debt		-64	-30
Other financial expenses		-162	-75
Other financial income		18	38
Net financial income	Note 6.1	-208	-67
Net income before tax		**452**	**564**
Tax charge	Note 7	-82	-1
Share of net profit/(loss) of associates	Note 10	47	2
Continuing operations			
Net income from continuing operations		**417**	**564**
Of which:			
• **attributable to owners of the parent**		**414**	**560**
• non-controlling interests		3	4
Discontinued operation			
Net income from discontinued operation		**3,075**	**139**
Of which:			
• **attributable to owners of the parent**		**2,986**	**70**
• non-controlling interests		89	69
Total Group			
Net income of consolidated companies		**3,491**	**703**
Of which:			
• **attributable to owners of the parent**		**3,399**	**630**
• non-controlling interests		92	73

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

(in € million and shares)	Notes	12 months ended December 31, 2019	12 months ended December 31, 2018*
Net income from continuing operations – Attributable to owners of the parent	**Note 14**	**414**	**560**
Weighted average number of shares		107,669,930	106,012,480
Basic earnings per share from continuing operations		**3.84**	**5.28**
Diluted weighted average number of shares		107,674,589	106,027,734
Diluted earnings per share from continuing operations		**3.84**	**5.28**
Net income from discontinued operation – Attributable to owners of the parent	**Note 14**	**2,986**	**70**
Weighted average number of shares		107,669,930	106,012,480
Basic earnings per share from discontinued operation		**27.74**	**0.67**
Diluted weighted average number of shares		107,674,589	106,027,734
Diluted earnings per share from discontinued operation		**27.73**	**0.67**
Net income of consolidated companies – Attributable to owners of the parent	**Note 14**	**3,399**	**630**
Weighted average number of shares		107,669,930	106,012,480
Basic earnings per share of consolidated companies		**31.56**	**5.95**
Diluted weighted average number of shares		107,674,589	106,027,734
Diluted earnings per share of consolidated companies		**31.56**	**5.95**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

E.4.3 Consolidated statement of comprehensive income

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018
Net income of consolidated companies	**3,491**	**703**
Other comprehensive income		
• **To be reclassified subsequently to profit or loss (recyclable):**	**132**	**-4**
Cash flow hedging	-3	4
Exchange differences on translation of foreign operations	134	-12
Deferred tax on items recyclable recognized directly on equity	1	4
• **Not reclassified to profit or loss (non-recyclable):**	**-98**	**-28**
Actuarial gains and losses generated in the period on defined benefit plan	-134	-39
Deferred tax on items non-recyclable recognized directly in equity	37	11
Total other comprehensive income	**34**	**-32**
Total comprehensive income for the period	**3,525**	**671**
Of which:		
• **attributable to owners of the parent**	**3,433**	**609**
• non-controlling interests	92	62

E.4.4 Consolidated statement of financial position

(in € million)	Notes	December 31, 2019	December 31, 2018
ASSETS			
Goodwill	Note 8.1	6,037	8,863
Intangible assets	Note 8.2	1,675	2,813
Tangible assets	Note 8.3	552	725
Right-of-use	Note 9	1,084	-
Investments in associates accounted for under the equity method	Note 10	1,727	7
Non-current financial assets	Note 6.3	351	321
Deferred tax assets	Note 7.4	325	459
Total non-current assets		**11,751**	**13,188**
Trade accounts and notes receivable	Note 3.2	2,858	2,965
Current taxes		53	74
Other current assets	Note 4.4	1,568	2,791
Current financial instruments	Note 13	7	12
Cash and cash equivalents	Note 6.2	2,413	2,546
Total current assets		**6,898**	**8,388**
TOTAL ASSETS		**18,649**	**21,576**

(in € million)	Notes	December 31, 2019	December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		109	107
Additional paid-in capital		1,441	2,862
Consolidated retained earnings		2,278	2,760
Translation adjustments		-152	-285
Net income of consolidated companies attributable to the owners of the parent	Note 14.1	3,399	630
Equity attributable to the owners of the parent	Note 14.2	7,075	6,074
Non-controlling interests	Note 14.3	12	2,027
Total shareholders' equity		**7,087**	**8,101**
Provisions for pensions and similar benefits	Note 11	1,252	1,385
Non-current provisions	Note 12	69	101
Borrowings	Note 6.4	2,651	4,381
Derivative liabilities	Note 6.4	107	-
Deferred tax liabilities	Note 7.4	238	421
Non-current financial instruments	Note 13	2	-
Non current lease liabilities	Note 9	927	-
Other non-current liabilities		3	5
Total non-current liabilities		**5,249**	**6,295**
Trade accounts and notes payables	Note 4.3	2,278	2,462
Current taxes		182	132
Current provisions	Note 12	119	146
Current financial instruments	Note 13	1	2
Current portion of borrowings	Note 6.4	1,498	1,037
Current lease liabilities	Note 9	346	-
Other current liabilities	Note 4.5	1,888	3,400
Total current liabilities		**6,313**	**7,180**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**18,649**	**21,576**

E.4.5 Consolidated cash flow statement

(in € million)	Notes	12 months ended December 31, 2019	12 months ended December 31, 2018*
Profit before tax from continuing operations		**452**	**564**
Depreciation of assets	Note 4.2	334	336
Depreciation of right-of-use	Note 4.2	336	-
Net charge/(release) to operating provisions		-82	-123
Net charge/(release) to financial provisions		31	17
Net charge/(release) to other operating provisions		19	12
Amortization of intangible assets (PPA from acquisitions)	Note 5	157	107
Losses/(gains) on disposals of fixed assets		76	-3
Net charge for equity-based compensation		67	36
Unrealized losses/(gains) on changes in fair value and other	Note 6.1	107	-3
Net cost of financial debt	Note 6.1	64	30
Interest on lease liability	Note 6.1	27	-
Cash from operating activities before change in working capital requirement, financial interest and taxes		**1,588**	**972**
Tax paid		-99	-80
Change in working capital requirement		-130	-95
Net cash from/(used in) operating activities		**1,360**	**797**
Payment for tangible and intangible assets		-324	-371
Proceeds from disposals of tangible and intangible assets		15	33
Net operating investments		**-309**	**-338**
Amounts paid for acquisitions and long-term investments		-54	-2,972
Cash and cash equivalents of companies purchased during the period		5	-179
Proceeds from disposals of financial investments		670	11
Cash and cash equivalents of companies sold during the period		-1	-
Dividend received from entities consolidated by equity method		-	1
Net long-term investments		**619**	**-3,139**
Net cash from/(used in) investing activities		**310**	**-3,477**
Common stock issues on the exercise of equity-based compensation		14	-
Capital increase subscribed by non-controlling interests		4	13
Purchase and sale of treasury stock		-113	-57
Dividends paid		-55	-68
Dividends paid to non-controlling interests		-3	-4
Lease payments		-345	-
New borrowings	Note 6.5	591	3,555
Finance lease		-	1
Repayment of current and non-current borrowings	Note 6.5	-1,657	-271
Net cost of financial debt paid		-64	-30
Other flows related to financing activities		4	-
Net cash from/(used in) financing activities		**-1,624**	**3,139**
Increase/(decrease) in net cash and cash equivalents		**46**	**458**
Opening net cash and cash equivalents		**2,378**	**2,182**
Net cash from (used in) discontinued operation		-95	-334
Increase/(decrease) in net cash and cash equivalents	Note 6.5	46	458
Impact of exchange rate fluctuations on cash and cash equivalents		5	-24
Closing net cash and cash equivalents	**Note 6.5**	**2,334**	**2,282**

* *Net cash and cash equivalent flows relating to Worldline for 2018 have been reclassified to "Net cash from (used in) discontinued operation", in accordance with IFRS 5.*

E.4.6 Consolidated statement of changes in shareholders' equity

(in € million)	Number of shares at period-end *(thousands)*	Common Stock	Additional paid-in capital
At December 31, 2017 restated	**105,444**	**105**	**2,740**
• Common stock issued	1,442	2	122
• Appropriation of prior period net income	-	-	-
• Dividends paid	-	-	-
• Equity-based compensation	-	-	-
• Changes in treasury stock	-	-	-
• Dilution impact	-	-	-
• Acquisition of Non controlling interest without a change in control	-	-	-
• Other	-	-	-
Transactions with owners	**1,442**	**2**	**122**
• Net income	-	-	-
• Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**
At December 31, 2018	**106,886**	**107**	**2,862**
• Adjustment on initial application of IFRS 16, net of tax	-	-	-
At December 31, 2018, adjusted	**106,886**	**107**	**2,862**
• Common stock issued	2,329	2	140
• Appropriation of prior period net income	-	-	-
• Dividends paid	-	-	-
• Distribution in kind of Worldline shares	-	-	-1,561
• Equity-based compensation	-	-	-
• Changes in treasury stock	-	-	-
• Non controlling interests Worldline	-	-	-
• Other	-	-	-
Transactions with owners	**2,329**	**2**	**-1,421**
• Net income of consolidated companies	-	-	-
• Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**
At December 31, 2019	**109,215**	**109**	**1,441**

Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
1,490	**-282**	**8**	**601**	**4,662**	**564**	**5,226**
-	-	-	-	123	5	128
601	-	-	-601	-	-	-
-179	-	-	-	-179	-11	-190
53	-	-	-	53	4	57
-84	-	-	-	-84	-13	-97
891	-	-	-	891	1,417	2,308
1	-	-	-	1	-1	-
-2	-	-	-	- 2	0	-2
1,281	**-**	**-**	**-601**	**803**	**1,400**	**2,204**
-	-	-	630	630	73	703
-22	-3	3	-	-22	-11	-32
-22	**-3**	**3**	**630**	**609**	**62**	**671**
2,748	**-285**	**11**	**630**	**6,074**	**2,027**	**8,101**
-	-	-	-	-	-	-
2,748	**-285**	**11**	**630**	**6,074**	**2,027**	**8,101**
-	-	-	-	142	-	142
630	-	-	-630	-0	-	-0
-182	-	-	-	-182	-3	-185
-783	-	-	-	-2,344	-	-2,344
67	-	-	-	67	-	67
-113	-	-	-	-113	-	-113
-	-	-	-	-	-2,107	-2,107
-	-1	-	-	-1	3	2
-381	**-1**	**-**	**-630**	**-2,431**	**-2,107**	**-4,538**
-	-	-	3,399	3,399	92	3,491
-98	134	-2	-	34	-	34
-98	**134**	**-2**	**3,399**	**3,433**	**92**	**3,525**
2,269	**-152**	**9**	**3,399**	**7,075**	**12**	**7,087**

E.4.7 Notes to the consolidated financial statements

E.4.7.1 General information

Atos SE, the Group's parent company, is a société européenne (public limited company) incorporated under French law, whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. It is registered with the Registry of Commerce and Companies of Pontoise under the reference 323623603. Atos SE shares are traded on the NYSE Euronext Paris market under ISIN code FR0000051732. The shares are not listed on any other stock exchange. The Company is administrated by a Board of Directors.

The consolidated financial statements of the Group for the twelve months ended December 31, 2019 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

These consolidated financial statements were approved by the Board of Directors on February 18, 2020. The consolidated financial statements will be submitted to the approval of the Annual General Meeting scheduled to take place on May 14, 2020.

E.4.7.2 Basis of preparation and significant accounting policies

Basis of preparation

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2019 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2019. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). Accounting policies applied by the Group comply with those standards and interpretations.

As of December 31, 2019, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB). Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

Except for the impacts of IFRS 16 first time application separately disclosed, the other new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1, 2019 had no material impact on the consolidated financial statements:

- IFRIC 23 – Uncertainty over Income Tax Treatments;
- amendments to IFRS 9 – Prepayment features with negative compensation;
- amendments to IAS 28 – Long term interests in associates and joint ventures;
- amendments to IAS 19 – Plan amendment – curtailment and settlement;
- annual improvements to IFRS standards 2015–2017 Cycle – various standards.

Other standards

The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date. New standards are effective for annual periods beginning after January 1, 2020 and an earlier application is permitted. The Group has not early applied those amended standards in preparing these consolidated statements. The Group does not anticipate any significant impact from the implementation of those new standards:

- amendments to IFRS 3 – Definition of a business;
- amendments to IAS 1 and IAS 8 – Definition of material;
- amendments to references to conceptual framework in IFRS standards;
- IFRS 17 – Insurance Contracts.

The Group will continue to apply the amendments to IFRS 9/IAS 39, both in terms of timing and the amounts of the underlying cash flows to which it is exposed, until there is more clarity relating to the reform to benchmark interest rates ("IBOR reform"). The Group believes that the situation will be unclear for as long as (i) the existing contracts that refer to these rates are not amended to specify the date on which the benchmark rate will be replaced, and (ii) the impacts related to the use of the new benchmark interest rate and ensuing adjustments to lending margins have not been determined. How the situation evolves will partly depend on the replacement clauses that will need to be added to the contracts concerned and negotiations with lenders and bondholders.

Changes in accounting policies – IFRS 16, Leases, first application

IFRS 16, *Leases,* introduces a single on-balance sheet lease accounting model for lessees requiring them to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make future lease payments.

IFRS 16, *Leases*, replaces existing IAS 17, Leases, IFRIC 4, *Determining whether an Arrangement contains a Lease,* SIC 15, *Operating Leases-Incentives* and SIC 27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group applied IFRS 16 as of January 1, 2019 using the modified retrospective approach under which the comparative period is not restated. Instead, the cumulative impact of the application of the new standard is recognized in retained earnings at the transition date. Impact on equity is nil as of January 1, 2019.

Atos as a lessee

At transition date, the Group applied the practical expedient to grandfather the definition of a lease. This means that as at January 1, 2019, the Group applied IFRS 16 to all alive contracts entered before this date and identified as leases in accordance with IAS 17 and IFRIC 4. For contracts entered into after January 1, 2019, the Group assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration.

The Group also applies exemptions allowed by IFRS 16.5 to not recognize short term leases (less than 12 months) and leases for which the underlying asset is of a low value. Payments under such contracts are registered in the income statement, on a straight-line basis, over the term of the contract. Future commitments to pay rents are presented as off-balance-sheet commitments.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using a Group's incremental borrowing rate. Those rates have been determined for all currencies of the Group by geographies and by maturity. The incremental borrowing rates are calculated by taking for each currency a reference market index quotation and adding up a spread corresponding to the cost of financing that would be applied by a lender to any subsidiary of Atos Group.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised resulting from a decision of the Group.

The Group has applied judgment to determine the lease term for some Real Estate lease contracts in which it is a lessee and that include renewal or early termination options analyzing whether those sites, mainly offices and data centers, were strategic or not. In most cases, the Group retained the earliest date when the Group can go out from its lease commitment without paying or supporting any significant penalty except for French 3/6/9 specific leases where the 9th year has systematically been defined as lease term.

The Group is currently studying latest decisions issued by IFRIC around the definition of the enforceable contractual period of a lease and does not anticipate any major impact of those decisions.

Atos as a lessor

For leases in which Atos is acting as a lessor, IFRS 16 does not trigger any change on the existing accounting treatment under previous standards and interpretations. As part of Infrastructure & Data Management and Big Data & Cybersecurity businesses, the Group may, in some circumstances, provide IT equipments to its customers through a manufacturer or dealer-lessor model. When those leases qualify as finance leases, the revenue corresponding to the sale of the asset is recognized and the corresponding asset is presented as a contract asset. The same accouting treatment used to be applied under IFRIC 4.

Impacts on financial statements

The Group elected to present the lease liability and the right-of-use the assets on dedicated lines of the Statement of financial position. Amortization of the right-of-use is part of the operating margin, interest costs are part of the financial result of the Group. The impact of IFRS 16 implementation on Operating Margin and Group net result is not material as of December 31, 2019. The Group elected to exclude the lease liabilities from the Group net debt definition. Therefore, Free Cash Flow as per Group definition remains comparable with prior years.

The Group elected to account the net deferred taxes resulting from IFRS 16 standard application. At transition date assets and liabilities resulting from IFRS 16 have the same value, therefore no temporary differences are recognized.

Excluding Worldline which is presented as held for distribution as of January 1, 2019, IFRS 16 led to the recognition of an opening lease liability for € 1,202 million. This liability relates mainly to Real Estate, IT equipment's and company cars. Reconciliation of operating lease commitments as of December 31, 2018 and opening lease liability as of January 1, 2019 is as follows:

(in € million)	**January 1, 2019**
Operating lease commitment at December 31, 2018 as disclosed in the Group's consolidated financial statements	**1,559**
Worldline held for distribution	-210
Short-term and low value assets leases (IFRS 16 exceptions)	-10
Discounting effect	-144
Finance lease liabilities recognised as at December 31, 2018	12
Other impacts	-5
Lease liabilities recognised at January 1, 2019	**1,202**

The impacts of the first application of IFRS 16 on the opening statement of financial position are the following, excluding Worldline which is presented as held for distribution as of January 1, 2019:

- the accounting of the right-of-use assets for an amount of € 1,206 million, non-current lease liabilities for € 877 million and current lease liabilities for € 325 million (those amounts are considered as net of prepaid leases); the previous amounts include the reclassification of recognized tangible assets and financial debt related to existing finance leases as of December 31, 2018 for an amount of € 12 million to right-of-use and lease liability;
- the reclassification of lease incentive benefits from current and non-current liabilities to reduction of the right-of-use assets for € 23 million; this amount reduces the amount of right-of-use assets indicated hereabove;
- the reclassification of onerous lease provision from non-current liabilities to reduction of the right-of-use assets for an amount of € 7 million; this amount reduces the amount of right-of-use assets indicated hereabove.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date. The estimates, assumptions and judgments that may result in a significant adjustment to the carrying amounts of assets and liabilities are essentially related to:

- revenue recognition: Estimates of percentage of completion, potential loss to go (Note 3 Revenue, trade receivables, contract assets and contract costs);
- acquisition of subsidiaries: Fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired, and liabilities assumed (Note 1 Changes in the scope of consolidation);
- impairment test of intangible assets and Goodwill: key assumptions underlying recoverable amounts (Note 8 Goodwill & fixed assets);
- recognition and measurement of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilized (Note 7 Income tax);
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of ressources with no counterparty (Note 12 Provisions);
- measurement of Defined Benefit Obligations: Key actuarial assumptions (Note 11 Pensions plans and other long-term benefits);
- Lease liabilities and right-of-use: estimates of the enforceable contractual period of a lease and incremental borrowing rate used (Note 9 Leases).

Consolidation methods

Subsidiaries are entities controlled directly or indirectly by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, combined with a shareholding of more than 50 percent of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Jointly controlled companies are accounted for under the equity method when they are classified as joint ventures and consolidated based on the percentage share specific to each statement of financial position and income statement item when they are classified as joint operations. Associates over which the Group has significant influence are accounted under equity method.

Financial assets classification and business model

IFRS 9 defines three approaches to classify and measure financial assets based on their initial recognition.

- amortized cost;
- fair value though other components of comprehensive income;
- fair value through income statement.

Financial assets are classified according to these three categories by reference to the business model the Group uses to manage them, and the contractual cash flows they generate.

Loans, receivables and other debt instruments considered “basic lending arrangements” as defined by IFRS 9 (contractual cash flows that are solely payments of principal and interest) are carried at amortized cost when they are managed with the purpose of collecting contractual cash flows, or at fair value through other components of comprehensive income when they are managed with the purpose of collecting contractual cash flows and selling the asset, while debt instruments that are not “basic lending arrangements” or do not correspond to these business models are carried at fair value through income statement. Equity instruments are carried at fair value through income statement or, under an irrevocable option, at fair value through Other components of comprehensive income.

The business model of the Group is to collect its contractual cash flows for its trade receivables.

Trade receivables can be transferred to third parties (banks) with conditions of the Transfers Meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved. Those trade receivables are in that case derecognized, further to the analysis of the actual transfer of risks, the non-materiality of any dilution risk based on experience, and the absence of continuing involvement.

Presentation rules

Current and non-current assets and liabilities

Assets and liabilities classified as current are expected to be realized, used or settled during the normal cycle of operations. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group's working capital requirement.

Assets and liabilities held for sale/distribution and discontinued operations

Assets and liabilities held for sale/distribution or part of discontinued operations are presented on separate lines in the Group's consolidated statement of financial position, without restatements for previous periods. They are measured at the lower of their carrying amount and fair value less costs to sell/distribute. Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the assets and liabilities are available for immediate sale in their present condition at the reporting date.

When these assets and liabilities represent either a complete business line or a Business Unit, the profit or loss from these activities are presented on a separate line of the income statement and is restated in the cash flow statement and the income statement.

Translation of financial statements denominated in foreign currencies

Statements of Financial Positions of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rates for the period. Statement of Financial Position and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under "Translation adjustments".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

The Group does not consolidate any entity operating in a hyperinflationary economy except Argentina. Argentina is a hyperinflationary economy since July 1, 2018. As such, all Profit & Loss items from Argentinian entities have been restated from inflation in accordance with IAS 29.

Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading "Other financial income and expenses", except where hedging accounting is applied as explained in the paragraph "Financial assets – Derivative financial instruments".

E.4.7.3 Financial risk management

The Group's activities expose it to a variety of financial risks including liquidity risk, interest rate risk, credit risk and currency risk. Financial risk management is carried out by the Group Treasury department and involves minimizing potential adverse effects on the Group's financial performance.

Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Atos' policy is to cover in full its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

Credit facilities are subject to financial covenants that are carefully followed by the Group Treasury department.

An analysis of the maturity of financial liabilities is disclosed in Note 6.4.

Interest rate risk

Interest rate risk arises mainly on borrowings. The management of exposure to interest rate risk encompasses two types:

- a price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Group is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the consolidated income statement and, as such, future net income of the Group up to maturity of these assets;
- a risk on floating-rate financial assets and liabilities should interest rates increase.

The main objective of managing overall interest rate risk on the Group's debt is to minimize the cost of debt and to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts entered with leading financial institutions.

Credit risk

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis is fully integrated within the global risk assessment project conducted throughout the life cycle of a project. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions.

Currency risk

Atos Group policy promotes natural hedge positions in which costs and revenues are denominated in the same currency.

Nevertheless, the Group's financial performance can be influenced by fluctuations in exchange rate considering a growing portion of the external business involving offshore costs centers based mostly in India and Central Europe.

The Group has established a policy for managing foreign exchange positions resulting from commercial and financial transactions denominated in currencies different from the local currency of the relevant entity. According to this policy, any material exposure must be hedged as soon as it occurs. In order to hedge its foreign exchange rate exposure, the Group uses a variety of financial instruments, mainly forward contracts and foreign currency swaps.

Price risk

The Group has no material exposure to the price of equity securities, nor is it exposed to commodity price risks.

E.4.7.4 Alternative Performance Measures

Operating margin

Operating margin equals to External Revenues less personnel and operating expenses. It is calculated before Other Operating Income and Expenses as defined below.

Other Operating Income and Expenses

Other operating income and expenses include:

- the amortization and impairment of intangible assets recognized as part of business combinations such as customer relationships, technologies and Goodwill;
- when accounting for business combinations, the Group may record provisions in the opening statement of financial position for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the income statement under "Other operating income and expenses";
- the cost of acquiring and integrating newly controlled and consolidated entities, including earn out expenses;
- the net gain or losses on disposals of consolidated companies or businesses;
- the fair value of shares granted to employees including social contributions;
- the restructuring and rationalization expenses relating to business combinations or qualified as unusual, infrequent and abnormal. When a restructuring plan qualifies for Other Operating Income and Expenses, the related real estate rationalization & associated costs regarding premises are presented on the same line;
- the curtailment effects on restructuring costs and the effects of plan amendments on Defined Benefit Obligation resulting from triggering events that are not under control of Atos management;
- the net gain or loss on tangible and intangible assets that are not part of Atos core-business such as Real Estate;
- other unusual, abnormal and infrequent income or expenses such as major disputes or litigation.

Normalized net income

The normalized net income is the net income (Group Share – excluding net result attributable to Non-Controlling Interests) before Other Operating Income and Expenses and changes in derivative liabilities, net of taxes.

Normalized earnings per share

Normalized earnings per share are calculated by dividing the normalized net income (Group share) by the weighted-average number of common shares outstanding during the period, excluding treasury shares.

Net debt

The net debt comprises total borrowings (bonds, short term and long-term loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest with maturity of less than 12 months, less net cash and cash equivalents. Lease liabilities and derivative liabilities are excluded from the net debt.

Free Cash Flow

The Free Cash Flow represents the change in net cash or net debt, excluding equity changes, share buyback, dividends paid to shareholders and non-controlling interests, net acquisition or disposal of companies or businesses.

E.4.7.5 Notes to the consolidated financial statements

Note 1 Changes in the scope of consolidation

Business combination and goodwill

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations when fulfilling the definition of a business under IFRS 3.

Valuation of assets acquired, and liabilities assumed of newly acquired subsidiaries

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value. It is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged to the income statement when incurred and presented as part of the Other Operating Income and Expenses.

Non-controlling interests may, on the acquisition date, be measured either at fair value or based on their stake in the fair value of the identifiable assets and liabilities of the acquired entity. The choice of measurement methodology is made on a transaction-by-transaction basis.

All the assets, liabilities and contingent liabilities of the acquired subsidiary are measured at their fair value in the opening statement of financial position at acquisition date. The opening statement of financial position is adjusted, when necessary, during the 12 months following the acquisition date.

In step acquisitions, any equity interest held previously by the Group is remeasured at fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss is recognized in Other Operating Income and Expenses.

Purchase of non-controlling interests and sale of interests in a controlled subsidiary

Purchase of non-controlling interests and sale transactions of interests in a controlled subsidiary that do not change the status of control are recorded through shareholders' equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in Other Operating Income and Expenses. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in Other Operating Income and Expenses.

1.1 – Acquisition of Syntel in 2018

Atos acquired 100% of Syntel Inc. which is fully consolidated since November 1, 2018. The purchase price allocation has been revised in the 12 months following the acquisition. Fair value of assets and liabilities acquired have been reviewed based on circumstances existing at acquisition date leading to the recognition of a final Goodwill of € 2,464 million:

Consideration transferred and goodwill

(in € million)	Goodwill
Total consideration paid [A]	2,966
USD versus EUR Hedging of the consideration paid [B]	-39
Tax effect on USD versus EUR Hedging of the consideration paid [C]	13
Fair value of identifiable net assets [D]	476
Goodwill [A] + [B] + [C] - [D]	**2,464**

The residual goodwill is attributable to Syntel' highly skilled workforce and some know-how. It also reflects the synergies expected to be achieved from integrating Syntel operations into the Group. The goodwill arising from the acquisition is not tax deductible.

1.2 – Acquisitions in 2019

IDnomic

The Group acquired IDnomic, European leader in digital identity management infrastructure to reinforce its global leadership in cybersecurity and expands its offering in the field of digital identity management and PKI (Public Key Infrastructure) solutions. The consideration transferred was € 38 million leading to the recognition of a preliminary goodwill of € 18 million.

1.3 – Distribution in kind of Worldline shares

Discontinued operations up to April 30, 2019

Following the decision made on January 29, 2019 by Atos Board of Directors to submit to the Annual General Meeting the project to distribute 23.5% of Worldline total shares to Atos shareholders and the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, this distribution took effect on May 7, 2019, the payment date for the stock dividend. Thus, in accordance with IFRS 5, Worldline's results up to April 30, 2019 (instead of May 7, 2019 for practical reasons) have been reclassified to "Net income from discontinued operation".

The distribution to Atos shareholders was made based on a ratio of 2 Worldline shares for 5 Atos shares held, in accordance with the terms of the transaction announced by Atos on March 22, 2019 and valued at the opening price on May 7, 2019 of the Worldline share (€ 54.70).

Under IFRS, the distribution in kind of Worldline shares took place in two steps: (i) the first step is the sale of the 50.8% of Worldline shares held by Atos, and (ii) the second step is the acquisition of the 27.3% of Worldline shares retained by Atos.

The net gain resulting from the loss of control of all Worldline shares held by the Group following the distribution was recognized in the consolidated income statement in "Net income from discontinued operation". This gain was presented net of current and deferred taxes and costs to distribute the Worldline shares (after tax). Cash flows relating to Worldline operations up to April 30, 2019 have been reclassified in the consolidated statement of cash flows to "Net cash from (used in) discontinued operation".

Impact on the consolidated income statement

Worldline was not previously classified as held-for-distribution or as a discontinued operation. The comparative condensed consolidated income statement has been restated to show the discontinued operation separately from continuing operations.

The flows relating to the services rendered by the continuing operations to Worldline have been eliminated at the Worldline level. As a result, the external revenue of the Group includes revenues related to such flows.

DETAILED INCOME STATEMENT OF THE DISCONTINUED OPERATION

(in € million)	**From January 1, 2019 to April 30, 2019***	**From January 1, 2018 to December 31, 2018**
Revenue	**705**	**1,610**
Personnel expenses	-289	-692
Operating expenses	-263	-625
Operating margin	**153**	**293**
% of revenue	**21.7%**	**18.2%**
Other operating income and expenses	-22	-87
Operating income	**131**	**206**
% of revenue	**18.6%**	**12.8%**
Net financial income	71	-20
Net income before tax	**201**	**-186**
Tax charge	-48	-45
Net gain (loss) on disposal of discontinued operation	2,931	-
Other costs related to the distribution of Worldline shares	-8	-
Net income	**3,075**	**139**
Of which:		
• **attributable to owners of the parent**	**2,986**	**70**
• non-controlling interests	89	69

* *Income and expense items relating to Worldline for 2019 have been reclassified until April 30, 2019 to "Net income from discontinued operation", in accordance with IFRS 5. See Note 1.*

The deconsolidation of Worldline following the distribution in kind generated a net gain of € 2,931 million in 2019. This amount is net of € 29 million of cost to distribute (after tax).

Investment in Associates from May 1, 2019

Following the distribution, Atos held 27.3% of Worldline's share capital and 35% of voting rights, subject to a six-month lock-up period. Starting May 1, 2019, the Group has no more control on Worldline, but a significant influence on Worldline. As such, the Group investment in Worldline was from that date presented as part of "Investments in associates accounted for under the equity method" in the 2019 consolidated financial statements. A purchase price allocation has been performed for the part of the business which is still held by the Group.

The Group share of Worldline net contributive result since May 1, 2019 is presented in the Group 2019 consolidated income statement in "Share of net profit/(loss) of associates". The new intangible assets generated by the purchase price allocation exercise are amortized on the same line.

Disposal of part of Worldline shares in November 2019

After having distributed 23.5% of Worldline shares to its shareholders on May 7, 2019, Atos has completed in November 2019:

- the sale of 14.7 million of Worldline shares through an Accelerated Bookbuilding Offering (ABO);
- the issuance of € 500 million bond which will be exchangeable into Worldline shares;
- the transfer of £ 198 million (€ 230 million) of Worldline shares to Atos UK Pension Scheme in exchange of no additional funding in cash of the scheme for the next 15 years.

After completion of November transactions, Atos voting rights over Worldline amounted to 25.6%. The review of the governance led to the conclusion that Atos still has significant influence over Worldline. As such, the Group continued to consolidate Worldline under Equity method.

Note 2 Segment information

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company CEOs who makes strategic decisions.

The internal management reporting is built on two axes: Global Business Units and Divisions (Infrastructure & Data Management [IDM], Business & Platform Solutions [B&PS], Big Data & Cybersecurity [BDS]). Global Business Units have been determined by the Group as key indicators by the chief operating decision maker. As a result, and for IFRS 8 requirements, the Group discloses Global Business Units as operating segments.

A Business Unit is defined as a geographical area or the aggregation of several geographical areas which contain one or several countries, without taking into consideration the activities exercised within each country. Each Business Unit is managed by a dedicated member of the Executive Committee.

The measurement policies that the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements. Corporate entities are not presented as an operating segment. Therefore, their financial statements are used as a reconciling item. Corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment, which primarily applies to the Group's headquarters. Shared assets such as the European mainframe are allocated to the Business Unit where they are physically located even though they are used by several Business Units.

Operating segments	Activities
United Kingdom & Ireland	Business & Platform Solutions, Infrastructure & Data Management and Big Data & Cybersecurity in Ireland and the United Kingdom.
France	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in France and Morocco offshore delivery Center.
Germany	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in Germany.
North America	Business & Platform Solutions, Infrastructure & Data Management and Big Data & Cybersecurity in Canada, Guatemala, Mexico and the United States of America.
Benelux & The Nordics	Business & Platform Solutions, Infrastructure & Data Management and Big Data & Cybersecurity in Belarus, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Poland, Russia, Sweden and The Netherlands.
Other Business Units	Business & Platform Solutions, Infrastructure & Data Management and Big Data & Cybersecurity in Algeria, Andorra, Argentina, Australia, Austria, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Croatia, Czech Republic, Egypt, Gabon, Greece, Hungary, Hong-Kong, India, Israel, Italy, Ivory Coast, Japan, Lebanon, Malaysia, Madagascar, Mauritius, Morocco, Namibia, New-Zealand, Philippines, Portugal, Qatar, Romania, Saudi-Arabia, Senegal, Singapore, Serbia, Slovakia, Slovenia, South-Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, Tunisia, Turkey, UAE, Uruguay and also Major Events activities, Global Delivery Centers.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The revenues from each external contract amounted to less than 10% of the Group's revenue.

The operating segment information for the periods was the following:

(in € million)	United Kingdom and Ireland	France	Germany	North America
12 months ended December 31, 2019				
External revenue by segment	**1,669**	**1,788**	**2,167**	**2,725**
% of Group revenue	14.4%	15.4%	18.7%	23.5%
Inter-segment revenue	72	304	193	780
Total revenue	1,740	2,091	2,360	3,506
Segment operating margin	**165**	**164**	**152**	**343**
% of margin	9.9%	9.2%	7.0%	12.6%
Total segment assets	**1,459**	**2,077**	**1,845**	**4,817**
Other information on income statement				
Depreciation of assets	-40	-38	-71	-67
Depreciation of right of use	-24	-30	-59	-76
Other informations				
Capital expenditure	26	53	85	49
Net (debt)/ cash	-753	-36	511	1,370
Year end headcount	9,538	11,196	9,331	10,698

12 months ended December 31, 2018*				
External revenue by segment	**1,620**	**1,723**	**2,168**	**2,022**
% of Group revenue	15.2%	16.2%	20.4%	19.0%
Inter-segment revenue	225	381	431	264
Total revenue	1,845	2,104	2,598	2,287
Segment operating margin	**193**	**150**	**137**	**202**
% of margin	11.9%	8.7%	6.3%	10.0%
Total segment assets	**1,094**	**1,684**	**1,782**	**4,447**
Other information on income statement				
Depreciation of assets	-34	-32	-77	-78
Depreciation of right of use	-	-	-	-
Other informations				
Capital expenditure	33	56	102	54
Net (debt)/cash	-630	148	471	151
Year end headcount	9,111	11,296	9,526	11,876

* *Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

Benelux & The Nordics	Other Business Units	Total Operating segments	Global Structures	Elimination	Total Group
1,047	**2,192**	**11,588**	**-**	**-**	**11,588**
9.0%	18.9%	100.0%	-	-	100.0%
160	970	2,478	326	-2,804	-
1,206	3,162	14,066	326	-2,804	11,588
88	**319**	**1,232**	**-42**	**-**	**1,190**
8.4%	14.6%	10.6%			10.3%
932	**2,380**	**13,510**	**2,348**	**-**	**15,858**
-29	-69	-312	-22	-	-334
-45	-87	-322	-14	-	-336
17	58	289	35	-	324
368	1,110	2,571	-4,307	-	-1,736
5,398	60,795	106,955	1,362	-	108,317

1,027	**2,088**	**10,648**	**-**	**-**	**10,648**
9.6%	19.6%	100.0%			100%
281	1,753	3,335	301	-3,635	-
1,308	3,841	13,983	301	-3,635	10,648
76	**275**	**1,033**	**-66**	**-**	**967**
7.4%	13.2%	9.7%			9.1%
810	**2,073**	**11,889**	**475**	**-**	**12,364**
-32	-58	-311	-25	-	-336
-	-	-	-	-	-
27	76	348	23	-	371
244	930	1,314	-4,151	-	-2,837
5,746	61,704	109,259	1,377	-	110,636

The assets detailed above by segment are reconciled to total assets as follows:

(in € million)	December 31, 2019	December 31, 2018
Total segment assets	**15,858**	**12,364**
Total segment assets from Worldline*	-	6,133
Tax Assets	378	533
Cash & Cash Equivalents	2,413	2,546
TOTAL ASSETS	**18,649**	**21,576**

* *Worldline is no more considered as segment.*

The Group revenues from external customers are split into the following divisions:

(in € million)	Infrastructure & Data Management	Business & Platform Solutions	Big Data & Cybersecurity	Total Group
12 months ended December 31, 2019				
External revenue by segment	**6,321**	**4,216**	**1,050**	**11,588**
% of Group revenue	54.6%	36.4%	9.1%	100.0%
12 months ended December 31, 2018*				
External revenue by segment	**6,360**	**3,392**	**896**	**10,648**
% of Group revenue	59.7%	31.9%	8.4%	100.0%

* *Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

Note 3 Revenue, trade receivables, contract assets and contract costs

Revenue is recognized if a contract exists between Atos and its customer. A contract exists if collection of consideration is probable, rights to goods or services and payment terms can be identified, and parties are committed to their obligations. Revenue from contracts with customers is recognized either against a contract asset or receivable, before effective payment occurs.

Multiple arrangements services contracts

The Group may enter into multiple-element arrangements, which may include combinations of different goods or services. Revenue is recognized for each distinct good or service which is separately identifiable from other items in the arrangement and if the customer can benefit from it.

Contracts delivered by Infrastructure & Data Management and Business & Platform Solutions Divisions often embed transition and transformation prior to the delivery of recurring services, such as IT support and maintenance.

When transition or transformation activities represent knowledge transfer to set up the recurring service and provide no incremental benefit to the customer and cannot be considered as a separate performance obligation (set up activities), no revenue is recognized in connection with these activities. The costs incurred during these activities are capitalized as contract costs if they create a resource that will be used in satisfying future performance obligations related to the contract and if they are recoverable. They are amortized on a systematic basis over the contractual period. The cash collected for such activities is considered as advance payment, presented as contract liability, and recognized as revenue over the recurring service period.

When these activities transfer to the customer the control of a distinct good or service and the customer can benefit from this good or service independently from the recurring services, they are accounted for separately as separate performance obligations and revenues relating to these activities are recognized.

When a single contract contains multiple distinct goods or services, the consideration is allocated between the goods and services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices including usual discounts granted at which the Group sells the goods or services separately. Otherwise, the Group estimates stand-alone selling prices using a cost-plus margin approach.

Principal versus agent

When the Group resells hardware, software and IT services purchased from third-party suppliers, it performs an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as agent in the delivery of the good or service. The Group is a principal if it controls the specified good or service before it is transferred to the customer. In such case, revenue is recognized on a gross basis. If the Group is an agent, revenue is recognized on a net basis (net of supplier's costs), corresponding to any fee or commission to which the Group is entitled. When the Group is providing a significant service of integrating and/or designing the specified good or service, it is acting as a principal in the process of resale. If the specified good or service is distinct from the other services promised to its customer, the Group is acting as a principal notably if it is primarily responsible for the good or service meeting the customer specifications or assumes inventory or delivery risks.

At a point in time versus over time recognition

Revenue is recognized when the Group transfers the control of a good or service to the customer, either at a point in time or over time.

For recurring services, the revenue is recognized over time as the customer simultaneously receives and consumes the benefit provided by the Group's performance as the Group performs. If the Group has a right to invoice a customer at an amount that corresponds directly with its performance to date, the revenue is recognized at that amount. Otherwise, revenue is recognized based on the costs incurred if the entity's efforts are not expensed evenly throughout the period covered by the service.

When the Group builds an asset or provides specific developments, revenue is recognized over time, generally based on costs incurred.

When the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or when the performance does not create an asset with an alternative, use and the Group has an enforceable right to payment for the performance completed to date by the contract and local regulations, revenue is recognized over time, generally based on costs incurred. Otherwise, revenue is recognized at a point in time.

Customer contracts in a form of a lease

Part of certain service arrangements may qualify as a lease under IFRS 16 if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered as manufacturer or dealer-lessor regarding its customers. Where the lease transfers the risks and rewards of ownership of the assets to its customers (finance lease), the Group recognizes Revenue representing the selling price of assets held under lease and presents those as contract assets.

Contract costs – Costs to obtain and fulfil a contract

Incremental costs to acquire a multi-year service contracts are capitalized and amortized over the life of the contract.

Transition & Transformation costs that do not represent a separate performance obligation of a contract are capitalized as contract costs if they create a resource that will be used to perform other performance obligations embedded in the contract, are recoverable. Other costs incurred to obtain or fulfil a contract are expensed when incurred.

Statement of Financial Position presentation

Contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. Invoiced to be issued are presented as part of contract assets. When the rights to consideration are unconditional, they are classified as trade receivables.

Contract liabilities relate to upfront payments received from customers in advance of the performance obligation. Contract costs are presented separately from contract assets. Contract assets and contract liabilities are netted on a contract by contract basis.

Revenue recognition and associated costs on long-term contracts

Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs that have a direct influence on the level of revenue and possible forecast losses on completion that are recognized. A provision for onerous contract is booked if the future costs to fulfil a contract are higher than its related benefits.

Financing component

When Atos expects the period between the transfer of goods and services and customer payment to be greater than 12 months, it assesses whether the contract is embedding a financing component granted or received. When significant, interests generated by this financing component are booked separately from revenue.

3.1 – Disaggregation of revenue from contracts with customers

Most of revenue generated by IDM & B&PS divisions are recognized over time for fixed price contracts and at a point of time for time & material-based contracts. The Group applies the “cost-to-cost” method to measure progress to completion for fixed price contracts. Most of the BDS Revenue is recognized at a point of time when solutions are delivered except for High Performance Computers solutions when Atos is building a dedicated asset with no alternative use and has right to payment by the contract and local regulation for costs incurred embedding a reasonable margin.

In the following table, revenue from contracts with customers is disaggregated by markets. Disaggregated revenue by Global Business Units and Divisions is disclosed in Group’s reportable segments (See Note 2).

(in € million)	Manufacturing, Retail & Transport	Public & Health	Financial Services	Telcos, Media & Utilities	Total Group
12 months ended December 31, 2019					
External revenue by market	**4,139**	**3,411**	**2,169**	**1,869**	**11,588**
% of Group revenue	35.7%	29.4%	18.7%	16.1%	100.0%
12 months ended December 31, 2018*					
External revenue by market	**4,009**	**3,225**	**1,605**	**1,809**	**10,648**
% of Group revenue	37.6%	30.3%	15.1%	17.0%	100.0%

* *Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

3.2 – Trade accounts and notes receivables

(in € million)	December 31, 2019	December 31, 2018
Contract assets	1,517	1,489
Trade receivables	1,301	1,471
Contract costs	106	89
Expected credit losses allowances	-66	-84
Net asset value	**2,858**	**2,965**
Contract liabilities	-680	-776
Net accounts receivable	**2,178**	**2,188**
Number of days’ sales outstanding (DSO)	**47**	**43**

The average credit period on sale of services is between 30 and 60 days depending on the countries. Main part of the contract assets should be converted in trade receivables in the 12 coming months except for contract assets corresponding to the transfer of IT equipment under lease model and the grant of multi-years right to use licensees. Most of the contract liabilities should be converted in revenue in the coming months. Excluding Worldline, the DSO ratio moved from 46 days to 47 days at the end of December 2019.

Transfer of trade receivables

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The Group sold with recourse trade receivables for € 108 million on which € 10 million has been received in cash. These trade receivables have not been derecognized from the statement of financial position, because the Group retains substantially all risks and rewards. The amount received on transfer has been recognized as a secured bank loan. The arrangement with the bank is such that the customer remit cash directly to the Group and the Group transfers the collected amount to the bank.

DSO has been positively impacted by the sale of receivables on large customer contracts by 24 days, stable compared to December 2018. As of December 31, 2019, € 873 million of trade receivables were transferred to third parties with conditions of the Transfers Meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved.

Those trade receivables were therefore derecognized in the statement of financial position as of December 31, 2018. The € 873 million included $ 105 million in the US where Atos only sells 90% of the right to cash flows and then derecognizes 90% of the receivables.

The level of trade receivables sold with no recourse to banks with transfer of risks as defined by IFRS 9 remained at the same level than the end of December 31, 2018.

Ageing of net receivables past due

(in € million)	December 31, 2019	December 31, 2018
1-30 days overdue	90	128
31-60 days overdue	43	42
Beyond 60 days overdue	96	94
TOTAL	**229**	**264**

Movement in expected credit losses allowances

(in € million)	December 31, 2019	December 31, 2018
Balance at beginning of the year	-84	-122
Impairment losses recognized	-28	-12
Amounts written off as uncollectible	12	27
Impairment losses reversed	-2	-3
Impact of business combination	-1	-7
Reclassification and exchange differences	37	32
BALANCE AT END OF THE YEAR	**-66**	**-84**

Note 4 Operating items

4.1 – Personnel expenses

(in € million)	12 months ended December 31, 2019	% Revenue	12 months ended December 31, 2018*	% Revenue
Wages and salaries	-4,280	36.9%	-3,919	36.8%
Social security charges	-980	8.5%	-981	9.2%
Tax, training, profit-sharing	-77	0.7%	-36	0.3%
Net (charge)/release to provisions for staff expenses	0	0.0%	1	0.0%
Net (charge)/release of pension provisions	60	-0.5%	73	-0.7%
TOTAL	**-5,277**	**45.5%**	**-4,862**	**45.7%**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

4.2 – Non-personnel operating expenses

(in € million)	12 months ended December 31, 2019	% Revenue	12 months ended December 31, 2018*	% Revenue
Subcontracting costs direct	-1,892	16.3%	-1,860	17.5%
Hardware and software purchase	-1,154	10.0%	-982	9.2%
Maintenance costs	-626	5.4%	-606	5.7%
Rent expenses	-29	0.3%	-341	3.2%
Telecom costs	-288	2.5%	-292	2.7%
Travelling expenses	-154	1.3%	-128	1.2%
Professional fees	-202	1.7%	-179	1.7%
Others expenses	-247	2.1%	-236	2.2%
Subtotal expenses	**-4,590**	**39.6%**	**-4,624**	**43.4%**
Depreciation of assets	-334	2.9%	-336	3.2%
Depreciation of right-of-use	-336	2.9%	0	-
Net (charge)/release to provisions	23	-0.2%	49	-0.5%
Gains/(Losses) on disposal of assets	-17	0.1%	-9	0.1%
Trade receivables write-off	-12	0.1%	-22	0.2%
Capitalized production	145	-1.3%	123	-1.2%
Subtotal other expenses	**-531**	**4.6%**	**-195**	**1.8%**
TOTAL	**-5,121**	**44.2%**	**-4,819**	**45.3%**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

4.3 – Trade accounts and notes payable

(in € million)	December 31, 2019	December 31, 2018
Trade payables and notes payable	**2,278**	**2,462**
Net advance payments	-31	-37
Prepaid expenses and advanced invoices	-691	-666
Net accounts payable	**1,556**	**1,759**
Number of days' payable outstanding (DPO)	**79**	**97**

4.4 – Other current assets

(in € million)	December 31, 2019	December 31, 2018
Inventories	104	133
State – VAT receivables	212	273
Prepaid expenses and advanced invoices	691	666
Other receivables & current assets	529	530
Net advance payments	31	37
Assets linked to intermediation activities	-	1,151
TOTAL	**1,568**	**2,791**

The intermediation activities in 2018 were related to Worldline activities only.

4.5 – Other current liabilities

(in € million)	December 31, 2019	December 31, 2018
Employee-related liabilities	355	512
Social security and other employee welfare liabilities	172	206
VAT payables	371	430
Contract liabilities	680	776
Liabilities linked to intermediation activities	-	1,151
Other operating liabilities	310	325
TOTAL	**1,888**	**3,400**

The intermediation activities in 2018 were related to Worldline activities only.

Note 5 Other operating income and expenses

Other Operating Income and Expenses is an Alternative Performance Measure and is defined in section E.4.7.4

Equity-based compensation

Free shares and stock options are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the Black-Scholes model. Changes in the fair value of options after the grant date have no impact on the initial valuation. The fair value of instruments is recognized in "other operating income and expense" on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

In some tax jurisdictions, Group entities receive a tax deduction when stock options are exercised, based on the Group share price at the date of exercise.

In those instances, a deferred tax asset is recorded for the difference between the tax base of the employee services received to date (being the future tax deduction allowed by local tax authorities) and the current carrying amount of this deduction, being nil by definition. Deferred tax assets are estimated based on the Group's share price at each closing date and are recorded in income tax provided that the amount of tax deduction does not exceed the amount of the related cumulative stock option expenses to date. The excess, if any, is recorded directly in the equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a five-year lock-up period restriction. Fair values of such plans are measured considering:

- the exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- the 20 percent discount granted to employees;
- the attribution of free shares for the first subscribed shares according to the matching share plan;
- the consideration of the five-year lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and
- the grant date: the date on which the plan and its term and conditions, including the exercise price, is announced to employees.

Fair values of such plans are fully recognized in "Other operating income and expenses" at the end of the subscription period.

The Group has also granted to management and certain employees free share plans. The fair value of those plans corresponds to the value of the shares at the grant date and considers employee turnover during the vesting period as well as the value of the lock-up period restriction when applicable.

Social contributions linked to equity-based compensations are also presented as Other Operating Income and Expenses.

Other operating income and expenses relate to income and expenses that are unusual and infrequent and represented a net expense of € 530 million in 2019. The following table presents this amount by nature:

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Staff reorganization	-100	-76
Rationalization and associated costs	-34	-34
Integration and acquisition costs	-41	-44
Amortization of intangible assets (PPA from acquisitions)	-157	-107
Equity based compensation	-73	-36
Other items	-125	-40
TOTAL	**-530**	**-337**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

The € 100 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries. The increase in 2019 came mostly from the specific plan in Germany.

The € 34 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America and France.

Integration and acquisition costs at € 41 million mainly relate to the integration costs of Syntel to generate synergies while the other costs relate to the migration and standardization of internal IT platforms from earlier acquisitions.

The 2019 amortization of intangible assets recognized in the **Purchase Price Allocation** (PPA) of € 157 million was mainly composed of:

- € 67 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;

- € 22 million of SIS customer relationships amortized over 12 years starting July 1, 2011;
- € 20 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 17 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014.

In 2019, the amount of amortization of intangible assets increased from € 107 million to € 157 million, mainly due to the amortization in a full year basis of the Syntel Purchase Price Allocation (€ 67 million in 2019 to be compared with € 11 million over 2 months in 2018).

The **equity-based compensation** expense amounted to € 73 million compared to € 36 million in 2018 which reflected the lower performance and the decrease in the number of shares granted in 2018.

In 2019, **other items** increased significantly from € 40 million to € 125 million including exceptional expenses:

- at the time of the distribution of Worldline shares in May, the remaining Worldline shares were valued at the opening price on May 7, 2019 for € 54.7. Since that date the Worldline participation was accounted for under equity method. The transactions made in November were at € 53.0 per share leading to a loss in the Group consolidated accounts as follows:
  - **Accelerated Book building Offering of Worldline shares (ABO)**. The Accelerated Book building Offering of Worldline shares on the market led to a net loss on disposal of € 46 million, net of costs of disposal. The transaction generated a net gain in the statutory accounts of Atos SE,
  - **Transfer of £ 198 million (€ 230 million) of Worldline shares to Atos UK Pension Scheme.** Atos has decided to fund its UK Pensions schemes with Worldline shares. This non-cash transaction will prevent Atos from any additional funding in cash for the next 15 years. This transaction led to a net loss on disposal of shares of € 7 million. The transaction generated a net gain in the statutory accounts of Atos SE;
- settlement signed over H2 2019 with a large German customer led to the recognition of a one-time charge of € 23 million.

Equity-based compensation

The € 73 million expense recorded within operating margin relating to equity-based compensation (€ 36 million in 2018) is made up of:

- € 72 million related to free shares plans granted from 2015 until 2019 of which € 6 million of 2019 free shares plans granted;
- € 1 million related to the employee share purchase plan SHARE 2018.

The equity-based compensation plans are detailed by year and by nature as follows:

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
By years:		
Plans 2019	6	-
Plans 2018	21	2
Plans 2017	29	0
Plans 2016	10	30
Plans 2015	6	6
Plans 2014	-	-2
TOTAL	**73**	**36**
By category of plans:		
Free share plans	72	37
Stock options	0	-1
Employee share purchase plan	1	-
TOTAL	**73**	**36**

* *Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

Free shares plans

In 2019, Atos implemented new free shares plans detailed as follows:

	Atos	
Grant Date	**October 23, 2019**	**July 24, 2019**
Number of shares granted	12,000	857,743
Share price at grant date *(€)*	63.6	69.8
Vesting date	October 23, 2022	July 24, 2022
Expected life *(years)*	3	3
Expected dividend yield *(%)*	2.07	2.07
Fair value of the instrument *(€)*	**59.77**	**65.55**
2019 EXPENSE RECOGNIZED *(IN € MILLION)*	**0**	**6**

Atos free share plans

Rules governing the free share plans in Group Atos (prior to 2018) are as follows:

- to receive the share, the grantee must generally be an employee or a corporate officer of the Group or a company employee related to Atos;
- vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- the financial performance criteria are the following:
  - Group revenue,
  - Group Operating Margin (OM), and
  - Group Free Cash Flow (FCF);
- the vesting period varies according to the plans rules but never exceeds 4.5 years;
- the lock-up period is 0 to 2 years;
- Atos free shares plans are equity-settled.

Following the announcement of the acquisition of Syntel, the Board of Directors replaced the performance criterion on FCF by a criterion based on earning per share (EPS) in respect of the July 25, 2017 free shares plans.

Rules described above applied to 2018 free shares plans are the same except for the FCF criterion replaced by earning per share (EPS).

The performance criteria for 75% of free shares granted as part of July 25, 2017, March 27, 2018 and July 22, 2018 free shares plans have further been modified by the Board of Directors on October 22, 2018 to align with the revised guidance provided to the market.

Based on 2018 Group results, the remaining 25% of free shares of the above plans will not be vested.

Main previous plans impacting 2019 consolidated income statement are detailed as follows:

	Atos	
Grant Date	**March 27, 2018**	**July 22, 2018**
Number of shares granted	8,550	891,175
Share price at grant date *(€)*	90.0	90.0
Vesting date	March 26, 2021	July 21, 2021
Expected life *(years)*	3	3
Expected dividend yield *(%)*	1.2	1.2
Fair value of the instrument *(€)*	**87.08**	**87.08**
2019 EXPENSE RECOGNIZED *(IN € MILLION)*	**0**	**17**

	Atos			
	July 28, 2015	July 26, 2016	July 24, 2017	July 25, 2017
Grant Date	**Foreign plan**			
Number of shares granted	510,000	947,884	38,738	777,910
Share price at grant date *(€)*	69.70	86.05	123.15	90.00
Vesting date	January 2, 2020	July 26, 2019	July 24, 2020	July 25, 2020
Expected life *(years)*	4.5	3	3	3
Lock-up period *(years)*	-	-	-	-
Risk free interest rate *(%)*	-	-	-	-
Borrowing-lending spread *(%)*	-	-	-	-
Expected dividend yield *(%)*	1.2	1.2	1.2	1.2
Fair value of the instrument *(€)*	**65.89**	**83.00**	**118.80**	**88.12**
2019 EXPENSE RECOGNIZED *(IN € MILLION)*	**6**	**10**	**-2**	**31**

Stock options plans

In 2019, Atos implemented new Stock option plan detailed as follows:

Number of shares issued	209,200
Share price at grant date *(€)*	77.9
Strike price *(€)*	80.1
Vesting date	July 24, 2022
Expected maturity of the plan *(years)*	3 years
Risk free interest rate *(%)*	-0.44
Expected dividend yield *(%)*	2.07
Fair value of the instrument *(€)*	**6.67**
Expense recognized in 2019 *(in € million)*	**0**

Outstanding stock options plans

The change in outstanding share options for **Atos SE** during the period was the following:

	12 months ended December 31, 2019		12 months ended December 31, 2018	
(in € million)	Number of shares	Weighted average strike price *(in €)*	Number of shares	Weighted average strike price *(in €)*
Outstanding at the beginning of the year	**25,467**	**52.2**	**406,707**	**34.0**
Granted during the year	209,200	77.9	-	-
Forfeited during the year	-40,300	77.9	-	-
Exercised during the year	-25,467	52.2	-377,204	34.0
Expired during the year	-	-	-4,036	27.2
Outstanding at the end of the year	**168,900**	**77.9**	**25,467**	**52.2**
Exercisable at the end of the year, below year-end stock price	**-**	**-**	**25,467**	**52.2**

* *Yer-end stock price: € 74.32 at December 31, 2019 and € 71.48 at December 31, 2018.*

Employee share purchase plan Share 2018

In December 2018, the Group implemented a new employee share option plan called Share detailed as follows:

SHARE 2018 was open to employees throughout the Group. This new plan offered eligible employees the purchase of shares at a 20% discount with a five-year lock-up period restriction and the attribution of free shares for the first 2 subscribed shares.

As a consequence of the plan, the Group issued 263,518 shares at a reference share price of € 74.4 (before the 20% discount application).

The cost related to SHARE 2018 takes into account the effect of the five-year lock-up period restriction calculated based on the following parameters:

	SHARE 2018
Number of shares issued	263,518
Share price at grant date *(€)*	68.8
Percentage of discount	20%
Lock-up period	5 years
Risk free interest rate *(%)*	-0.003%
Borrowing-lending spread *(%)*	5%
Expense recognized in 2019 *(in € million)*	**1**

Note 6 Financial assets, liabilities and financial result

6.1 - Financial result

Net financial expense amounted to € 208 million for the period (compared to € 67 million prior year) and was composed of a net cost of financial debt of € 64 million and non-operational financial costs of € 144 million.

Net cost of financial debt

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Net interest expenses	**-64**	**-30**
Interest on obligations under finance leases	-	-1
Gain/(loss) on disposal of cash equivalents	2	1
Gain/(loss) on interest rate hedges of financial debt	-2	-
Net cost of financial debt	**-64**	**-30**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Net cost of financial debt was € 64 million (compared to € 30 million in 2018) and resulted from the following elements:

- the average gross borrowing of € 5,413 million compared to € 3,330 million in 2018 bearing an average expense rate of 1.55% compared to 1.25% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negotiable European Commercial Papers (NEU CP) and the Negotiable European Medium-Term Note program (NEU MTN) for an average of € 1,478 million (compared to an average of € 1,239 million in 2018) bearing an effective interest rate of 0.21%, benefiting from the attractive remuneration applied to the NEU CP,
  - a € 600 million bond issued in July 2015 bearing a coupon rate of 2.375%,
  - a € 300 million bond issued in October 2016 bearing a coupon rate of 1.444%,
  - a € 700 million bond issued in November 2018 bearing a coupon rate of 0.750%,

- a € 750 million bond issued in November 2018 bearing a coupon rate of 1.750%,
- a € 350 million bond issued in November 2018 bearing a coupon rate of 2.500%,
- a $ 1,900 million 3 and 5-year term loan signed in October 2018 drawn in USD and EUR at variable rate, fully repaid on November 2019 bearing an average effective interest rate of 2.59%; Outstanding balances before repayment was $ 1,045 million and € 513 million,
- other sources of financing, including securitization, for an average of € 50 million, bearing an effective interest rate of 3.12%;

- the average gross cash varied from € 1,313 million in 2018 to € 1,441 million in 2019 bearing an average income rate of 1.58% compared to 0.80% in 2018.

Other financial income and expenses

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Foreign exchange income/(expenses)	-3	5
Fair value gain/(loss) on forward exchange contracts held for trading	-1	-1
Change gain/(loss) on derivative instrument	-54	-
Interest on lease liability	-27	-
Other income/(expenses)	-59	-41
Other financial income and expenses	**-144**	**-36**
Of which:		
• other financial expenses	-162	-75
• other financial income	18	38

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Non-operational financial costs amounted to € 144 million compared to € 36 million in 2018 and were mainly composed of:

- variance for € 54 million related to the OEB derivative at fair value driven by the Worldline share price evolution between the issuance in November and December 31, 2019 (as per IFRS 9) while the underlying Worldline shares were accounted for under equity method (as per IAS 28);
- pension related interest (broadly stable compared to € 27 million expense in 2018). The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets;
- lease liability interest of € 27 million following IFRS 16;
- net foreign exchange loss (including hedges) of € 4 million versus a net foreign exchange gain (including hedges) of € 4 million in 2018.

6.2 - Cash and cash equivalents

Cash and cash equivalents include cash at bank and financial instruments such as money market securities. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition. Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market securities are recognized at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expenses".

Cash and cash equivalents are measured at their fair value through income statement.

For entities having subscribed to the Group cash pooling agreement, the cash/debt statement of financial position positions which are linked to this agreement are mutualized and only the net position is presented in the consolidated statement of financial position.

The cash and cash equivalents are held with bank and financial institutions counterparties, majority of which are rated A- to AA-. Impairment on cash and cash equivalent is calculated based on S&P default probability.

(in € million)	December 31, 2019	December 31, 2018
Cash in hand and short-term bank deposit	2,363	2,506
Money market funds	50	40
TOTAL	**2,413**	**2,546**

Depending on market conditions and short-term cash flow expectations, Atos from time to time invests in money market funds or bank deposits with a maturity period not exceeding three months.

6.3 - Non-current financial assets

Investments in non-consolidated companies

The Group holds shares in companies without exercising significant influence or control. Investments in non-consolidated companies are recognized at their fair value. For listed shares, fair value corresponds to the share price at the closing date.

(in € million)		December 31, 2019	December 31, 2018
Pension prepayments	Note 11	231	116
Fair value of non-consolidated investments net of impairment		4	82
Other*		116	123
TOTAL		**351**	**321**

* *"Other" includes loans, deposits, guarantees and up-front and underwriting fees related to past acquisitions amortized over the duration of the debt instrument.*

Main changes in Fair Value of non-consolidated investments net of impairment are mainly related to the €-78 million change non-consolidated investments resulted from the deconsolidation of Worldline.

6.4 - Financial liabilities

Borrowings

Borrowings are recognized initially at fair value, net of debt issuance costs. Borrowings are subsequently measured at amortized cost. The calculation of the effective interest rate considers interest payments and the amortization of the debt issuance costs.

Debt issuance costs are amortized in financial expenses over the life of the loan though the use of amortized cost method. The residual value of issuance costs for loans derecognized is fully expensed on the date of derecognition.

Bank overdrafts are recorded in the current portion of borrowings.

Derivative

Derivative instruments are recognized as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting.

The market value of derivative financial instruments was provided by the financial institutions involved in the transactions or calculated using standard valuation methods that factor in market conditions as of the end of the reporting period.

The Group has identified three financial instrument categories based on the two valuation methods used (listed prices and valuation techniques). In accordance with IFRS, this classification is used as a basis for presenting the characteristics of financial instruments recognized in the statement of financial position at fair value through income as of the end of the reporting period:

- Level 1 category: financial instruments quoted on an active market;
- Level 2 category: financial instruments whose fair value is determined using valuation techniques drawing on observable market inputs;
- Level 3 category: financial instruments whose fair value is determined using valuation techniques drawing on non-observable inputs (inputs whose value does not result from the price of observable market transactions for the same instrument or from observable market data available as of the end of the reporting period) or inputs which are only partly observable.

Issuance of a € 500 million bond exchangeable in Worldline shares

Atos issued on November 2019 bonds due in 2024 for an aggregate nominal amount of € 500 million. The bonds will be exchangeable in Worldline shares, at a premium of 35% above the placing price of the Equity placement.

The bonds will not bear interest and have a maturity of 5 years (except in case of early redemption). The bonds have been offered at a price of 108.875% of the principal amount and will be redeemed at their principal amount of maturity, corresponding to an annual yield to maturity of -1.7%.

In accordance with IFRS 9, a derivative liability of € 52 million has been booked corresponding to the value of a call option on Worldline shares (Level 2 category). The net change in the fair value of the derivative liability between November and December 31, 2019 of € 54 million has been recorded in income statement as part of financial result leading to a total value in the consolidated statement of financial position of € 107 million.

The call option derivative component value is indexed to Worldline shares price and other criteria. As of December 31, 2019, and at issue date, the reference exchange price of Worldline shares was set at € 71.55.

	December 31, 2019			December 31, 2018		
(in € million)	Current	Non-current	Total	Current	Non-current	Total
Bonds	600	2,100	2,700	-	2,700	2,700
Optional exchangeable bond	-	500	500	-	-	-
Banks loans and commercial papers	755	50	805	809	1,556	2,365
Securitization	10	-	10	6	-	6
Finance leases	-	-	-	6	9	15
Other borrowings	133	1	134	216	116	332
TOTAL BORROWINGS	**1,498**	**2,651**	**4,149**	**1,037**	**4,381**	**5,418**

Borrowings in currencies

The carrying amounts of the Group borrowings were denominated in the following currencies:

(in € million)	EUR	Other currencies	Total
December 31, 2019	**3,431**	**718**	**4,149**
December 31, 2018	3,940	1,477	5,418

Value and effective interest rate of financial debt

The fair value of bank loans, which are primarily composed of variable interest rate loans, is considered to be equal to carrying value. For other elements of borrowings, carrying value is considered the best estimate of fair value, the difference between the fair value and the carrying value being not material.

Non-current borrowings maturity

(in € million)	2021	2022	2023	2024	>2024	Total
Bonds	-	700	300	-	1,100	2,100
Optional exchangeable bond	-	-	-	500	-	500
Banks loans and NEU CP	-	-	-	-	50	50
Other borrowings	0	0	0	0	0	1
DECEMBER 31, 2019	**0**	**700**	**300**	**500**	**1,150**	**2,651**

(in € million)	2020	2021	2022	2023	>2023	Total
Bonds	600	-	700	300	1,100	2,700
Banks loans and commercial papers	79	781	0	696	-	1,556
Finance leases	4	3	1	1	1	9
Other borrowings	115	-	1	1	-	116
DECEMBER 31, 2018	**798**	**784**	**702**	**997**	**1,101**	**4,381**

Assumptions retained regarding the presentation of the maturity of non-current borrowings

The valuation of financial liabilities has been conducted based on:

- exchange rates prevailing as of December 31, 2019; and
- interest rates presented hereafter.

The effective interest rates in 2019 were as follows:

(in € million)	2020	2021	2022
Bonds	2,700	2,700	1.80%
Optional exchangeable bond	500	500	0.53%
Bankx loans and commercial papers	805	805	1.27%
Securization and Other borrowings	144	144	-
TOTAL BORROWINGS	**4,149**	**4,149**	**-**
DERIVATIVE LIABILITIES	**107**	**107**	**-**

6.5 – Change in net debt over the period

(in € million)	December 31, 2019	December 31, 2018
Opening net cash/(debt)	**-2,872**	**307**
Net cash/(debt) discontinued operations	35	-
New borrowings	-77	-1,758
Bonds and optional exchangable bonds	-514	-1,797
Repayment of long and medium-term borrowings	1,657	287
Variance in net cash and cash equivalents	46	222
Long and medium-term debt of companies sold during the period	-	3
Long and medium-term debt of companies acquired during the period	-3	-103
Impact of exchange rate fluctuations on net long and medium-term debt	-14	-34
Profit-sharing amounts payable to French employees transferred to debt	-	1
Other flows related to financing activities	6	0
CLOSING NET CASH/(DEBT)	**-1,736**	**-2,872**

(in €million)	December 31, 2019	December 31, 2018
Cash and cash equivalents	2,413	2,546
Overdrafts	-79	-168
TOTAL	**2,334**	**2,378**

Variance in net cash and cash equivalents include net long-term investments for € 619 million detailed as follows:

Net long-term investments

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Amounts paid for acquisitions and long-term investments		
Pursuit Healthcare and Healthcare companies	4	-
Syntel	-	-2,927
Air-Lynx	-1	-4
IDnomic	-38	-
X-Perion	-3	-
Upfront and underwritting fees following Syntel acquisition	-	-31
Deposit	-11	-5
Other	-4	-4
Total amounts paid for acquisitions and long-term investments	**-54**	**-2,972**
Cash and cash equivalents of companies purchased during the period		
Siemens Convergence Creators (CVC)	-	10
Syntel	-	-188
Air-Lynx	-	-1
IDnomic	5	-
X-Perion	-	-
Other	-	0
Total cash and cash equivalents of companies purchased during the period	**5**	**-179**
Proceeds from disposals of financial investments		
Sale of Worldline shares	657	-
Alpha Cloud	-	3
Deposit	5	6
Other	8	2
Total proceeds from disposals of financial investments	**670**	**11**
Cash and cash equivalents of companies sold during the period		
Other	-1	-
Total Cash and cash equivalents of companies sold during the period	**-1**	**-**
Dividend received from entities consolidated by equity method	-	1
Total dividend received from entities consolidated by equity method	**-**	**1**
Net long-term investments	**619**	**-3,139**

* *Net long-term investments relating to Worldline for 2018 have been restated in accordance with IFRS 5.*

6.6 - Breakdown of assets and liabilities by financial categories

The book value of financial assets corresponds to their fair value.

As at December 31, 2019 the breakdown of assets was the following:

(in € million)	Loans and receivables at amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivative related assets
Non-current financial instruments	-	-	-	-
Trade accounts and notes receivables	2,858	-	-	-
Other current assets	1,568	-	-	-
Current financial instruments	-	-	1	6
Cash and cash equivalents	2,363	-	50	-
TOTAL	**6,789**	**-**	**51**	**6**

As at December 31, 2018, the breakdown of assets was the following:

(in € million)	Loans and receivables at amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivative related assets
Non-current financial instruments	-	-	-	-
Trade accounts and notes receivables	2,965	-	-	-
Other current assets	2,791	-	-	-
Current financial instruments	-	-	2	10
Cash and cash equivalents	2,506	-	40	-
TOTAL	**8,261**	**-**	**42**	**10**

As at December 31, 2019 the breakdown of liabilities was the following:

(in € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivative related liabilities	Other
Borrowings	-	2,651	-	-
Derivative liabilities		-	107	-
Non-current financial instruments	-	-	2	-
Trade accounts and notes payables	-	2,278	-	-
Current portion of borrowings	-	1,498	-	-
Current financial instruments	-	-	1	-
TOTAL	**-**	**6,427**	**110**	**-**

As at December 31, 2018 the breakdown of liabilities was the following:

(in € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivative related liabilities	Other
Borrowings	-	4,381	-	-
Non-current financial instruments	-	-	3	-
Trade accounts and notes payables	-	2,462	-	-
Current portion of borrowings	-	1,037	-	-
Current financial instruments	-	-	2	-
TOTAL	**-**	**7,880**	**5**	**-**

Note 7 Income tax

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. Deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

In case of a change in tax rate, the deferred tax assets and liabilities are adjusted through the income statement except if those changes relate to items recognized in other comprehensive income or in equity.

Deferred tax assets and liabilities are netted off at the taxable entity level, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date based on December actuals, business plans and impairment test data.

Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the 3-year business plans (other durations may apply due to local specificities).

7.1 - Current and deferred taxes expense

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Current tax	-122	-97
Deferred tax	40	95
TOTAL	**-82**	**-1**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

7.2 - Effective tax rate

The difference between the French standard tax rate and the Effective Tax Rate (ETR) is explained as follows:

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Profit before tax	452	564
French standard tax rate	34.4%	34.4%
Theoretical tax charge at French standard rate	**-156**	**-194**
Impact of permanent differences	7	23
Differences in foreign tax rates	39	41
Movement on recognition of deferred tax assets	36	111
Equity-based compensation	-24	-18
Change in deferred tax rates	2	-1
Taxes not based on taxable income (mainly CVAE, IRAP, US State income Tax)	-1	7
Withholding taxes	-2	-4
French Tax credit	12	18
Other	3	14
Group tax expense	**-82**	**-1**
EFFECTIVE TAX RATE	**18.2%**	**0.2%**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

The tax charge for 2019 was € 82 million with a profit before tax from continuing operations of € 452 million. The Effective Tax Rate (ETR) was 18.2% compared to 16.2% in 2018 (excluding the recognition of deferred tax assets inherited from Bull acquisition [€ 90 million]). This increase related mostly to the integration in the Group scope of Syntel, which has a higher ETR than average. This effect was similar to the effect that Worldline used to have on Group ETR when it was consolidated as part of the continuing operations. Therefore, the Group ETR remained stable compared to the situation before Worldline deconsolidation and Syntel acquisition.

7.3 - Restated effective tax rate

After restating the unusual items, the restated profit before tax was € 1,036 million, restated tax charge of € 246 million and the restated effective tax rate was 23.7%.

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Profit before tax	**452**	**564**
Other operating income and expenses	-530	-337
Change loss on derivative instrument	-54	-
Profit before tax excluding unusual items	**1,036**	**900**
Tax impact on unusual items	164	94
Group tax expense	-82	-1
Total of tax excluding unusual items	**-246**	**-95**
RESTATED EFFECTIVE TAX RATE	**23.7%**	**10.6%**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

7.4 - Deferred taxes assets and liabilities

(in € million)	December 31, 2019	December 31, 2018
Deferred tax assets	325	459
Deferred tax liabilities	238	421
NET DEFERRED TAX	**87**	**38**

7.5 - Breakdown of deferred tax assets and liabilities by nature

(in € million)	Tax losses carry forward	Intangible assets recognized as part of PPA	Fixed assets	Pensions	Other	Total
December 31, 2017	**287**	**-139**	**-12**	**245**	**-119**	**262**
Charge to profit or loss for the year	90	32	-17	6	-5	106
Change of scope	2	-379	-2	12	27	-340
Charge to equity	-	-	-	11	4	15
Reclassification	-	-	1	-1	-	-
Exchange differences	-3	-	-1	-	-1	-5
December 31, 2018	**376**	**-486**	**-31**	**273**	**-94**	**38**
Assets held for distribution	-34	185	49	-39	-21	141
Charge to profit or loss for the year	-48	38	-2	-42	94	40
Change of scope	0	-9	-1	-2	-157	-169
Charge to equity	-	-	-	37	2	40
Reclassification	-	9	-5	-3	-	0
Exchange differences	0	-6	3	0	1	-2
DECEMBER 31, 2019	**294**	**-269**	**13**	**225**	**-175**	**87**

7.6 – Tax losses carry forward schedule (basis)

(in € million)	December 31, 2019			December 31, 2018		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2019	-	-	-	3	17	20
2020	2	47	49	7	26	33
2021	3	49	52	2	62	64
2022	1	99	100	2	102	104
2023	2	11	13	-	-	-
Tax losses available for carry forward for 5 years and more	15	112	127	22	115	137
Ordinary tax losses carry forward	**23**	**318**	**341**	**36**	**322**	**358**
Evergreen tax losses carry forward	**1,053**	**2,196**	**3,249**	**1,207**	**2,542**	**3,749**
TOTAL TAX LOSSES CARRY FORWARD	**1,076**	**2,514**	**3,590**	**1,243**	**2,864**	**4,107**

The countries with the largest tax losses available for carry forward were France (€ 1,550 million), Germany (€ 992 million), The Netherlands (€ 280 million), the United Kingdom (€ 238 million), Brazil (€ 117 million), The United States (€ 107 million), Spain (€ 58 million) and Austria (€ 39 million).

7.7 – Deferred tax assets not recognized by the Group

(in € million)	December 31, 2019	December 31, 2018
Tax losses carry forward	665	746
Temporary differences	181	182
TOTAL	**846**	**928**

Note 8 Goodwill and fixed assets

8.1 - Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to geographical areas where the Group has operations.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and the remainder of the loss, if any, is allocated pro rata to the other long-term assets of the unit.

The Cash Generating Units used for the impairment test are not larger than operating segments determined in accordance with IFRS 8 Operating segments.

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable. Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

Impairment tests

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates.

Further to the first application of IFRS 16, the Group elected for the transitional approach still including the rent expenses outflow in the expected cash flows of the CGUs, netting lease liabilities with other assets' net book values and using the same WACC parameters than in previous periods. The Group will change this approach for 2020 impairment test to fully comply with IAS 36 requirements.

(in € million)	December 31, 2018	Assets held for distribution	Impact of business combination	Exchange differences and other	December 31, 2019
Gross value	9,431	-3,050	115	122	6,617
Impairment loss	-567	1	-	-13	-580
CARRYING AMOUNT	**8,863**	**-3,049**	**115**	**109**	**6,037**

(in € million)	December 31, 2017	Assets held for distribution	Impact of business combination	Exchange differences and other	December 31, 2018
Gross value	4,956	-	4,488	-13	9,431
Impairment loss	-572	-	-	5	-567
CARRYING AMOUNT	**4,384**	**-**	**4,488**	**-9**	**8,863**

The impact of business combination in 2019 was related to the acquisition of IDnomic and X-Perion, as well as opening statement of financial position adjustments on Syntel acquisition, mainly related to tax items.

Goodwill is allocated to Cash Generating Units (CGUs) that are then part of one of the operating segments disclosed in Note 2 Segment information as per IFRS 8 requirements. Changes in internal management reporting are applied retrospectively and comparative figures are restated.

A summary of the carrying values of goodwill allocated by CGUs or grouping of CGUs is presented hereafter. Overall, goodwill decreased from € 8,863 million in 2018 to € 6,037 million in 2019 mainly due to the Worldline disposal following the loss of control and to the acquisitions of the year as detailed in Note 1 Changes in the scope of consolidation.

(in € million)	December 31, 2019	December 31, 2018
United Kingdom and Ireland	531	508
France	540	519
Germany	787	785
North America	3,091	2,967
Benelux & The Nordics	439	439
Other countries	649	596
Worldline	-	3,049
TOTAL	**6,037**	**8,863**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial business plans approved by management, covering a three-year period. They are also based on the following assumptions:

- terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.0% (aligned with 2018). Although sometimes exceeding the long-term average growth rate for the countries in which the Group operates, this rate reflects specifics perspectives of the IT sector; and
- discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to consider specific tax rates and country risks relating to each geographical area.

The discount rates used by CGU are presented below:

	2019, Discount rate	2018, Discount rate
United Kingdom and Ireland	8.0%	8.4%
France	8.0%	8.3%
Germany	8.0%	8.3%
North America	8.0%	8.4%
Benelux & The Nordics	8.0%	8.3%
Other countries	between 8% and 9.8%	between 8.3% and 10.9%

Based on the 2019 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized as at December 31, 2019.

An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and perpetuity growth rate) based on reasonably probable assumptions of variations of +/-50 bp for each of these parameters was performed and did not identify any probable scenario where the CGU's recoverable amount would fall below its carrying amount.

8.2 - Intangible assets

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, software, customer relationships and technologies acquired as part of a business combination as well as internally developed IT solutions.

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the generation of the asset into a research phase and a development phase.

Under IAS 38, no intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Such expenditure is therefore recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and to use or sell it;
- its ability to use or sell the intangible asset;
- how 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; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenditure refers to IT solutions developed for the Group's own use, to specific implementation projects for specific customers or innovative technical solutions made available to a group of customers. Development projects are analyzed on a case-by-case basis and the only costs which are capitalized are those attributable to the creation, production and preparation of the asset to be capable of operating in the manner intended by management.

Capitalized development expenditure is accounted for at cost less accumulated depreciation and any impairment losses. It is amortized on a straight-line basis over a useful life between 3 and 12 years, for which two categories can be identified:

- for internal software development with fast technology serving activities with a shorter business cycle and contract duration, the period of amortization will be between 3 and 7 years, the standard scenario being set at 5 years in line with the standard contract duration;
- for internal software development with slow technology obsolescence serving activities with a long business cycle and contract duration, the period of amortization will be between 5 and 12 years with a standard scenario of 7 years. It is typically the case for large mutualized payment platforms.

An intangible asset related to the customer relationships and backlog brought during a business combination is recognized as customer relationships. The value of this asset is based on assumptions of renewal conditions of contract and on the discounted flows of these contracts. This asset is amortized on an estimation of its average life.

The value of the developed technology acquired is derived from an income approach based on the relief from royalty method. This method relies on (i) assumptions on the obsolescence curve of the technology and (ii) the theoretical royalty rate applicable to similar technologies, to determine the discounted cash flows expected to be generated by this technology over their expected remaining useful life. The developed technology is amortized on an estimation of its average life. The cost approach may also be implemented as a secondary approach to derive an indicative value for consistency purposes. This method relies on assumptions of the costs that should be engaged to reproduce a similar new item having the nearest equivalent utility as the asset being valued. On the contrary, if technology is believed to be the most important driver for the business, an Excess Earning method could also be implemented.

Intangible assets are amortized on a straight-line basis over their expected useful life, generally not exceeding 5 to 7 years for internally developed IT solutions in operating margin. Customer relationships, patents, technologies and trademarks acquired as part of a business combination are amortized on a straight-line basis over their expected useful life, generally not exceeding 19 years; any related depreciation is recorded in other operating expenses.

(in € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2018	**1,898**	**854**	**1,309**	**4,061**
Assets held for distribution	-585	-177	-827	-1,590
Additions	-	110	8	118
Impact of business combinations	-	-	11	11
Intangible assets recognized as part of a Purchase Price Allocation	10	-	-	10
Capitalized costs	-	-	84	84
Disposals	-3	-28	-21	-52
Exchange differences and others	39	37	-30	46
DECEMBER 31, 2019	**1,358**	**796**	**534**	**2,689**
Accumulated depreciation				
December 31, 2018	**-475**	**-396**	**-377**	**-1,248**
Assets held for distribution	40	153	304	496
Amortization charge for the year	-	-12	-36	-47
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-120	-34	-2	-157
Amortization of capitalized costs	-	-	-56	-56
Disposals	1	18	14	34
Exchange differences and others	-15	-28	6	-36
DECEMBER 31, 2019	**-568**	**-299**	**-146**	**-1,013**
Net value				
December 31, 2018	**1,422**	**458**	**933**	**2,813**
DECEMBER 31, 2019	**790**	**497**	**388**	**1,675**

(in € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2017	**893**	**759**	**648**	**2,300**
Additions	-	101	5	106
Impact of business combinations	-	-	14	14
Intangible assets recognized as part of a Purchase Price Allocation	980	7	557	1,544
Capitalized costs	-	-	117	117
Disposals	-	-21	-12	-34
Exchange differences and others	24	9	-19	14
December 31, 2018	**1,898**	**854**	**1,309**	**4,061**
Accumulated depreciation				
December 31, 2017	**-354**	**-347**	**-289**	**-991**
Amortization charge for the year	-24	-28	-23	-74
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-89	-36	-4	-128
Amortization of capitalized costs	-	-	-81	-81
Disposals	1	17	14	32
Exchange differences and others	-9	-2	6	-5
December 31, 2018	**-475**	**-396**	**-377**	**-1,248**
Net value				
December 31, 2017	**539**	**412**	**359**	**1,309**
DECEMBER 31, 2018	**1,422**	**458**	**933**	**2,813**

Following the distribution in kind of Worldline shares on May 7, 2019, the Group has no more control on Worldline, but a significant influence on Worldline. A purchase price allocation has been performed for the part of the business which is still held by the Group and former purchase price allocation reversed have been presented in "Assets held for distribution" due to Worldline deconsolidation.

The Group share of Worldline net contributive result since May 1, 2019 is presented in the Group 2019 consolidated income statement in "Share of net profit/(loss) of associates". The new intangible assets generated by the purchase price allocation exercise are amortized on the same line.

The 2019 amortization of intangible assets recognized in the **Purchase Price Allocation** (PPA) of € 157 million was mainly composed of:

- € 67 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 22 million of SIS customer relationships amortized over 12 years starting July 1, 2011;
- € 20 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 17 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014.

In 2019, the amount of amortization of intangible assets recognized in the **Purchase Price Allocation** (PPA) increased from € 128 million to € 157 million, mainly due to the amortization in a full year basis of the Syntel Purchase Price Allocation (€ 67 million in 2019 to be compared with € 11 million over 2 months in 2018).

The gross book value of customer relationship for € 1,358 million as at December 31, 2019 presented above, included mainly:

- € 544 million relative to the Syntel acquisition in 2018;
- € 357 million relative to the Siemens IT Solutions and Services acquisition in 2011;
- € 151 million relative to the Xerox ITO acquisition in 2015;
- € 109 million relative to the Anthelio acquisition in 2016;
- € 104 million relative to the Unify acquisition in 2016.

8.3 - Tangible assets

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

• buildings	20 years;
• fixtures and fittings	5 to 10 years;
• computer hardware	3 to 5 years;
• office furniture and equipment	5 to 10 years.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the income statement.

Impairment of assets

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value.

(in € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2018	**465**	**970**	**205**	**1,639**
Assets held for distribution	-68	-411	-52	-531
Additions	32	149	65	246
Impact of business combination	1	1	2	4
Disposals	-113	-173	-30	-316
Exchange differences and others	16	-38	-41	-63
DECEMBER 31, 2019	**332**	**499**	**149**	**980**
Accumulated depreciation				
December 31, 2018	**-286**	**-548**	**-80**	**-914**
Assets held for distribution	51	306	30	387
Depreciation charge for the year	-29	-146	-14	-190
Eliminated on disposal	98	169	25	291
Exchange differences and others	-5	2	0	-3
DECEMBER 31, 2019	**-171**	**-217**	**-40**	**-428**
Net value				
December 31, 2018	**179**	**422**	**125**	**725**
DECEMBER 31, 2019	**162**	**282**	**108**	**552**

(in € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2017	**438**	**1,041**	**171**	**1,650**
Additions	38	247	51	335
Impact of business combination	34	25	44	102
Disposals	-45	-265	-29	-339
Exchange differences and others	1	-77	-33	-109
DECEMBER 31, 2018	**465**	**970**	**205**	**1,639**
Accumulated depreciation				
December 31, 2017	**-277**	**-592**	**-88**	**-957**
Depreciation charge for the year	-37	-212	-14	-263
Eliminated on disposal	24	210	24	258
Exchange differences and others	4	46	-1	49
DECEMBER 31, 2018	**-286**	**-548**	**-80**	**-914**
Net value				
December 31, 2017	**161**	**449**	**83**	**693**
DECEMBER 31, 2018	**179**	**422**	**125**	**725**

The tangible assets of the Group include mainly IT equipment used in production centers, in particular datacenters and software factories. Moreover, Atos policy is to rent its premises. Therefore, the land and building assets include mainly the technical infrastructure of Group datacenters.

Note 9 Leases

Existence of a lease

At inception of a contract, the Group assesses whether a contract is, or countains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration. Lease Liabilities and Right-of-use are recognized at the lease commencement date.

The Group does not recognize short term leases (less than 12 months) and leases for which the underlying asset is of a low value except when those assets are subleased to end customers. Payments under such contracts are registered in the income statement, on a straight-line basis, over the duration of the contract. Future commitments to pay rents are presented as off-balance-sheet commitments.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using a Group's incremental borrowing. Those rates have been determined for all currencies of the Group by geography and by maturity. The incremental borrowing rates are calculated by taking for each currency a reference market index quotation and adding up a spread corresponding to the cost of financing that would be applied by a lender to any subsidiary of Atos Group.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised, resulting from a decision of the Group.

Lease right-of-use

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentive received.

Real Estate Leases

The Group leases most of its offices and strategic production sites such as Data Centers. Terms and condition can be very heterogeneous based on nature of the sites and local regulations. Those leases have terms between 2 to 20 years.

The Group is applying judgment to determine the lease term for some Real Estate lease contracts in which it is a lessee and that include renewal or early termination options analyzing whether those sites, mainly offices and data centers, are strategic or not. In most cases, the Group retains the earliest date when the Group can go out from its lease commitment without paying any significant penalty except for French 3/6/9 specific leases where the 9th year is systematically defined as lease term.

IT equipment's and company cars

The Group leases IT equipment's for its own use or to deliver its services to end customers (computers, servers). Those leases are entered for terms between 3 to 5 years.

Deferred tax treatment

Deferred tax is applied to IFRS 16 entries based on local applicable tax rates.

(in € million)	Land and buildings	IT equipments	Cars and others	Total
Gross value				
January 1, 2019	**912**	**223**	**71**	**1,206**
Additions	66	167	20	253
Disposals	-15	-44	-2	-61
Exchange differences and others	-20	3	-	-17
DECEMBER 31, 2019	**943**	**349**	**89**	**1,381**
Accumulated depreciation				
January 1, 2019	**-**	**-**	**-**	**-**
Depreciation charge for the year	-189	-115	-32	-336
Eliminated on disposal	16	24	3	42
Exchange differences and others	-1	-2	-	-3
DECEMBER 31, 2019	**-174**	**-94**	**-29**	**-297**
Net value				
January 1, 2019	**912**	**223**	**71**	**1,206**
DECEMBER 31, 2019	**768**	**256**	**60**	**1,084**

In 2019, the "Exchange differences and others" mainly corresponded to the recognition of a sublease receivable related to offices occupied by third parties, reclassified in Non-current financial assets (Note 6.3).

Note 10 Investments in associates accounted for under the equity method

Investments in associates over whose management the parent company directly or indirectly exercises significant influence, without however exercising full or joint control, are accounted for under the equity method. This method consists of recording the Group's share in profit for the year of the associate in the Consolidated Income Statement in "Share of net profit/(loss) of associates".

The Group's share in net assets of the associate is recorded under "Investments in associates accounted for under the equity method" in the Consolidated Statement of Financial Position.

The Group decided to classify all gain or loss on disposal of Investments in associates in Other operating income and expenses.

(in € million)	December 31, 2018	Business combination	Disposal	Net results	Exchange differences and other	December 31, 2019
Worldline	-	2,732	-1,053	45	-	1,724
Other	7	-	-	2	-6	3
TOTAL	**7**	**2,732**	**-1,053**	**47**	**-6**	**1,727**

Following the distribution in kind of Worldline's shares, Atos held 27.3% of Worldline's share capital and 35% of voting rights, subject to a six-month lock-up period. Starting May 1, 2019, the Group has no more control on Worldline, but a significant influence on Worldline. As such, the Group investment in Worldline was from that date presented as part of "Investments in associates accounted for under the equity method" in the 2019 consolidated financial statements.

The amount of € 2,732 million in "business combination" corresponded to the remaining Worldline shares owned by Atos SE, valued at the opening price on May 7, 2019 for a value of € 54.7 per share.

After having distributed 23.5% of Worldline shares to its shareholders on May 7, 2019, Atos has completed in November 2019:

- the sale of 14.7 million of Worldline shares through an Accelerated Bookbuilding Offering (ABO);
- the transfer of £ 198 million (€ 230 million) of Worldline shares to Atos UK Pension Scheme;
- the issuance of € 500 million bond which will be exchangeable into Worldline shares.

These two first transactions led to a net book value of € 1,053 million in November 2019.

After completion of November transactions, Atos voting rights over Worldline amounted to 25.6% and 16.9% of interest percentage. The review of the governance led to the conclusion that Atos still has significant influence over Worldline. As such, the Group continued to consolidate Worldline under Equity method.

Note 11 Pension plans and other long-term benefits

The Group uses actuarial assumptions and methods to measure pension costs and provisions. The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate. The estimation of pension liabilities, as well as valuations of plan assets requires the use of estimates and assumptions.

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to defined contribution costs are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been provided by beneficiaries.

The valuation of Group defined benefit obligations is based on a single actuarial method known as the "projected unit credit method". This method relies in particular on projections of future benefits to be paid to Group employees, by anticipating the effects of future salary increases. Its implementation further includes the formulation of specific assumptions which are periodically updated, in close liaison with external actuaries used by the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing.

From one accounting period to the other, any difference between the projected and actual pension plan obligation and their related assets is combined at each benefit plan's level to form actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses on post-employment benefit plans generated in the period are recognized in "other comprehensive income".

Benefit plan costs are recognized in the Group's operating income, except for interest costs on obligations, net of expected returns on plans assets, which are recognized in "other financial income and expenses".

The total amount recognized in the Group statement of financial position in respect of pension plans was € 972 million at December 31, 2019 (excluding Worldline) compared to € 1,197 million at December 31, 2018 (including € 110 million for Worldline). The total amount recognized for other longer-term employee benefits was € 50 million (excluding Worldline) compared to € 71 million at December 31, 2018 (including € 7 million for Worldline).

(in € million)	December 31, 2019	December 31, 2018
Amounts recognized in financial statements consist of:		
Prepaid pension asset	231	116
Accrued liability – pension plans [a]	-1,203	-1,314
Total Pension plan	**-972**	**-1,197**
Accrued liability – other long-term employee benefits [b]	-50	-71
TOTAL ACCRUED LIABILITY [A] + [B]	**-1,252**	**-1,385**

Pension plans

The Group's pension obligations are located predominantly in the United Kingdom (52% of Group total obligations), Germany (30%), US (6%), France (5%) and Switzerland (5%).

Characteristics of significant plans and associated risks

In the United Kingdom, these obligations are generated by legacy defined benefit plans, the majority of which have been closed to further accrual or new entrants. The plans are final pay plans and are subject to the UK regulatory framework where funding requirements are determined by an independent actuary based on a discount rate reflecting the plan's expected return on investments. Recovery periods are agreed between the plans' trustees and the sponsoring companies and may run up to 20 years if appropriate securities are provided by sponsors. The majority of plans are governed by a sole independent trustee.

The current asset allocation across United Kingdom plans is 78% fixed income, 22% equities and other assets and may vary depending on the particular profile of each plan. The interest rate and inflation exposures are cautiously managed through investment in Gilts, Indexed-Linked and interest rate swaps. The fixed income allocation comprises a significant exposure to investment grade credits and the equity allocation is well diversified geographically.

The plans do not expose the Group to any specific risks that are unusual for these types of benefit plans. Typical risks include, increase in inflation, longevity and a decrease in discount rates and adverse investment returns.

In Germany the majority of the liabilities relate to pension entitlements that transferred to the Group with the acquisition of SIS in 2011 and Unify in 2016. The plans cover multiple legal entities in Germany and are subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plans are partially funded however, using a Contractual Trust Agreement (CTA). The CTA is governed by a professional independent third party. The investment strategy is set by the Investment Committee composed of employer representatives. The asset allocation related to the largest German schemes is 65% fixed income, 24% return seeking assets and other assets and 11% property. The asset allocation related to the other scheme is more in line with the lower interest rate sensitivities of the schemes and are predominantly invested in investment grade credits and, to a lesser extent, in balanced funds and European high yield.

In Switzerland, the obligations are generated by legacy defined benefit plans, exceeding the minimum benefit requirements under Swiss law (BVG). Pension contributions are paid by both the employees and the employer and are calculated as a percentage of the covered salary. The rate of contribution depends on the age of the employee. At retirement, the employees' individual savings capital is multiplied by the conversion rate, as defined by the pension fund regulations, and can be paid out as either a lifetime annuity or a lump-sum payment. In the event of disability, the pension plan pays a disability pension until ordinary retirement age.

The Group obligations are also generated by Qualified and Unqualifed Pension plans in the USA and, to a lesser extent, by legal or collectively bargained end of service or end of career benefit plans. The Group obligations with respect to post-employment healthcare benefits are not significant.

Atos recognized all actuarial gains and losses and asset ceiling effects generated in the period in "Other comprehensive income".

Events in 2019

Since the distribution of Worldline shares by Atos in 2019, Worldline has been consolidated under Equity method in Atos consolidated financial statement. That led to a decrease in the net pension liabilities of € 110 million as at January 1, 2019 (a decrease in the pension obligations of € 536 million and a decrease in plan assets of € 426 million).

In November 2019, Atos merged three Defined Benefit pension schemes together, with transfer of assets and liabilities into a newly Scheme (the Atos UK 2019 Pension Scheme). Members of those plans are either deferred or pensioner members. The deficit at the date of the merger is expected to be around £ 265 million. An agreement has been reached with the Trustee of the new Scheme to arrange a one-off contribution of £ 198 million (€ 230 million) through the distribution of Worldline share. This non-cash transaction will prevent Atos from any additional funding in cash for the next 15 years, subject to ensuring compliance with UK pension funding regulations.

Twice this year, Atos UK Ltd offered to some of the current active members of the Atos 2011 Pension Scheme, a Bridging Pension Option (BPO). This option gives members the opportunity to give up some of their pension rights to be received after State Pension Age (SPA) as a counterpart of temporary pension uplift when retiring from the scheme up to their SPA. This led to a reduction in obligation and operating expenses of € 10 million, including actuarial, legal and other project costs.

In France, the Occupational Pension plan offered to Executive Committee members has been frozen as a result of the PACTE law, implementing in the French regulation parts of the EU directive related to pension accrual portability. The French government clarified via the Ordinance of July 3, 2019 how those new rules apply. Defined Benefit Pension plans are closed to new entrants starting July 4, and no additional benefit accruals are allowed from January 1, 2020 onwards. As a consequence of this new legal framework, upon recommendation of the Nomination and Remuneration Committee, the Board of Directors decided on December 16, 2019 that the new CEO will no longer be eligible to the Occupational Pension plan offered to Executive Committee members. Besides, former Chairman and CEO Thierry Breton, who left Atos on October 31, 2019, and settled his Defined Benefit pension accrued rights, waived his pension supplement that he could be entitled to, during his mandate period at the European Commission. All these impacts are treated as plan amendment under IAS 19. The positive impact of it has been recognized as part of operating margin in the second half of the year for € 12 million.

Amounts recognized in financal statements

(in € million)	December 31, 2019	December 31, 2018
Amounts recognized in financial statements consist of:		
Prepaid pension asset	231	116
Accrued liability – pension plans	-1,203	-1,314
Net amounts recognized – Total	**-972**	**-1,197**
Components of net periodic cost		
Service cost (net of employees contributions)	51	57
Past service cost, Settlements	-46	-41
Administration costs	2	4
Operating expense	**8**	**20**
Interest cost	104	103
Interest income	-74	-79
Financial expense	**30**	**24**
Net periodic pension cost – Total expense/(profit)	**37**	**44**
Change in defined benefit obligation		
Total Defined Benefit Obligation at January 1	**4,901**	**4,735**
Scope adjustment (Worldline)	-536	14
Exchange rate impact	138	-14
Service cost (net of employees contributions)	51	57
Interest cost	104	103
Past service cost, Settlements	-51	-42
Business combinations/(disposals)	0	330
Employees contributions	7	9
Benefits paid	-183	-184
Actuarial (gain)/loss – change in financial assumptions	454	-124
Actuarial (gain)/loss – change in demographic assumptions	-45	-12
Actuarial (gain)/loss – experience results	16	29
Reclassification	0	-
Defined benefit obligation at December 31	**4,855**	**4,901**

The weighted average duration of the liability is about 16 years.

(in € million)	December 31, 2019	December 31, 2018
Change in plan assets		
Fair value of plan assets at January 1	**3,704**	**3,557**
Scope adjustment (Worldline)	-426	-7
Exchange rate impact	131	-15
Actual return on plan assets	364	-56
Employer contributions	33	46
Benefits paid by the funds	-151	-146
Settlements	-5	-2
Business combinations/(disposals)	0	322
Employees contributions	7	9
Administration costs	-3	-4
Reclassification (Worldline shares distributions by Atos SE)	230	
Fair value of plan assets at December 31	**3,883**	**3,704**
Reconciliation of prepaid/(accrued) Benefit cost		
Funded status	-972	-1,197
Any other amount not recognized (asset ceiling limitation)	-	-1
Prepaid/(accrued) pension cost	**-972**	**-1,197**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**-1,197**	**-1,179**
Scope adjustment (Worldline)	110	-11
Net periodic pension cost	-37	-44
Benefits paid by employer	32	39
Employer contributions	33	46
Business combinations/(disposals)	-	-6
Amounts recognized in Other Comprehensive Income	-134	-39
Other (exchange rate)	-7	-1
Transfer of Worldline shares to Atos UK Pension Scheme	230	-
Reclassification	-1	-2
Net amount recognized at end of year	**-972**	**-1,197**

The development in the main countries was as follows:

(in € million)	UK schemes	German schemes	Other schemes
Reconciliation of net amount recognized in main plans:			
Net amount recognized at beginning of year	**-60**	**-719**	**-418**
Scope adjustment (Worldline)	6	60	44
Net periodic pension cost	-5	-15	-17
Benefits paid by employer & employer contributions	25	14	26
Business combinations/disposals	-	-	-
Amounts recognized in Other Comprehensive Income	-43	-70	-21
Transfer of Worldline shares to Atos UK Pension Scheme	230		
Other (exchange rate and reclassification)	-3	0	-5
Net amount recognized at end of year	**150**	**-730**	**-393**
Defined benefit obligation at December 31	-2,472	-1,444	-940
Fair value of plan assets at December 31	2,622	714	547
Asset ceiling limitation at December 31	-	-	-
Net amount recognized at end of year	**150**	**-730**	**-393**

Actuarial assumptions

Group obligations are valued by independent actuaries, based on assumptions that are periodically updated.

These assumptions are set out in the table below:

	United Kingdom		Eurozone		Switzerland		USA	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Discount rate	2.10%	2.90%	0.8% ~ 1.3%	1.6% ~ 2.05%	0.25%	0.75% ~ 0.8%	3.00%	4.00%
Inflation assumption	RPI: 2.95% CPI: 1.95%	RPI: 3.20% CPI: 2.20%	1.45%	1.45%	na	na	na	na

The inflation assumption is used for estimating the impact of indexation of pensions in payment or salary inflation based on the various rules of each plan.

Sensitivity of the defined benefit obligations of the significant plans to the discount rate and inflation rate assumptions is as follows:

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plans	-4.7%	+3.6%
German main pension plans	-3.7%	+2.5%

These sensitivities are based on calculations made by independent actuaries and do not include cross effects of the various assumptions, they do however include effects that the inflation assumption would have on salary increase assumptions for the United Kingdom.

Plan assets

Plan assets were invested as follows:

	December 31, 2019	December 31, 2018
Equity	15%	16%
Bonds/Interest Rate Swaps	66%	64%
Real Estate	7%	8%
Cash and Cash equivalent	2%	3%
Other	10%	9%

Of these assets, 88% is valued on market value, 10% relates to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers and 2% relates to insurance contracts.

A significant part of the Bonds and Interest Rate Swaps are part of the interest rate hedging program operated by the Atos United Kingdom pension plans, which aims to hedge a significant portion of funding liabilities. None of the plans are hedged for longevity risks.

Atos securities or assets used by the Group are not material.

Situation of the United Kingdom pension funds and impact on contribution for 2020

The Group expects to contribute € 8 million to its United Kingdom schemes next year versus € 25 million in 2019, as a result of the good level of funding of the two main schemes at the end of 2019.

Prepaid pension situations on statement of financial position

The net asset of € 231 million mostly relates to two schemes in the United Kingdom and is supported by appropriate refund expectations according to IFRIC 14.

Summary net pension impacts on income statement

The net impact of defined benefit pension plans on Group financial statements can be summarized as follows:

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018
Operating margin	-9	-18
Other operating income and expenses	1	-2
Financial result	-30	-24
Total (expense)/profit	**-37**	**-44**

Other long-term employee benefits

The net liabilities related to other long-term employee benefits were € 64 million per December 31, 2018 (excluding Worldline). They decreased to € 50 million per December 31, 2019 via benefit payments and employer contributions (€ 34 million) net of expenses recorded in P&L (€ 25 million).

Note 12 Provisions

Provisions are determined by discounting the excepted future cash flows to estinguish the liability. Provisions are recognized when:

- the Group has a present legal, regulatory, contractual or constructive obligation as a result of past events and;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and;
- the amount has been reliably quantified.

Provisions are discounted when the time value effect is material. Changes in discounting effects at each accounting period are recognized in financial expenses.

(in € million)	December 31, 2018	Assets held for distribution	Charge	Release used	Release unused	Other*	December 31, 2019	Current	Non-current
Reorganization	70	-5	50	-36	-6	1	74	69	5
Rationalization	18	0	1	-6	-7	3	9	7	2
Project commitments	37	-3	14	-12	-5	-1	30	26	4
Litigations and contingencies	121	-31	17	-4	-12	-17	75	17	58
TOTAL PROVISIONS	**247**	**-38**	**82**	**-58**	**-30**	**-14**	**188**	**119**	**69**

* *Other movements mainly consist of the currency translation adjustments*

(in € million)	December 31, 2017	Charge	Release used	Release unused	Business Combination	Other*	December 31, 2018	Current	Non-current
Reorganization	77	41	-67	-5	24	0	70	68	2
Rationalization	25	4	-6	-3	1	-2	18	6	12
Project commitments	46	14	-19	-20	17	0	37	30	7
Litigations and contingencies	138	11	-17	-23	16	-4	121	41	80
TOTAL PROVISIONS	**286**	**69**	**-108**	**-51**	**58**	**-7**	**247**	**146**	**101**

* *Other movements mainly consist of the currency translation adjustments*

Reorganization

New reorganization provisions were posted for € 50 million over the year mainly in Germany, France and Benelux and The Nordics driven by new plans aimed at improving Group efficiency and productivity.

The € 36 million consumptions primarily corresponded to workforce optimization in Germany, Central Eastern Europe and Benelux and The Nordics.

Rationalization

The new provisions of € 1 million mainly relate to office premises rationalization in Germany.

The € 6 million rationalization provisions were used against office premises rationalization costs in Germany, in United Kingdom, in Benelux and The Nordics and in the United States.

Project commitments

The € 14 million charge was mainly incurred in Central Eastern Europe, in Germany in Benelux and The Nordics and in India.

Project commitments provisions released for € 12 million primarily related to losses incurred in Central Eastern Europe, Germany, and France.

Litigation and contingencies

The closing position of contingency provisions of € 75 million was composed of a number of long-term litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers. The Legal department monitors these situations closely with a view to minimizing the ultimate liability.

Note 13 Fair value and characteristics of financial instruments

Derivative financial instruments

Derivative instruments are recognized as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting, whereupon:

- for fair value hedging of existing assets or liabilities, the hedged portion of an instrument is measured on the statement of financial position at its fair value. Any change in fair value is recorded as a corresponding entry in the income statement, where it is offset simultaneously against changes in the fair value of the designated hedging elements except for any ineffectiveness;
- for cash flow hedging, the effective portion of the change in fair value of the hedging instrument is directly recognized in shareholders' equity as "items recognized directly in equity". The change in value of the ineffective portion is recognized in "Other financial income and expenses". Amounts deferred in equity are taken to the income statement at the same time as the related hedged cash flow.

The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchanges rates relating to foreign currency sales and purchases.

The Group designates only the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships for highly probable transactions.

Under IFRS 9, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points will be recognized in other comprehensive income and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently as gain and losses accumulated in the cash flow hedge reserve as part of the underlying covered transaction.

	December 31, 2019		December 31, 2018	
(in € million)	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	7	-1	12	-2
Forward interest rate contracts	-	-2	-	-3
Analysed as:				
• Non-current	-	-2	-	-3
• Current	7	-1	12	-2

The fair value of financial instruments is provided by independent counterparties.

Interest rate risk

In 2018, bank loans and commercial papers of € 880 million, and in 2019 bank loans and Commercial Papers of € 755 million are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

The Group may mitigate its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt. The fair value of the financial instruments used to hedge the floating-rate financial qualifies for cash flow hedge accounting.

Exposure to interest rate risk

The table below presents the interest rate risk exposure of the Group based on future debt commitments. The exposure at floating rate after hedging risk management is approximately € 2,059 million as at December 31, 2019. A 1.0% decrease in 1-month Euribor would reduce income from interest by € 20.6 million in theory assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

		Exposure		
(in € million)	Notes	Less than 1 year	More than 1 year	Total
Bank loans & NEU CP		-755	-	-755
Securitization	Note 6.4.1	-10	-	-10
Other		-54	-1	-55
Total liabilities		**-819**	**-1**	**-820**
Cash and cash equivalents	Note 6.2	2,413	-	2,413
Overdrafts		-79	-	-79
Total net cash and cash equivalents*		**2,334**	**-**	**2,334**
Net position before risk management		1,515	-1	1,514
Hedging instruments		45	500	545
Net position after risk management		**1,560**	**499**	**2,059**
Bonds	Note 6.4.1	-600	-2,100	-2,700
Optional exchangeable bond	Note 6.4.1	-	-500	-500
NEU MTN at fixed rate		-	-50	-50
Total net debt/cash after risk management		**-600**	**-2,650**	**-1,191**

* *Overnight deposits (deposit certificate) and money market securities and overdrafts*

Liquidity risk

On November 14, 2019 Atos has fully repaid the term loans in USD and EUR drew on October 9, 2018 to fund the Syntel acquisition. The outstanding amounts were $ 1,045 million and € 513 million.

On October 30, 2019 Atos has announced the disposal of Worldline share capital (€ 780 million through a private placement by way of Accelerated Book building Offering [ABO]) and the issuance of € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%. Total gross proceeds for Atos was € 1,280 million for the combined transactions.

On November 5, 2018, Atos announced the successful placement of its € 1.8 billion bond issue. The € 1.8 billion triple tranche bond issue consists of three tranches:

- € 700 million notes with a 3.5-year maturity and 0.75% coupon;
- € 750 million notes with a 6.5-year maturity and 1.75% coupon;
- € 350 million notes with a 10-year maturity and 2.50% coupon.

There are no financial covenants. The rating agency Standard and Poor's has assigned a rating of BBB+ to the three tranches, subsequently to the rating of Atos described here below.

On October 22, 2018, the rating agency Standard and Poor's has assigned a rating of BBB+ to Atos recognizing the strong investment grade profile of the Group.

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion revolving credit facility (the Facility) maturing in November 2023 with an option for Atos to request the extension until November 2025 in two times. Atos has exercised the option on 2019 to extend the maturity of the Facility until November 2024. Atos still keeps the option to extend the maturity of the Facility for another one year. The Facility is available for general corporate purposes and replaces the existing € 1.8 billion facility signed in November 2014. The Facility includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

On October 9, 2018, Atos drew a bridge loan of $ 1.9 billion for the acquisition of Syntel. The bridge loan was fully reimbursed on November 9, 2018.

On October 9, 2018, Atos drew a term loan of $ 1.9 billion for the acquisition of Syntel. The term loan was composed of a 3-year $ 1.1 billion loan and a 5-year $ 0.8 billion loan. The term loan issuance by currency was $ 0.6 billion equivalent euros and $ 1.3 billion in USD. On December 14, 2018, Atos reimbursed $ 200 million out of the loan drawn in USD.

The $ 1.9 billion term loan includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

On May 4, 2018 Atos implemented a Negotiable European Medium-Term Note program (NEU MTN) in order to optimize financial expenses and improve Group liquidity management, for an initial maximum amount of € 600 million.

On June 2, 2017, Atos implemented a Negotiable European Commercial Paper program (NEU CP) in order to optimize financial expenses and improve Group liquidity management, for an initial maximum amount of € 900 million raised to € 1.8 billion in October 2018. On December 10, 2019 the maximum amount of € 1.8 billion was increased to € 2.4 billion.

On September 29, 2016, Atos issued a Euro private placement bond of € 300 million with a seven-year maturity and with a 1.444% fixed interest rate (unrated). There are no financial covenants.

On July 2, 2015 Atos issued a bond of € 600 million with a five-year maturity. The coupon rate is 2.375% (unrated). There are no financial covenants.

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The program has been restricted to two French participant entities.

The program is still structured with two compartments, called ON and OFF:

- compartment "ON" is similar to the previous program (i.e. the receivables are maintained in the Group statement of financial position) which remains by default the compartment in which the receivables are sold. This compartment was used at its lowest level;
- compartment "OFF" is designed so the credit risk (insolvency and overdue) of the debtors eligible to this compartment of the program is fully transferred to the purchasing entity of a third-party financial institution.

As of December 31, 2019, the Group has sold:

- in the compartment "ON" € 108 million receivables for which € 10 million were received in cash. The sale is with recourse, thus re-consolidated in the statement of financial position;
- in the compartment "OFF" € 37 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The Atos securitization program includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5.

The calculation of the below-mentioned ratios as of December 31, 2019 is provided below in respect of the credit documentation of the multi-currency revolving credit facility and the securitization program, that excluded IFRS 16 impacts.

Nature of ratios subject to covenants	Covenants	12 months ended December 31, 2019	12 months ended December 31, 2018
Leverage ratio (net debt/OMDA)*	Not greater than 2.5	1.19	1.54

* *OMDA: Operating margin before non cash items*

Currency exchange risk

Atos operates in 73 countries. However, in most cases, Atos invoices in the country where the Group renders the service, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimize the risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2019	2018	2019	2018	2019	2018
(in € million)	EUR		GBP		USD	
Assets	189	107	38	17	214	180
Liabilities	44	34	3	3	145	30
Foreign exchange exposure before hedging	145	73	35	14	70	150
Hedged amounts	-328	-347	-80	-85	-119	-78
FOREIGN EXCHANGE IMPACT AFTER HEDGING	**-183**	**-274**	**-45**	**-72**	**-49**	**72**

Foreign currency sensitivity analysis

The entities with functional currencies in EUR, GBP and USD are mainly exposed to Foreign Exchange risk.

The following table details the Group sensitivity to a 5% increase and decrease of the sensitive currency against the relevant functional currency of each subsidiary. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% increase in foreign currency rates.

	2019	2018	2019	2018	2019	2018
(in € million)	EUR		GBP		USD	
Income Statement	-9	-14	-2	-4	-2	4

Hedge accounting

There is no material deviation between the maturity of the financial instruments and the period in which the cash flows are expected to occur.

As at December 2019, derivatives were all allocated to the hedging of transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

The breakdown of the designation of the instruments by currency is as follows:

Instruments	December 31, 2019		December 31, 2018	
(in € million)	Fair value	Notional	Fair value	Notional
Cash flow hedge				
Interest rate				
SWAP	-2	545	-3	545
Foreign exchange				
Forward contracts USD	0	31	0	88
Forward contracts GBP	-	-	0	4
Forward contracts INR	2	161	7	142
Forward contracts MXN	1	26	-1	25
Forward contracts PLN	1	108	0	118
Forward contracts PHP	0	27	1	24
Forward contracts RON	0	43	1	44
Forward contracts RUB	0	9	0	6
Forward contracts MAD	0	13	1	20
Forward contracts CNY	0	2	0	2
Forward contracts CHF	0	10	0	-8
Forward contracts TRY	-	-	0	-
Trading and fair value hedge				
Foreign exchange				
Forward contracts USD	0	61	0	19
Forward contracts GBP	0	-14	-	-13
Forward contracts INR	0	12	0	8
Forward contracts MAD	0	7	0	3
Forward contracts CNY	0	1	-	-
Forward contracts RON	0	5	0	7
Forward contracts PLN	0	18	0	24
Forward contracts PHP	0	3	0	4
Forward contracts MXN	0	3	-	-

The net amount of cash flow hedge reserve at December 31, 2019 was €+4 million (net of tax), with a variation of €-2 million (net of tax) over the year.

Note 14 Shareholders' equity

14.1 - Earnings per share

Basic earnings per share is calculated by dividing the net income (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period. Treasury shares deducted from consolidated equity are not considered in the calculation of basic or diluted earnings per share.

Diluted earnings per share is calculated by dividing the net income attributable to owners of the parent, adjusted for the financial cost net of tax of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted (stock options and convertible debt).

The dilutive impact of each convertible instrument is determined in order to maximize the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of Atos shares over the period.

Potential dilutive instruments comprised stock options (4.659 employee stock options) and did not generate a restatement of net income used for the diluted EPS calculation.

(in € million and shares)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Net income from continuing operations– Attributable to owners of the parent [a]	**414**	**560**
Impact of dilutive instruments	-	-
Net income from continuing operations restated of dilutive instruments – Attributable to owners of the parent [b]	**414**	**560**
Average number of shares outstanding [c]	107,669,930	106,012,480
Impact of dilutive instruments [d]	4,659	15,254
Diluted average number of shares [e]=[c]+[d]	107,674,589	106,027,734
(in €)		
Basic EPS from continuing operations [a]/ [c]	**3.84**	**5.28**
Diluted EPS from continuing operations [b]/ [e]	**3.84**	**5.28**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

(in € million and shares)	12 months ended December 31, 2019	12 months ended December 31, 2018*
Net income from discontinued operation – Attributable to owners of the parent [a]	**2,986**	**70**
Impact of dilutive instruments	-	-
Net income from discontinued operation restated of dilutive instruments – Attributable to owners of the parent [b]	**2,986**	**70**
Average number of shares outstanding [c]	107,669,930	106,012,480
Impact of dilutive instruments [d]	4,659	15,254
Diluted average number of shares [e]=[c]+[d]	107,674,589	106,027,734
(in €)		
Basic EPS from discontinued operation [a]/ [c]	**27.74**	**0.67**
Diluted EPS from discontinued operation [b]/ [e]	**27.73**	**0.67**

* *Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

No significant share transactions occurred subsequently to the 2019 closing that could have a dilutive impact on earnings per share calculation.

14.2 - Equity attributable to the owners of the parent

Treasury shares

Atos shares held by the parent company are recorded at their acquired cost as a deduction from consolidated shareholders' equity. In the event of a disposal, the gain or loss and the related tax impacts are recorded as a change in consolidated shareholders' equity.

Capital increase

In 2019, Atos SE increased its share capital by incorporating additional paid-in-capital and common stock for € 142 million related to the issuance of 2,328,695 new common stocks split as follows:

- 2,039,710 new shares;
- exercise of 25,467 stock options in 2019;
- employee share option plan for 263,518.

As at December 31, 2019, Atos SE issued share capital amounted to € 109 million, divided into 109,214,914 fully paid-up common stock of € 1.00 par value each.

Distribution in kind - Worldline

Following the decision made on January 29, 2019 by Atos Board of Directors to submit to the Annual General Meeting the project to distribute 23.5% of Worldline total shares to the Atos shareholders and the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, this distribution of Worldline shares took effect on May 7, 2019, the payment date for the stock dividend, for a total amount of € 2,344 million, corresponding to a distribution of 42,852,724 Worldline shares valued at € 54.7 per share.

14.3 - Non-controlling Interests

Non-controlling interests purchase commitments

The Group can take commitments to repurchase the non-controlling interests of shareholders of certain subsidiaries. The strike price of these put options may be set or determined according to a predefined calculation formula, and the options may be exercised at any time or on a specific date.

The Group records a financial liability at the present value of the strike price in respect of the put options granted to holders of non-controlling interests in the entities concerned. The offsetting entry for this financial liability differs depending on whether the non-controlling shareholders have maintained present access to the economic benefits of the entity. In the case of present access to the entity's economic benefits, non-controlling interests are maintained in the statement of financial position and the liability is recognized against equity attributable to owners of the parent. Where access to the entity's economic benefits is no longer available by virtue of the put option, the corresponding non-controlling interests are derecognized.

The difference between the liability representing the commitment to repurchase the non-controlling interests and the carrying amount of derecognized non-controlling interests is recorded as a deduction from equity attributable to owners of the parent. Subsequent changes in the value of the commitment are recorded by an adjustment to equity attributable to owners of the parent.

(in € million)	December 31, 2018	2019 Income	Assets Held for distribution	Dividends	Scope Changes	Capital Increase	December 31, 2019
Worldline	2,019	89	-2,107	-	-	-	-
Other	9	3	-	-3	-	3	12
TOTAL	**2,027**	**92**	**-2,107**	**-3**	**-**	**3**	**12**

(in € million)	December 31, 2017	2018 Income	Capital Increase	Dividends	Scope Changes	Others	December 31, 2018
Worldline	555	69	1,140	-7	282	-20	2,019
Other	10	4	-	-4	-1	-	9
TOTAL	**564**	**73**	**1,140**	**-11**	**281**	**-20**	**2,027**

In 2019, the significant decrease of the non-controlling interest was due to the loss of control of Worldline, following the distribution in kind of Worldline shares on May 2019, from now accounted for under equity method.

Non-controlling interests are not significant for the Group anymore.

Note 15 Off-balance sheet commitments

Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. Amounts indicated under the long-term borrowings are posted on the Group consolidated statement of financial position.

(in € million)	December 31, 2019	Maturing Up to 1 year	Maturing 1 to 5 years	Maturing Over 5 years	December 31, 2018
Bonds	2,700	600	1,750	350	2,700
Optional exchangeable bond	500	-	500	-	-
Bank loans & commercial papers	805	755	-	50	2,365
Finance leases	-	-	-	-	15
Recorded on the balance sheet	**4,005**	**1,355**	**2,250**	**400**	**5,080**
Operating leases: land, buildings, fittings*	-	-	-	-	1,220
Operating leases: IT equipment*	-	-	-	-	264
Operating leases: other fixed assets*	-	-	-	-	75
Leases as low value and short term lease	19	7	12	-	-
Non-cancellable purchase obligations (> 5 years)	101	-	101	-	366
Commitments	**120**	**7**	**113**	**-**	**1,924**
TOTAL	**4,125**	**1,362**	**2,363**	**400**	**7,004**
Financial commitments received (Syndicated Loan)	2,320	-	2,320	-	2,320
TOTAL RECEIVED	**2,320**	**-**	**2,320**	**-**	**2,320**

* *Commitments are recognized as lease liability starting January 1, 2019*

The received financial commitment refers exclusively to the non-utilized part of the € 2.4 billion revolving facility.

Commercial commitments

(in € million)	December 31, 2019	December 31, 2018
Bank guarantees	**347**	**398**
• Operational – Performance	253	207
• Operational – Bid	14	14
• Operational – Advance Payment	68	97
• Financial or Other	12	79
Parental guarantees	**3,343**	**4,751**
• Operational – Performance	3,168	3,828
• Financial or Other	175	923
Pledges	**7**	**9**
TOTAL	**3,697**	**5,157**

For various large long-term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 3,168 million as of December 31, 2019, compared with € 3,828 million at the end of December 2018. This decrease of € 660 million compared to last year is mainly due to the expiration of some guarantees provided to the benefit of the US, UK and Benelux & the Nordics customers.

In relation to the multi-currency revolving facility amended in October 2018, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to € 660 million (unchanged amount) the obligations of its subsidiaries: Atos Telco Services BV and Atos International BV.

Atos SE has given a € 102 million guarantee to Ester Finance in relation to a securitization program involving certain of its subsidiaries. Guarantee amount decreased due to the restructuration of the securitization program in May 2018.

As part of the general agreement with Siemens in respect of the transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29, 2011 meeting, agreed to provide a 20-year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is £ 200 million (€ 233 million).

In the framework of the Atos pension Schemes rationalization in the UK, for a more efficient structure, the Board of Directors of Atos SE, during its July 22, 2018 meeting, agreed to provide one parental guarantee (replacing three existing) to the Atos Pension Schemes Limited as trustee of the new Atos UK 2019 Pension Scheme set up on November 1, 2019. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers. The total estimated amount of the new guarantee is £ 587 million (€ 685 million).

Note 16 Related party transactions

Related parties are defined as follows:

- entities which are controlled directly by the Group, either solely or jointly, or indirectly through one or more intermediary controls. Entities which offer post-employment benefits in favor of employees of the Group, or entities which are controlled or jointly owned by a member of the key management personnel of the Group as defined hereafter; and
- key management personnel of the Group defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice-Presidents.

Transactions between Atos and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

Transactions between the related parties

The main transactions between the related entities are composed of:

- the reinvoicing of the premises;
- the invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- the invoicing of administrative services; and
- the interest expenses related to the financial items.

These transactions are entered into at market conditions.

Related party transactions are detailed as follows:

(in € million)	8 months ended December 31, 2019
Continuing operations	
Revenue	58
Operating income/expenses	-59
Discontinued operation	
Costs to distribute	-16

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

(in € million)	December 31, 2019
Trade accounts and notes receivables	23
Trade accounts and notes payables	26

Compensation of members of the Board of Directors as well as Senior Executive Vice-President

The remuneration of the key members of Management during the year is set out below:

(in € million)	12 months ended December 31, 2019	12 months ended December 31, 2018
Short-term benefits	6	6
Employer contributions & other taxes	3	2
Post-employment benefits	1	3
Equity-based compensation: stock options & free share plans	7	5
TOTAL	**18**	**16**

Short-term benefits include salaries, bonuses and fringe benefits. Bonuses correspond to the total charge reflected in the income statement including the bonuses actually paid during the year, the accruals relating to current year and the release of accruals relating to prior year.

The Chairman and Chief Executive Officer resigned from his offices on October 31, 2019 and claim his mandatory retirement benefits. He benefited from the supplementary pension plan reserved for members of the Group Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. The gross amount of this pension amounts to € 627,586. Pensions are paid by an insurer and Atos funds its commitments when beneficiaries retire. The Chairman and CEO has informed that he waived this pension supplement that he could be entitled during his mandate period at the European Commission, which runs until end of 2024.

The Chairman and CEO did not have an employment contract and is not entitled to severance payment at the end of his mandate. Besides, the Chairman and CEO has stated to the Board of Directors that he wishes to waive any due or potential variable compensation for the year 2019 as well as all his equity instruments rights (performance shares and stock-options) that were not vested yet.

Note 17 Main operating entities part of scope of consolidation as of December 31, 2019

	% of Interest	Consolidation method	% of Control	Adress
HOLDING				
Atos SE		Consolidation Parent Company		80, quai Voltaire – 95870 Bezons
Atos International BV	100	FC	100	Papendorpseweg, 93 – 3528 BJ Utrecht – The Netherlands
Saint Louis Ré	100	FC	100	74, rue de Merl – L2146 Luxembourg
Atos International SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Bull SA	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
FRANCE				
Worldline SA	16.9	EM	25.6	80, quai Voltaire – 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Infogérance SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Consulting SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Atos Worldgrid SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Yunano	100	FC	100	80, quai Voltaire – 95870 Bezons
Bull SAS	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
Keynectis SA	100	FC	100	175, rue Jean Jacques Rousseau -92130 Issy les Moulineaux
Agarik SAS	100	FC	100	20, Rue Dieumegard 93400 Saint-Ouen
Avantix SAS	100	FC	100	655, avenue Galilée – 13794 Aix en Provence
Evidian SA	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
Air Lynx	100	FC	100	1, avenue de l'Atlantique, Immeuble Everest – 91940 Les Ulis
GERMANY				
X PERION Consulting AG	100	FC	100	Nikolaus-Otto-Strasse 1, 22946 Trittau – Germany
Atos Information Technology GmbH	100	FC	100	Otto-Hahn-Ring, 6 – 81739 Munich – Germany
CHG Communications Holding GmbH	100	FC	100	Otto-Hahn-Ring, 6 – 81739 Munich – Germany
Unify Funding GmbH	100	FC	100	Otto-Hahn-Ring, 6 – 81739 Munich – Germany
Atos IT Dienstleistung und Beratung Gmbh	100	FC	100	Bruchstrasse, 5 – 45883 Gelsenkirchen – Germany
Atos International Germany Gmbh	100	FC	100	Otto-Hahn-Ring, 6 – 81739 Munich – Germany
Applied International Informatics GmbH	100	FC	100	Torstraße, 49 - 10119 Berlin - Germany
Bull GmbH	100	FC	100	Von-der-wettern-straße, 27 – 51149 Cologne – Germany
Science + computing AG	100	FC	100	Hagellocher Weg, 73 – 72070 Tübingen – Germany
Energy4u GmbH	100	FC	100	Albert-Nestler Straße, 17 – 76131 Karlsruhe – Germany
Wivertis Gmbh	50.1	FC	50.1	Konrad-Adenauer-Ring, 60D – 65187 Wiesbaden – Germany
Atos Support GmbH	100	FC	100	The Squaire, Am Flughafen 14 – 60549 Frankfurt am Main – Germany
Atos IT Services GmbH	100	FC	100	Stinnes-Platz, 1 – 45 472 Mülheim an der Ruhr Germany
Unify Communications and Collaboration GmbH & Co. KG[1]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 München – Germany
Atos Systems Business Services GmbH	100	FC	100	Am seestem, 1 – 40547 Dusseldorf – Germany
Cycos AG	95.1	FC	100	Joseph-von-Frauenhofer-Straβe, 5 – 52477 Alsdorf Germany
FastvViewer GmbH	100	FC	100	Schwesterhausgasse, 11 – 92318 Neumarkt – Germany

	% of Interest	Consolidation method	% of Control	Adress
Unify Software and Solutions GmbH & Co. KG[1]	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich - Germany
Unify GmbH & Co. KG[1]	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich - Germany
Unify Beteiligungsverwaltung GmbH & Co. KG[1]	100	FC	100	Otto-Hahn-Ring, 6 – 81739 Munich – Germany
Unify Deutschland Holding GmbH	100	FC	100	Otto-Hahn-Ring, 6 – 81739 Munich – Germany
Unify Patente GmbH & Co. KG[1]	100	FC	100	Otto-Hahn-Ring, 6 – 81739 Munich – Germany
THE NETHERLANDS				
Atos Nederland BV	100	FC	100	Burgemeester Rijnderslaan 30 – 1185 MC Amstelveen – The Netherlands
Atos Telco Services BV	100	FC	100	Burgemeester Rijnderslaan 30 – 1185 MC Amstelveen – The Netherlands
OTHER EUROPE – MIDDLE EAST – AFRICA				
Algeria				
Bull Algerie	100	FC	100	16, rue Yehia El-Mazouni, El Biar – Algiers – Algeria
Austria				
Atos IT GmbH	100	FC	100	Siemensstraße 92 – 1210 Vienna – Austria
Atos IT Solutions and Services GmbH	100	FC	100	Siemensstraße 92 – 1210 Vienna – Austria
TSG EDV-Terminal Service GmbH	99	FC	100	Modecenterstraße 1 – 1030 Vienna – Austria
Belgium				
Atos Belgium SA/NV	100	FC	100	Da Vincilaan, 5 – 1930 Zaventem – Belgium
Unify Communications NV	100	FC	100	Demeurslaan, 132 – 1654 Beersel – Belgium
Bielorussia				
LLC ATOS IT Solutions and Services	100	FC	100	Ul Leonid BEDI, 11 – BuildING 1 – 220040 Minsk – Biélorussia
Bulgaria				
Atos IT Solutions and Services EOOD	100	FC	100	Mladost 4 Region – Business Park Sofia Str, 4 – 1766 Sofia – Bulgaria
Ivory Coast				
Bull Cote d'Ivoire	100	FC	100	31 avenue Noguès – 01 BP 1580 Abidjan 01 – Ivory Coast
Denmark				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget 3 – 2630 Taastrup – Denmark
Croatia				
Atos IT Solutions and Services d.o.o	100	FC	100	Heinzelova 69 – 10000 Zagreb – Croatia
Czech Republic				
Atos IT Solutions and Services s.r.o.	100	FC	100	14000 Praha 4 – Doudlebská 1699/5 – Czech Republic
Gabon				
Bull Gabon	100	FC	100	Immeuble Abiali – ZI d'Oloumi – BP 2260 Libreville – Gabon
Greece				
Atos Greece SA	100	FC	100	Irakleio Avenue 455, N. Iraklio 14122 Athens Greece
Finland				
Atos IT Solutions and Services oy	100	FC	100	Kalkkipellontie 6 – 026050 Espoo – Finland
Hungary				
Atos Magyarország Kft	100	FC	100	1138 Budapest, Vaci ut 121-127. Vaci greens D Building, 4th floor – Hungary
Ireland				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court – Leeson Close – 2 Dublin – Ireland
Italy				
Atos Italia S.p.A.	100	FC	100	Via Caldera no. 21 – 20158 – Milan – Italy
Lebanon				
Bull SAL	100	FC	100	69 Rue Jal el Dib – Secteur 1 – BP 60208 – Beyrouth Lebanon
Lithuania				
UAB "Bull Baltija"	100	FC	100	40 Gostauto Street – 01112 Vilnius – Lithuania

	% of Interest	Consolidation method	% of Control	Adress
Luxembourg				
Atos Luxembourg PSF SA	100	FC	100	1, rue Edmond Reuter Contern – 5326 – Luxembourg
Madagascar				
Bull Madagascar SA	100	FC	100	12, rue Indira Gandhi – Tsaralalana BP 252 – Antananarivo Madagascar
Morocco				
Atos IT Services SARL	100	FC	100	Espace les Palmiers – angle Avenues Mehdi Benbaraka et Annakhil- Hayryad Rabat – Morocco
Atos ITS Nearshore Center Maroc SARL	100	FC	100	Casablanca – shore 7 – 1100, Boulevard Al Qods Quartier Sidi Maarouf – Casablanca – Morocco
Bull Maroc	100	FC	100	Casanearshore – 1100, Boulevard Al Qods – Quartier Sidi Maarouf – Casablanca – Morocco
Namibia				
Bull Information Technology Namibia Pty. Ltd.	100	FC	100	C/o Deloitte & Touche – Namdeb Center, 10 Bulow street – PO Box 47 – Windhoek – Namibia
Poland				
Atos Polska SA	100	FC	100	Krolewska, 16 – 00-103 Warsaw – Poland
Atos Poland Global Services Sp Zoo	100	FC	100	Ul. Krolewska 16 - 00-103 Warsaw – Poland
Portugal				
Atos Soluções e Serviços para Tecnologias de Informação, Unipessoal, Ltda	100	FC	100	Avenida José Malhoa 16 – Piso sétimo B2 – Edificio Europa. Distrito: Lisboa, Concelho: Lisboa, freguesia: Campolide 1070 159 Lisbon – Portugal
Romania				
Atos IT Solutions and Services s.r.l.	100	FC	100	Calea Floreasca 169A – Sector 1 – 014459 Bucharest – Romania
Atos IT Solutions Romania SRL	100	FC	100	Calea Floreasca 169A – Sector 1 – 014459 Bucharest – Romania
Atos Convergence Creators GmbH SRL	100	FC	100	Municipiul Braşov, Strada MIHAIL KOGĂLNICEANU, Nr. 21, Bloc C6, Judet Braşov, Romania
Russia				
Atos IT Solutions and Services LLC	100	FC	100	1st Kozhevnicheski per. 6, bld. 1 115114 Moscow – Russia
Senegal				
Bull Senegal	100	FC	100	Cité Keur Gorgui, Immeuble Khadimou Rassoul – BP 3183 Dakar – Senegal
Serbia				
Atos IT Solutions and Services d.o.o.	100	FC	100	Danila Lekica Spanca 31 – 11070 Beograd – Serbia
South Africa				
Atos (PTY) Ltd	74	FC	100	Woodlands Office Park, Ground Floor Building 32, 2144 Woodlands South Africa
Spain				
Atos Consulting Canarias, SA	100	FC	100	Calle Subida al Mayorazgo 24b – 38110 Santa Cruz de Tenerife Spain
Atos Spain SA	100	FC	100	Albarracin 25 – 28037 Madrid – Spain
Atos IT Solutions and Services Iberia SL	100	FC	100	Ronda de Europa 5 – 28760 Madrid – Spain
Atos Worldgrid SL	100	FC	100	Calle Isabel Torres, 19 Edificio Cisga – 39011 Santander – Spain
MSL Technology SL	100	FC	100	C/ Marques de Ahumada 7 – 28028 Madrid – Spain
Slovakia				
Atos IT Solutions and Services s.r.o.	100	FC	100	Pribinova 19/7828 – 811 09 Bratislava – Slovakia
Sweden				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen 12-14 – 194 87 Upplands Väsby – Sweden
Switzerland				
Atos AG	100	FC	100	Freilagerstrasse 28 – 8047 Zürich – Switzerland
Turkey				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	99.92	FC	100	Yakacık Caddesi no. 111 – 18 – 34870, Kartal, Istanbul – Turkey
United Arab Emirates – Dubai				
Atos Origin FZ LLC	100	FC	100	Office G20 – Building DIC-9 Dubai Internet City – PO Box.500437 United Arab Emirates – Dubai

	% of Interest	Consolidation method	% of Control	Adress
ATOS FZ LLC Dubai Branch	100	FC	100	The Galleries Building – No2 Level 2 – Downtown Jebel 500437 United Arab Emirats – Dubai
Saudi Arabia				
Atos Saudi LLC	49	PC	49	P. O. Box # 8772 – Riyadh-11492 Saudi Arabia
Qatar				
Atos Qatar Llc	100	FC	100	Sheikh Suhaim bin Hamad Street – No.89858 – Doha – Qatar
Egypt				
Atos IT SAE	100	FC	100	50 Rue Abbass El Akkad – Nasr city – Cairo – Egypt
THE UNITED KINGDOM				
Atos Consulting Limited	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos IT Services Limited	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos IT Services UK Limited	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos UK IT Holdings Limited	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos Esprit Limited	95	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Shere Limited	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos BPS Ltd	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos UK Holdings Ltd	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos International IT Holdings Ltd	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Atos Restaurant Technology Services UK Limited	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG United Kingdom
Unify Enterprise Communications Limited	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Engage ESM holding LTD	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
Engage ESM LTD	100	FC	100	Second Floor – Mid City Place – 71 High holborn – London, WC1V6EA – United Kingdom
ASIA PACIFIC				
Australia				
Atos (Australia) Pty. Ltd	100	FC	100	885 Mountain Highway 3153 Bayswater – Victoria Australia
China				
Atos Information Technology (Nanjing) Co., Ltd	100	FC	100	Floor 12 – Building 1B Powerise accelerator – High Tech zone Software park – Nanjing – Jiangsu Province – China
Atos Information Technology (China) Co. Ltd	100	FC	100	Room 05.161 – Floor 5 – Building E – No.7 – Zhonghuan Nanlu Wangjing – Chaoyang District – Beijing – China
Atos Worldgrid Information Technology (Beijing) Co Ltd	100	FC	100	Room 05.162 – Floor 5 – Building E – No.7 – Zhonghuan Nanlu Wangjing – Chaoyang District – Beijing – China
RTS Information Consulting (Chengdu) Co. Ltd	100	FC	100	Room 108-109 – 1st floor, Building B2 – Tianfu Software Park – High Tech Zone – Chengdu – Sichuan Province – China
Hong Kong				
Atos Information Technology HK Ltd	100	FC	100	8/F Octa Tower – 8 Lam Chak Street – Kowloon Bay – Kowloon Hong Kong
Bull Information Systems (Hong Kong) Limited	100	FC	100	RM 1401 – Hutchison House – 10, Harcourt Road Hong Kong
India				
Atos India Private Limited	100	FC	100	Godrej & Boyce Complex – Plant 5 – Pirojshanagar – LBS Marg Vikhroli(W) – Mumbai – 400079 – India
Atos IT Services Private Limited	99.99	FC	100	Innovator Building – International Tech Park – Whitefield Road – 560066 Bangalore – Karnataka – India
Anthelio Business Technologies Private Limited	99.99	FC	100	Level 1, Part A of Tower1, Phase 2, SY.NO 115 (Part) Waverock, APIIC IT\ITES SEZ, Nanakramguda Serilingampally Mandal Hyderabad Telangana 500008 – India

	% of Interest	Consolidation method	% of Control	Adress
Syntel Pvt Ltd.	100	FC	100	Unit No, 112, SDF IV, SEEPZ Andheri (East) Mumbai 400 096 Maharashtra- India
State street Syntel Services Pvt Ltd[2]	100	FC	100	4/5th floor, Building No.4, Mindspace – Navi Mumbai, Thane-Belapur road, Airoli-400708, India
Syntel Global Pvt Ltd	100	FC	100	Ground floor, E-Tech Software Technology Park, Dhokali Naka,Kolshet road,Thane(West)-400607, India
Japan				
Atos KK	100	FC	100	6 F, Daisan Toranomon Denki Building – 1-2-20 Minato-ku Tokyo – Japan
Evidian-Bull Japan KK	100	FC	100	6 F, Daisan Toranomon Denki Building – 1-2-20 Minato-ku Tokyo – Japan
Malaysia				
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1st Floor) Jalan Tun Sambanthan – 3 Brickfields – 50470 Kuala Lumpur – Malaysia
Mauritius				
State street Syntel Services Mauritus Ltd[2]	100	FC	100	C/o SGG Corporate Services (Mauritius) Ltd 33, Edith Cavell Street – Port Louis, 11324 Mauritius
Philippines				
Atos Information Technology Inc.	99.94	FC	100	23/F Cyber One Building – Eastwood City – Cyberpark – 1110 Libis, Quezon City – Philippines
Atos Global Delivery Center Philippines, Inc.	100	FC	100	8th Floor, Two E-Com Center, Palm Coast Ave., Mall of Asia Complex, 1110 Pasay City – Philippines
Singapore				
Atos Information Technology (Singapore) Ptd Ltd	100	FC	100	Blk 988 Toa Payoh North #08-01 – 319002 Singapore
Taïwan				
Atos (Taiwan) Ltd	100	FC	100	5F, no. 100 Sec 3, Min Sheng E. Road – Taipei – Taïwan
Thaïland				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II – 36th Floor – New Petchburi Road – Bangkapi – Huay Kwang – 10310 Bangkok – Thaïland
AMERICAS				
Argentina				
Atos Argentina SA	100	FC	100	Cnel. Manuel Arias 3751, piso 18, PB, CABA – C1430DAL Buenos aires – Argentina
Bull Argentina SA	100	FC	100	Manuela Saenz 323 5to. Piso Of. 506 – C 1107 bpa Buenos aires – Argentina
Brazil				
Atos Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo -SP – CEP 05069-900 – Brazil
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa – São Paulo -SP – CEP 05069-900 – Brazil
Bull Ltda.	100	FC	100	Rua Wemer Von Siemens, 111 – Prédio 6 – Lapa – São Paulo -SP – CEP 05069-900 – Brazil
Canada				
Atos Inc.	100	FC	100	6375 Shawson Drive – L5T 1S7 Mississauga – Ontario – Canada
Amesys Canada Inc.	100	FC	100	206-137 rue Saint Pierre – H2Y3T5 Montreal, Quebec – Canada
Colombia				
Atos IT Solutions and Services SAS	100	FC	100	Autopista Norte Carrera 45 N° 108-27 Torre 2 oficina 1505 – Bogotá – Colombia
Mexico				
Atos Global Delivery Center México, S. de RL de CV	99.90	FC	100	Sevilla No. 40 Piso 3 – Colonia Juarez delgation Cuauhtemoc – 06600 Ciudad de Mexico – Mexico
The United States of America				
Atos IT Outsourcing Services, LLC	100	FC	100	the 4851 Regent Boulevard – Irving, TX 75063 – United States of America
Atos Governmental IT Outsourcing Services, LLC	100	FC	100	the 4851 Regent Boulevard – Irving, TX 75063 – United States of America
Atos Healthcare Services, LLC	100	FC	100	the 4851 Regent Boulevard – Irving, TX 75063 – USA – United States of America
Atos Syntel Inc.	100	FC	100	525 E. Big Beaver Road, Suite 300, Troy, MI 48083 – United States of America
Anthelio Global Inc.	100	FC	100	One Lincoln Centre, Suite 200 – 5400 LBJ Freeway TX 75240 Dallas – United States of America

	% of Interest	Consolidation method	% of Control	Adress
Atos Digital Health Solutions	100	FC	100	2500 Weschester Ave – 3rd Floor – Purchase New York 10577 – United States of America
Pyramid Healthcare Solutions Inc.	100	FC	100	One Lincoln Centre, Suite 200 – 5400 LBJ Freeway TX 75240 Dallas – United States of America
Evidian Systems Inc.	100	FC	100	285 Billerica Road, Suite 200 – Chelmsford, MA 01824-4174 United States of America
Unify Inc	100	FC	100	1630 Corporate Court – Irving – Texas 75038 – United States of America
Green Finco Inc.	100	FC	100	C/O The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801 – United States of America
Engage ESM Inc.	100	FC	100	4851 Regent Boulevard – Floors 1, 3 & 4 Irving, TX 75063 – United States of America
Uruguay				
Bull Uruguay SA	100	FC	100	Av. Dr Luis A. de Herrera, 2802 – 1160 Montevideo – Uruguay

1 The Group has an interest in five German companies, which are fully consolidated into these Group financial statements. The companies have made use of the stipulations available under § 264b of the German Commercial Code (HGB). It exempts these legal entities from the requirement to disclose separate audited financial statements as of December 31, 2019, since they are included in the Consolidated Financial Statements of the ultimate parent company (Atos SE) and such Consolidated Financial Statements for the full year of 2019 are registered with the trade register of the particular entity.

2 Atos owns 49% of the shares of State Street Syntel Services (Mauritius). The joint arrangement between Atos Group and Atos Syntel Inc. has been qualified as joint operation under IFRS 11. Under IFRS 11.21, a joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the assets, liabilities, revenues and expenses. The rights and obligations of the two Joint operators are defined in the Master Service Agreement signed between both parties and the shareholders agreement. JVs set up with State Street bank and Atos Group are committed to deliver IT services to State Street Inc. as per the Master Service Agreement. Syntel is entitled to 100% of the financial outcome of the contract and has to bear all liabilities. Therefore, Atos obligations are to ensure the settlement of JVs liabilities, ensure that state street receives the promised services. Atos Group is entitled in counterpart to receive revenues related to the services rendered to State Street to be accounted for in accordance with IFRS 15.

Note 18 Subsequent events

Atos has completed as of February 4, 2020 the sale of ca. 23.9 million Worldline shares, for ca. € 1.5 billion, through a placement to qualified investors by way of an accelerated bookbuilt offering (the "Placement").

The sale price of the Placement was set at € 61.5 per Worldline share. The Placement is a further milestone in the creation of two pure play global leaders in their respective industries. However, the relationship between the two groups will remain strong with the existing and unchanged industrial and commercial partnership created through the Atos-Worldline Alliance announced in January 2019. Atos plans to use the proceeds of the Placement to repay existing debt and for general corporate purposes. Following the Placement, Atos holds ca. 7 million Worldline shares, representing ca. 3.8% of the Worldline share capital, which are underlying the Bonds.

Note 19 Auditors' fees

	Grant Thornton				Deloitte			
	Grant Thornton		Other Grant Thornton members firms		Deloitte & Associés		Other Deloitte members firms	
(In € thousand and %)	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,076	70%	-	-	1,328	63%	-	-
Subsidiaries	460	30%	3,369	78%	614	29%	2,093	76%
Sub-total Audit	**1,536**	**99%**	**3,369**	**78%**	**1,942**	**92%**	**2,093**	**76%**
Non audit services*								
Parent company	-	-	-	-	109	5%	-	-
Subsidiaries	8	1%	954	22%	70	3%	658	24%
Sub-total Non Audit	**8**	**1%**	**954**	**22%**	**179**	**8%**	**658**	**24%**
TOTAL FEES 2019	**1,544**	**100%**	**4,323**	**100%**	**2,121**	**100%**	**2,751**	**100%**

* *In 2019, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.*

	Grant Thornton				Deloitte			
	Grant Thornton		Other Grant Thornton members firms		Deloitte & Associés		Other Deloitte members firms	
(In € thousand and %)	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,120	53%	-	-	1,173	46%	-	-
Subsidiaries	824	39%	3,558	98%	812	32%	2,550	83%
Sub-total Audit	**1,944**	**92%**	**3,558**	**98%**	**1,985**	**77%**	**2,550**	**83%**
Non audit services*								
Parent company	15	1%	-	-	133	-	-	-
Subsidiaries	159	7%	56	2%	448	17%	521	17%
Sub-total Non Audit	**174**	**8%**	**56**	**2%**	**580**	**23%**	**521**	**17%**
TOTAL FEES 2018	**2,118**	**100%**	**3,614**	**100%**	**2,565**	**100%**	**3,071**	**100%**

* *In 2018, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.*

E.5 Parent company summary financial statements

E.5.1 Statutory auditors' report on the financial statements for the year ended December 31, 2019

To the General Meeting of Shareholders of Atos SE,

Opinion

In compliance with the engagement entrusted to us by your General Meetings, we have audited the accompanying financial statements of Atos SE for the year ended December 31, 2019.

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 at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with 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 statutory auditors' responsibilities for the audit of the financial statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics for statutory auditors (Code de Déontologie de la profession de commissaire aux comptes).

Justification of Assessments – Key audit matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risk of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

VALUATION OF PARTICIPATING INTERESTS

Note "Accounting rules and policies - Financial assets" and Note 2 "Financial assets to consolidated financial statements"

Key Audit Matter	Our audit approach
As of December 31, 2019, Participating interests are recorded on the balance sheet at a net book value of € 10,140 million, or 81% of total assets. Participating interests are initially booked at their acquisition cost. An impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows: • on the basis of their part of interest in shareholding equities for the holding entities; • on the basis of the enterprise value for the operational entities based on cash flow forecasts. We considered the valuation of participating interests as a key audit matter, given the weight of these assets in the balance sheet and the importance of management's judgments and estimates in the determination of cash flow assumptions.	Our assessment of the valuation of participating interests is based on the process implemented by the Company to determine their value-in-use. We performed the following procedures: • for valuation based on historical value, we verified the consistency of the part of interest in the investment's shareholder equity as calculated by the Company with the financial statements of the related entities; • for valuation based on forecasts: – obtain the cash flow forecasts of the entities concerned and reconcile them with the three year financial plan per Cash Generating Unit (CGU) approved by Management, – analyze the consistency of the assumptions used with the performance history of the Group and the entities, and confirm through interviews with Management and other procedures, future growth prospects.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders.

In accordance with French law, we report to you that the information relating to payment deadlines referred to in article D. 441-4 of the French Commercial Code (Code de Commerce) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de Commerce).

Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code (Code de Commerce) relating to remunerations and benefits received by or awarded to the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of statutory auditors

We have been appointed as statutory auditors of the Company by your General Meetings of December 16, 1993 for Deloitte & Associés, and October 31, 1990 for Grant Thornton.

As at December 31, 2019, Deloitte & Associés was in its 26th year mandate, without any interruption, and for Grant Thornton in its 29th year mandate, without any interruption, and for both statutory auditors, on 24 years of exercise of mandate since the Company's securities had been admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (Code de Commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements for the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de Commerce) and in the French Code of Ethics for statutory auditors (Code de Déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris – La Défense and Neuilly-sur-Seine, February 25, 2020

The statutory auditors

French original signed by

Deloitte & Associés	Grant Thornton
Christophe Patrier	Virginie Palethorpe

E.5.2 Statutory auditors' special report on regulated agreements and commitments with third parties – Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2019

To the General Meeting of Shareholders of Atos S.E.,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, the conditions and the reasons for the Company's interest of those agreements brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements, already authorized by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted for approval to the Shareholders' Meeting

Agreements authorized and concluded during the year

Pursuant to Article L. 225-40 of the French Commercial Code (*Code de Commerce*), we have been informed of the following agreement, concluded during the year, which was previously authorized by your Board of Directors.

Separation Agreement with Worldline company

Executive Director concerned: Mr. Thierry Breton, Chairman and Chief Executive Officer of your company until October 31, 2019 and Chairman of the Board of Directors of Worldline until October 24, 2019

The companies Atos S.E. ("Atos") and Worldline S.A. ("Worldline") entered into a separation agreement on May 6, 2019, following the authorization granted at the meeting of your Board of Directors on April 30, 2019 held after the annual general meeting. This agreement contractually transcribes the various aspects regarding the allocation of the costs related to the distribution of Worldline shares by Atos to its shareholders (representing 23.5% of the share capital), which led to the deconsolidation of its former subsidiary, and allocates in a coordinated manner their separation activities, in particular in the areas of intellectual property rights, procurement activities, group processes and procedures, migration and integration of IT systems, security, offshore resources, insurance, real estate sub-leasing, parent company guarantees and data protection. This agreement also provides the method of allocation of any additional costs in respect of the activities identified.

Out of the total initially estimated at 29.1 million euros of separation costs, mainly IT costs, it was agreed that Atos would support 18.2 million euros in 2019 and Worldline would support 10.9 million euros in 2020. At the end of 2019, these separation costs have been reassessed in particular regarding the IT planning and amounted to 37.8 million euros, mainly IT costs. As a full and final settlement of the conventional split of the separation costs, Atos incurred a total of 22.5 million euros in 2019, part of which was paid directly to Worldline. The remaining reassessed separation costs remains the responsibility of Worldline; no such costs will remain the responsibility of Atos at January 1, 2020.

In addition, the agreement provides, for the few Worldline's employees who have benefited Atos performance shares, that Atos agrees to change the condition of presence within the Atos Group to a condition of presence within the Worldline Group if Atos comes to hold less than 10% of the share capital and voting rights of Worldline. Indeed, below this threshold provided for by the Commercial Code, the condition of presence "within the Atos Group" would no longer be satisfied. However, the definitive allocation remains subject to the satisfaction of performance conditions. A comparable commitment is made by Worldline to the benefit of Atos employees who have benefited from Worldline performance share plans.

Your Board of Directors considered that the conclusion of this agreement was in the interest of your company because an agreement allows the good governance of the project which requires the clarification of the roles of each of the two companies, as well as the identification and definition of the various costs that the separation operation involves for each of the companies. Then, the agreement determines a fair and balanced distribution according to the benefit they obtain respectively from each of the posts concerned. Lastly, it allows a high level of operational continuity for both companies and maintain certain technical and commercial partnerships.

Agreements already approved by the Shareholders' Meeting

A. Agreements approved in prior years whose implementation continued during the year

Pursuant to Article R. 225-30 of the French Commercial Code (*Code de Commerce*), we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous years, continued during the year.

With Siemens AG, shareholder holding more than 10% of the voting rights

Director concerned: M. Roland Busch, Director of Atos SE and member of the Management Board of Siemens AG

a. Amendment to the Customer Relationship Agreement entered into with Siemens AG

On May 20, 2011, Atos SE and Siemens AG entered into a commercial agreement (hereafter the "*Customer Relationship Agreement*") regarding their future provider-customer relationship. The initial term of the contract was 7 years and Siemens committed to a certain volume of services (€5.5 billion).

On October 28, 2015, subject to the condition precedent of the authorization by your Board of Directors, Atos SE and Siemens AG entered into an agreement called "*Third Amendment Agreement to the Customer Relationship Agreement*", for the purpose of amending the *Customer Relationship Agreement* mainly as follows:

(i) extend the term of the *Customer Relationship Agreement* for an additional period of 3.5 years, and in this context, increase the minimum volume of services to which Siemens remains committed towards Atos by an additional amount of €3.23 billion (i.e. a contract length extended until December 31, 2021, and a total amount of services of €8.73 billion to which Siemens remains committed);

(ii) in addition to managed services, application management and systems integration projects included in the initial contract, include in the scope of the *Customer Relationship Agreement Cloud*, industrial data analytics, and cyber-security services.

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent. This same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2019, your Company considering that volumes recorded during fiscal year 2019 between the group Atos and the group Siemens do not question the achievement of these commitments by December 31, 2021.

b. Amendment to the Lock-Up Agreement entered into with Siemens AG

On May 20, 2011, Atos SE, Siemens AG and Siemens Beteiligungen Inland GmbH ("Siemens Inland") entered into a lock-up agreement (hereafter the "*Lock-Up Agreement*") which provides for a lock-up undertaking of Siemens AG and Siemens Inland on the participating interests held by Siemens Inland in the share capital of Atos SE (12,483,153 shares) until June 30, 2016 (hereafter the "*Lock-Up Period*"). Siemens Inland transferred this shareholding in the share capital of Atos SE to Siemens AG in December 2013.

In the context of the strengthening of the partnership between Atos and Siemens, as announced by the parties in July 2015, Atos SE, Siemens AG and Siemens Inland entered, on October 30, 2015, into an agreement called "*Amendment to the Lock-Up Agreement*", subject to the condition precedent of the authorization by the Board of Directors of the Company, for the purpose of amending the *Lock-Up Agreement* as follows:

(i) extend the maturity date of the *Lock-Up Period* until September 30, 2020 (i.e. an additional lock-up period of 4 years and 3 months);

(ii) provide for the possibility for Siemens AG or Siemens Inland, as from July 1, 2016, to transfer the shares to two Siemens employees' pension funds named Siemens Pension Trust e.V. and BSAV-Trust e.V. (or to any investment fund or investment vehicle in which - directly or indirectly - either or both of these pension trusts invest their assets provided that these pension trusts are the only investors), subject to such transferee agreeing to abide by the *Lock-Up Agreement*.

Thus, on March 27, 2018, in connection with the funding of a pension plan by Siemens AG, Siemens AG transferred, off-market, to Siemens Pension-Trust eV that it controls its entire participation in the Company, corresponding to 12,483,153 ATOS SE shares. As part of the transfer mentioned above, Siemens Pension-Trust eV signed on March 23, 2018 an act entitled "Joinder Agreement" under which Siemens Pension-Trust eV agreed to be bound by all terms and conditions of the *Lock-up Agreement*.

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent. This same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2019.

B. Agreements approved during the year

We have been informed of the execution, during the year, of the following agreement, already approved by the Shareholders' Meeting of April 30, 2019, based on the statutory auditors' special report of April 9, 2019.

Global Alliance Agreement with Worldline company

Executive Director concerned: Mr. Thierry Breton, Chairman and Chief Executive Officer of your company until October 31, 2019 and Chairman of the Board of Directors of Worldline until October 24, 2019

As from the announcement of your company's plan to distribute 23.5% of Worldline's shares, Atos and Worldline made known their desire to maintain a strong industrial and commercial partnership. In this context, your Board of Directors, meeting on 18 March 2019, authorized the conclusion of an agreement between your company and Worldline (the "Global Alliance Agreement") which came into effect at the time of the said distribution of the shares, i.e. on May 7, 2019.

The Global Alliance Agreement includes a cooperation clause, a liability limitation clause, a confidentiality clause and a clause under which each party shall fund its own costs and expenses incurred in relation to the Alliance. This Alliance Agreement shall have an initial term of five years from the distribution date, on the May 7, 2019, and shall thereafter be automatically extended by two extension periods of three years each unless terminated by either Party within six months' notice prior to the end of the initial term or the first extension period, respectively. A Party shall be entitled to terminate this Alliance Agreement following any occurrence of a Change of Control over the other Party.

The Global Alliance Agreement shall encompass the following areas of cooperation:

- Sales
- Research and development (R&D)
- Human resources
- Procurement activities

The agreement includes a general reciprocal cooperation clause, as well as governance stipulations relating to the establishment of an alliance board and sub-committees for each of the four areas, as well as a dispute resolution mechanism including a procedure for escalation and prior negotiation.

1. Sales

The Global Alliance Agreement includes the following:

- The implementation of a network to search for sales opportunities;
- Principles governing resale agreements for identified offers and services (including reciprocal commitments) as well as a model contract for this purpose;
- The principles of privileged partnership in order to maintain the current mode of cooperation within a defined legal framework and in compliance with the rules applicable, in particular regarding competition (no exclusivity clause);
- On a case-by-case basis, the possibility of responding jointly to calls for tenders (a model partnership agreement will be annexed to the Global Alliance Agreement and personalized for each situation);
- The cooperation that will be ensured by the sub-committees' "sales" of the alliance, which will meet on a regular basis. This sub-committees will take documented decisions concerning the validation of quotations and joint offers and will ensure compliance with competition law and confidentiality obligations;
- The principles governing the use of the other party's references (pre-approved in the case of a resale contract relating to a specific offer and subject to prior authorization in other cases).

The Global Alliance Agreement also governs (i) the terms of use of the Business Technology & Innovation Centers ("BTIC"), which in particular allows demonstrations of Worldline products in a specific location, (ii) access to Worldline customer sessions, (iii) rules for co-presentations, as well as joint participation in shows and events.

2. R&D

The Parties agree that Worldline and its Subsidiaries may participate in the Atos Scientific Community and Experts Community meetings. Therefore, the Parties agree to the following principles:

- Worldline shall contribute in the Communities in the form of predefined annual amount calculated in man days;
- No Party shall charge fees or costs to the other Party for the participation in the Communities;
- The joint intellectual property rights on the documents edited by the Communities;
- Protection in the form of patents, in the case of joint intellectual property rights, for the benefit of the patent holder and a license for the other Party;
- The contribution to make its fellow experts and distinguished experts available to the other Party if such experts are required for any presales activities of the other Party. The Parties agree in writing beforehand on the respective contribution in the form of X man days. Individual travel and accommodation expenses shall be charged;
- The principles of any future potential co-investments.

3. Human resources

The Global Alliance Agreement aims to allow and simplified support mobility of employees between Worldline Group and Atos Groupe (in compliance with the applicable legal provisions) by publishing job opportunities at Atos and at Worldline. The process and conditions of any such mobility is subject to compliance with a specific procedure agreed between the two groups. For the mobility of any key employee, the Group Head of HR of both Parties have to agree.

In addition, the Global Alliance Agreement provides the possibility for each to involve its employees in certain development programs of the other Party and to organize networking activities for experts and talents.

4. Procurement activities

The Global Alliance Agreement organizes the implementation of transitional agreements in order to have the best approach to combine each Party's efforts. It also governs the terms and conditions of joint purchasing, in compliance with competition laws and regulations and subject to each supplier's own policies, through the implementation of appropriate structures (resale contract, partnership contract, joint venture, etc.).

Neuilly-sur-Seine, February 28, 2020

The Statutory Auditors

French original signed by

Deloitte & Associés	**Grant Thornton**
Christophe Patrier	French Member of Grant Thornton International
	Virginie Palethorpe

E.5.3 Atos SE Financial statement

As of December 31, 2019, the Group issued common stock amounted to € 109.2 million comprising 109,214,914 fully paid-up shares of € 1 per value each. Atos shares are traded on the Paris Euronext market under ISIN FR0000051732. The shares are not listed on any other stock exchange. Worldline SA shares are also traded on the Paris Euronext market and Atos SE and Worldline SA are the only listed companies of the Group.

E.5.3.1 Balance sheet

(in € thousand)	Notes	December 31, 2019			December 31, 2018
Assets		**Gross**	**Amortization/ Depreciation**	**Net**	
Intangible fixed assets	Note 1	113,918	-113,918	-	-
Tangible fixed assets		-	-	-	-
Participating interests	Note 2	10,592,215	-451,974	10,140,241	8,965,767
Other financial investments	Note 2	98,031	-	98,031	398,520
Total fixed assets		**10,804,164**	**-565,892**	**10,238,272**	**9,364,287**
Advances and down payments		301	-	301	301
Trade accounts and notes receivable	Note 3	42,115	-	42,115	77,608
Other receivables	Note 3	1,365,117	-30,276	1,334,841	905,881
Cash and cash equivalent	Note 4	989,697	-	989,697	798,760
Total current assets		**2,397,230**	**-30,276**	**2,366,954**	**1,782,550**
Prepayments, deferred expenses	Note 5	27,958	-	27,958	39,539
TOTAL ASSETS		**13,229,352**	**-596,168**	**12,633,184**	**11,186,377**

(in € thousand)	Notes	December 31, 2019	December 31, 2018
Liabilities and shareholders' equity			
Common stock		109,215	106,886
Additional paid-in capital		1,572,382	2,993,742
Legal reserves		10,715	10,545
Other reserves and retained earnings		-	803,959
Net income for the period		3,528,637	161,090
Shareholders' equity	Note 6	5,220,949	4,076,220
Provisions for contingencies and losses	Note 7	7,179	1,800
Borrowings	Note 8	5,405,584	5,227,084
Trade accounts payable	Note 9	19,726	22,159
Other liabilities	Note 9	1,979,612	1,839,664
Total liabilities		**7,412,001**	**7,088,906**
Unrecognized exchange gains, deferred incomes	Note 10	134	19,449
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12,633,184**	**11,186,377**

E.5.3.2 Income statement

(in € thousand)	Notes	December 31, 2019	December 31, 2018
Revenue	**Note 11**	**141,074**	**145,558**
Other income		12,900	6,580
Total operating income		153,974	152,138
Purchases and external expenses		-37,311	-42,709
Taxes		-1,498	-1,929
Remuneration and social charges		-2,564	-3,490
Depreciation amortization and provisions		-	-39
Other expenses	Note 12	-15,542	-17,624
Total operating expenses		**-56,915**	**-65,793**
Operating margin		**97,059**	**86,345**
Net financial result	**Note 13**	**157,010**	**-32,507**
Net income on ordinary activities		**254,070**	**53,838**
Non-recurring items	**Note 14**	**3,300,805**	**80,917**
Employee profit sharing			
Corporate income tax	**Note 15**	**-26,238**	**26,335**
NET INCOME FOR THE PERIOD		**3,528,637**	**161,090**

E.5.4 Notes to the Atos SE statutory financial statements

Atos SE Activity

Atos SE main activities are:

- the management of the Atos trademark;
- the management of Group participating interests;
- the management of Group financing activities.

Revenue consist mainly of trademark fees received from Group subsidiaries.

The company Atos SE is the parent company of the Atos Group and consequently establishes consolidated financial statements.

Highlights

The Atos shareholders approved, at the Combined General Meeting held on April 30, 2019, the distribution in kind of Worldline shares to Atos shareholders, effective May 7. The total amount of the exceptional distribution in kind is € 2,344 million, based on a distribution ratio of Worldline shares to Atos shareholders, equal to 2 Worldline shares for 5 Atos shares held and a unit share price of € 54.7. The number of Worldline shares distributed was equal to 42,852,724. Following this transaction, Atos hold 27.3% of the share capital and 35.0% of the voting rights of Worldline.

Furthermore on October 30, 2019 Atos has announced the disposal of 12% of Worldline share capital for € 780 million through a private placement by way of Accelerated Book building Offering (ABO) and the issuance of € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%. Total gross proceeds for Atos was € 1,280 million for the combined transactions.

In addition, Atos SE transfered £ 198 million (€ 230 million) of Worldline shares to Atos UK Pension Scheme. This non-cash transaction will prevent Atos from any additional funding in cash for the next 15 years, subject to ensuring compliance with UK pension funding regulations.

The sale of part of Atos' stake in Worldline is consistent with Atos priorities presented in its 2019-2021 strategic plan, as it will reinforce the Group's focus as a leading listed digital player and increase its strategic flexibility, thereby allowing Atos to further amplify growth and value creation as the digital landscape accelerates. It also de-risks Atos' exposure to Worldline via an efficient transaction structure.

Moreover, on November 14, 2019 Atos has fully repaid the term loans in USD and EUR drew on October 2018 to fund the Syntel acquisition. Atos SE reimbursed directly € 513 million and $ 1,045 million indirectly through its subsidiaries.

On November 1, 2019, Mr. Thierry Breton, Chairman of Chief Executive Officer of Atos SE resigned from all his mandates within the Atos Group.

The Board of Directors decided to separate the offices of Chairman of the Board of Directors and of Chief Executive Officer and therefore appointed Mr. Bertrand Meunier as non-Executive Chairman of the Board of Directors of Atos SE, and Mr. Elie Girard as Chief Executive Officer as of November 1, 2019.

Rules and accounting methods

The financial statements of Atos SE have been prepared in application with ANC 2018-07 and current regulations with generally accepted accounting principles in France.

General conventions were applied, in the respect of:

- principle of prudence;
- principle of going concern;

- permanence of the accounting methods from one exercise to another;
- cut-off principle.

As a principle, items are booked in the accountancy based on the historical cost method. The annual accounts are established and presented in thousands of euros.

Intangible assets

Intangible assets consist of software and merger deficit.

The softwares are booked at the acquisition cost and amortized on a straight-line basis over their expected useful life. Those assets are fully depreciated at December 31, 2019.

Tangible assets

There are no tangible assets at December 31, 2019.

Financial assets

Financial assets consist of participating interests and other financial investments (loans and deposits).

Participating interests carried in the balance sheet are booked at their acquisition cost, including any transaction fees. A provision for impairment is set aside when the acquisition cost exceeds the value-in-use determined as follows:

- based on the enterprise value for the operational subsidiaries based on present value of discounted future cash flows using 3 years plan, also used for the Goodwill impairment tests at consolidation level (Discounting Cash Flows methodology), an estimated perpetuity growth rate is applied as well as discount rates by country, based on the Group's weighted average cost of capital and adjusted to consider specific tax rates and country risks relating to each geographical area;
- based on their part of interest in shareholding equities for the non-operational subsidiaries.

Loans are mainly intra-Group transactions.

Trade accounts and notes receivable

Trade accounts and notes receivable are recorded at their nominal value. They are calculated individually and, if necessary, are subject to an impairment loss.

Trade accounts and notes receivable denominated in foreign currency are booked at their fair value at the closing date. The difference between their historical value and their fair value at year-end is booked as unrecognized exchange gain or loss.

Cash and cash equivalents

Treasury stocks are recorded at their acquisition cost in the context of a liquidity contract or in the intention to grant them as free shares plan or stock-options plan.

For the shares acquired in the context of the liquidity contract, a depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

Prepayments, deferred expenses

Deferred expenses relate exclusively to costs for issuing borrowings. Those costs are recognized over the duration of the borrowings on a straight-line basis.

Provisions

The amount of the provisions is based on the best estimate of the outflow of resources necessary to extinguish the underlying obligation.

When the participating interest is fully impaired, in addition to the depreciation of the related current assets a provision for risk may be required when the carrying value exceeds the value in-use.

Bonds

Bond issues are recorded for their refund value at the date of receipt of the funds, the triger event.

Issue premiums are capitalized and amortized over the term of the loan.

Non-recurring items

Non-recurring items are made of incomes and expenses generated by operations which are unusual, abnormal or infrequent in their magnitude or occurrence.

Note 1 Intangible assets

Net value of intangible fixed assets

(in € thousand)	December 31, 2018	Acquisitions/charges	Disposals/reversals	December 31, 2019
Intangible assets	**113,918**	**-**	**-**	**113,918**
Amortization	-9,960	-	-	-9,960
Depreciation	-103,958	-	-	-103,958
TOTAL OF AMORTIZATION & DEPRECIATION	**-113,918**	**-**	**-**	**-113,918**
Net value of intangible assets	**0**	**-**	**-**	**0**

The intangible assets are mainly composed of:

- a merger deficit resulting from the transfer of assets and liabilities from Atos Investissement 6 to Atos SE in 2004, fully depreciated since 2016. This merger deficit is allocated to the various assets brought to allow a proper follow-up and is broken down as follows:
  - France: € 40.8 million,
  - Spain: € 63.1 million; and
- other merger deficit accounted prior 2004 for a gross value of € 9.96 million, depreciated on a straightline basis.

Note 2 Financial fixed assets

Change in financial fixed assets – Gross value

(in € thousand)	December 31, 2018	Acquisition	Decrease	December 31, 2019
Investments in consolidated companies	9,419,655	1,230,962	-58,611	10,592,006
Investments in non consolidated companies	124	-	-	124
Other investments	85	-	-	85
Total investments	**9,419,864**	**1,230,962**	**-58,611**	**10,592,215**
Intercompany loans and accrued interests	319,159	249,660	-568,819	0
Others	79,361	98,031	-79,361	98,031
Total other financial assets	**398,520**	**347,691**	**-648,180**	**98,031**
TOTAL	**9,818,384**	**1,578,653**	**-706,791**	**10,690,246**

Acquisition/diminution of participating interest and other movements

In the course of the year, Atos SE increased the capital of the following entities of the Atos Group:

- Atos International BV for € 1,229.2 million by the way of subscription to share premium contributions of AIBV (€ 998.9 million as part of the SYNTEL acquisition loan repayment and € 230 million related to the sale of the Wordline shares to the Atos UK pension scheme);
- Bull SA for € 1.7 million.

The decrease of the participating interests for € 58.6 million is related to the Net Book Value of the Worldline shares disposed during 2019.

Other financial assets deadline details

(in € thousand)	Gross amount December 31, 2019	Up to 1 year	1 to 5 years
Loans and accrued interests	-	-	-
Others	98,031	98,031	-
TOTAL	**98,031**	**98,031**	**-**

Other financial assets at closing date corresponded to deposit under securitization program for receivables for € 98 million and loans granted to Group entities.

Change in financial fixed assets – Impairment

(in € thousand)	December 31, 2018	Depreciation	Release	December 31, 2019
Investments in consolidated companies	-453,888	-24,518	26,640	-451,766
Investments in non consolidated companies	-124	-	-	-124
Other investments	-85	-	-	-85
TOTAL	**-454,097**	**-24,518**	**26,640**	**-451,975**

The release of the period corresponded mainly to the impairment of entities in France including the holdings for an amount of € 26.64 million.

The depreciation of the period corresponded to French entities for € 13.8 million and an entity in Turkey for € 10.7 million.

Net value of the financial fixed assets

(in € thousand)	Gross amount	Depreciation	Net value
Investments in consolidated companies	10,592,006	-451,766	10,140,240
Investments in non consolidated companies	124	-124	-
Other investments	85	-85	-
Investments	**10,592,215**	**-451,975**	**10,140,240**
Loans and accrued interests	-	-	-
Others	98,031	-	98,031
Other financial assets	**98,031**	**-**	**98,031**
TOTAL	**10,690,246**	**-451,975**	**10,238,271**

Main subsidiaries and investments

(in € thousand)	% interest	Gross value at December 31, 2019	Net value at December 31, 2019	Loans and advances made by the Company not refunded	Sureties and guaranties made	Dividends received
SUBSIDIARIES (over 50% interest)						
French subsidiaries						
Bull SA	100	1,339,794	1,339,794			262,931
Atos Infogérance	100	339,501	185,791			
Atos Intégration	95	221,054	221,054		180,000	
Atos Consulting	68	16,539	0			
Atos Participation 2	100	30,616	16,035			
Atos International	100	103,725	0		97,569	
Atos Investissement 10	100	88,899	68,844		1,650	
Atos Management France	100	44,820	0			
Atos Investissement 12	100	62	26			
Atos Meda	100	8,840	8,840			
Atos Investissement 19	100	59	59			
Atos Investissement 20	100	37	0			
Atos Investissement 21	100	37	37			
Atos Worldgrid	100	32,328	32,328		46,317	
Foreign subsidiaries						
Atos Origin Srl, Italie	100	57,183	173			
St Louis Ré, Benelux	100	2,174	2,174		31,250	
Atos Spain SA	100	128,121	128,121			21,763
Atos Information Technology GMBH	100	585,747	585,747		122,160	
Atos International BV, Pays Bas	100	7,509,713	7,509,713			
Atos Bilisim, Turquie	81	22,276	11,554		71,450	
Atos Customer Serv Turquie	92	199	199		5,000	
SUBSIDIARIES (10 to 50% interest)						
Canopy uk	11	30,245	311			
Worldline SA	13	29,285	29,285			
Group technic informatic, Spain	33	751	156			

(in € thousand)	
Total equity from French subsidiaries	5,278,518
Total equity from foreign subsidiaries	8,684,479
Total net income from French subsidiaries	-50,943
Total net income from foreign subsidiaries	-44,139

Note 3 Trade accounts, notes receivable and other receivables

Trade accounts, notes receivable and other receivables

(in € thousand)	Gross amount December 31, 2019	Depreciation	Net value December 31, 2019	Net value December 31, 2018
Trade accounts and notes receivable and doubtful debtors	34,619	-	34,619	35,546
Invoices to be issued	7,496	-	7,496	42,062
Trade accounts and notes receivables	**42,115**	**-**	**42,115**	**77,608**
State and income tax	82,369	-	82,369	75,634
VAT receivable	4,481	-	4,481	6,885
Intercompany current account	1,272,084	-30,276	1,241,808	816,752
Other debtors	6,183	-	6,183	6,610
Other debtors	**1,365,117**	**-30,276**	**1,334,841**	**905,881**
TOTAL	**1,407,232**	**-30,276**	**1,376,956**	**983,489**
Of which operating		-		

The trade accounts and doubtful debtors include intra-Group re-invoicing at the end of the year 2019.

The "invoices to be issued" mainly relates to intercompany invoicing of Trademark fees for € 3.3 million and € 2.1 million of intercompany reinvoicing of patent to Atos International.

A € 30.3 million depreciation on current accounts was recorded related to the impairment of some affiliates.

Maturity of trade accounts receivable and other debtors

(in € thousand)	Gross amount at December 31, 2019	Up to 1 year	1 to 5 years
Trade accounts and notes receivable and doubtful debtors	34,619	34,619	-
Invoices to be issued	7,496	7,496	-
State and income tax	82,369	82,369	-
VAT receivable	4,481	4,481	-
Intercompany current account	1,272,084	1,272,084	-
Other debtors	6,183	6,183	-
TOTAL	**1,407,232**	**1,407,232**	**-**

Accrued income

(in € thousand)	December 31, 2019	December 31, 2018
Accrued income included in Receivable accounts		
Other receivables	553	857
TOTAL	**553**	**857**

Note 4 Cash and cash equivalents

Cash and cash equivalents and mutual funds

(in € thousand)	Gross amount at December 31, 2019	Depreciation	Net value December 31, 2019	Net value December 31, 2018
Mutual funds	-	-	-	2
Treasury stocks – owned shares	39,913	-	39,913	3,920
Short Term Bank deposits	-	-	-	-
Cash at bank	949,784	-	949,784	794,838
TOTAL	**989,697**	**-**	**989,697**	**798,760**

Movement in Treasury stocks-owned shares

As at December 31, 2019, the Company owned 582,204 Atos SE shares which amounted to 0.5% of the share capital with a portfolio value of € 43,269,401.28, based on December 31, 2019 market price, and with book value of € 39,912,877.50. These shares were purchased in the context of a share buyback program and were assigned to the allocation of shares to employees or corporate officers of the Company or its group and correspond to the hedging of its undertakings under the performance shares plans or share purchase plans.

The Company proceeded to the purchase of:

- 1,100,000 shares from May 9, 2019 to June 19, 2019, as part of a mandate given to a financial intermediary as announced by the Group on May 8, 2019;
- 540,000 shares from August 5, 2019 to September 4, 2019, as part of a mandate given to a financial intermediary as announced by the Group on August 2, 2019.

From January 1, 2019 to December 31, 2019 the Company transferred 1,087,638 shares of the Company to beneficiaries of LTI (Long term Incentives) plans.

Short term bank deposits

Depending on market conditions and short-term cash flow expectations, Atos SE from time to time invests in money market funds or bank deposits with a maturity period not exceeding three months.

Note 5 Prepayments and deferred expenses

(in € thousand)	December 31, 2019	December 31, 2018
Redemption premiums of bonds	4,883	5,964
Translation losses	-	20,894
Prepaid expenses	9,056	2,164
Deferred expenses	14,019	10,518
TOTAL	**27,958**	**39,539**

The redemption premiums of bonds, for an amount of € 4,883 thousand, are related to the € 1,800 million bonds emitted in November 2018.

The amounts are deduction made of the amortization (amortization on a straight-line basis depending on the maturities).

The prepaid expenses relate to the payment of the Marketing right of the 2020 Tokyo Olympic games for € 8.9 million.

The deferred expenses consist of fees amortization related to:

- the syndicated loan for € 1.8 million;
- the € 1,800 million 2018 bonds for € 4.6 million;
- the € 900 million 2015-2016 bonds for € 1.2 million;
- the € 500 million 2019 zero coupon bond for € 5.9 million;
- the € 50 million 2019 NEU MTN (Negotiable European Medium-term Note) for € 0.5 million.

Note 6 Shareholders' equity

Common stock

(in € thousand)	December 31, 2019	December 31, 2018
Number of shares	109,214,914	106,886,219
Nominal value *(in €)*	1	1
COMMON STOCK	**109,215**	**106,886**

Capital ownership structure over three years

	December 31, 2019		December 31, 2018		December 31, 2017	
	Shares	%	Shares	%	Shares	%
Siemens	-	-	-	-	12,483,153	11.8%
Siemens Pension Trust e.V.[3]	12,483,153	11.4%	12,483,153	11.7%		
Blackrock Inc.	-	-	-	-	5,339,057[2]	5,1%
Employees	1,520,828	1.4%	1,156,732	1.1%	1,182,158	1.1%
Board of Directors	54,493	0.1%	517,054	0.5%	546,630	0.5%
Treasury stock	582,204[1]	0.5%	54,842	0.1%	332,478	0.3%
Others	94,574,236[4]	86.6%	92,674,438	86.7%	85,561,873	81.1%
TOTAL	**109,214,914**	**100.0%**	**106,886,219**	**100.0%**	**105,445,349**	**100.0%**

1 *Including 540,266 shares to be effectively delivered to LTI beneficiaries on January 2, 2020.*
2 *On the basis of the threshold crossing statement made on December 5, 2017.*
3 *Siemens Pension Trust e.V. is controlled by Siemens AG.*
4 *Includes all shareholders holding less than 5% of the share capital.*

Siemens Pension Trust e.V. owns a 11.4% stake which it committed to keep until September 30, 2020. No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital.

During 2019, the Group has been informed of the following statutory thresholds crossings:

(i) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on February 4, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the receipt of ATOS SE shares held as collateral). BlackRock, Inc. declared holding 5.03% of the share capital and voting rights of the Company;

(ii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on February 6, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following a decrease in the number of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.80% of the share capital and voting rights of the Company;

(iii) Société Générale, declared having crossed, upwards, on April 12, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following an acquisition of Atos SE shares off market). Société Générale declared holding 5.02% of the share capital and voting rights of the Company;

(iv) Société Générale, declared having crossed, downwards, on May 17, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following a disposal of Atos SE shares off market). Société Générale declared not holding any shares of the Company anymore;

(v) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards, on May 30, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the receipt of Atos SE shares held as collateral). BlackRock, Inc. declared holding 5.02% of the share capital and voting rights of the Company;

(vi) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on May 31, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the return of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.65% of the share capital and voting rights of the Company.

The 18th resolution of the Combined General Meeting of April 30, 2019, renewed in favor of the Board of Directors, the authorization to purchase Company shares, in connection with the implementation of a share buyback program.

These purchases could be carried out:

- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently in the context of a liquidity contract, in accordance with the Professional Conduct Charter accepted by the Autorité des Marchés Financiers (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 et seq. of the Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 et seq. of the Commercial Code and (iv) French and foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of the rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to keep them and subsequently use them in payment or exchange or other in the context of potential external growth operations; or
- to cancel them as a whole or in part through a reduction of the share capital authorized pursuant to the 19th resolution of the Combined General Meeting held on April 30, 2019.

The authorization may be used at any time, except during public offers on the shares of the Company.

The purchase of shares shall not exceed, a maximum number of shares representing 10% of the share capital of the Company, at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequently to the General Meeting, it being specified that where the shares are repurchased in the context of a liquidity contract, the number of shares taken into account in calculating the 10% limit shall be the number of shares purchased minus the number of shares resold during the period of the authorization.

Acquisitions, sales and transfers or exchange of shares may be made by any means, subject to the limits authorized by the laws and regulations in force, on one or several occasions, on a regulated market or via a multilateral trading facility or a systematic internalizer or over the counter, including by public tender offering or by block purchases or sales (with no limit on the portion of the share repurchase program), and where required, by derivative financial instrument (traded on a regulated market or a multilateral trading facility via a systematic internalizer or over the counter) or by warrants or securities giving access to Company shares, or the implementation of optional strategies such as purchases or sales of purchase or sale options, or by the issuance of securities giving access to the Company's capital by conversion, exchange, redemption, exercise of a warrant or any other means to Company shares held by this latter party, and when the Board of Directors or the person acting on the Board of Directors' authority, under conditions laid down in the law, decides in compliance with the relevant legal and regulatory provisions.

The maximum purchase price per share may not exceed € 120 (fees excluded).

The Board of Directors shall adjust the aforementioned maximum purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and the free allocation of shares, and in case of division of the nominal value of the share or share consolidation or any other transaction on equity, so as to take account of the impact of such transactions on the value of the shares.

The maximum amount of funds assigned to the buyback program shall thus be € 1,282,634,520 as calculated on the basis of the share capital as at December 31, 2018; this maximum amount may be adjusted to take into account the amount of the capital on the day of the General Meeting.

This authorization was granted for a period of 18 months as from April 30, 2019.

As of December 31, 2019, the Company held 582,204 shares of treasury stocks.

As at December 31, 2019	Shares	% of share capital	% of voting rights
Siemens Pension Trust e.V.[1]	12,483,153	11.4%	11.5%
Employees	1,520,828	1.4%	1.4%
Board of Directors	55,493	0.1%	0,1%
Treasury stock	582,204[2]	0.5%	-
Free float	94,573,236	86.6%	87.0%
TOTAL	**109,214,914**	**100.0%**	**100.0%**

1 Siemens Pension trust e.V. is controlled by Siemens AG.
2 Including 540,266 shares that will be delivered to LTI beneficiaries on January 2, 2020.

The Company's shares which are owned by employees are managed by Group mutual funds (FCPE) or held in direct shareholding. The Supervisory Boards of the Group mutual funds exercise the voting rights attached to the securities held within the funds. As at December 31, 2019, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.4% of the share capital.

As at December 31, 2019, except for Siemens Pension Trust e.V., no other shareholder had announced holding more than 5% of the Company's share capital.

Changes in shareholders' equity

(in € thousand)	December 31, 2018	Exercice of share options	Dividends	Appropriation of result	Capital increase	Net Income 2019	December 31, 2019
Common stock	106,887				2,328		109,215
Additional paid-in capital	2,993,742	15,168	-1,560,945		124,418		1,572,383
Legal reserve	10,545				170		10,715
Other reserves	25,511		-783,387	757,876			-
Retained earnings	778,447		-181,661	-596,786			-
Net income for the period	161,990			-161,090		3,528,637	3,528,637
TOTAL OF THE SHAREHOLDERS' EQUITY	**4,076,220**	**15,168**	**-2,525,993**	**0**	**126,916**	**3,528,637**	**5,220,949**

As at December 31, 2019, the Company's issued common stock amounted to € 109.2 million, divided into 109,214,914 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2018, the share capital was increased by the issuance of 2,328,695 new shares, split as follows:

- 263,518 new shares resulting a capital increase reserved to the employees;
- 25,467 new shares resulting from the exercises of stock options;
- 2,039,710 new shares resulting from the payment of the 2018 dividend in shares.

The dividends paid in 2019 by ATOS SE are composed of:

- € 181.6 million as part of the ordinary dividend for 2018 of € 1.70per share;
- € 2,344.3 million as part of the extraordinary dividend in Worldline shares (€ 1,560.9 million taken from additional paid-in capital and € 783.4 million on other reserves).

Potential common stock

Based on 109,214,914 outstanding shares as of December 31, 2019, the common stock of the Group could be increased by 3,026,180 new shares, representing 2.77% of the common stock before dilution. This dilution could come from the exercise of stock subscription options granted to employees or from the acquisition of performance shares, as follows:

(in shares)	December 31, 2019	December 31, 2018	Change 2019/2018	% dilution 2019/2018
Number of shares outstanding	**109,214,914**	**106,886,219**	**2,328,695**	
From stock subscription options	168,900	25,467	143,433	0.15%
From performance shares	2,857,280	2,594,916	262,364	2.62%
Potential dilution	**3,026,180**	**2,620,383**	**405,797**	**2.77%**
TOTAL POTENTIAL COMMON STOCK	**112,241,094**	**109,506,602**	**2,734,492**	

On the total of 168,900 of stock options, no option had a price of exercise lower than € 74.78 (opening stock price as of December 31, 2019).

Note 7 Provisions

Provisions

(in € thousand)	December 31, 2018	Charges	Release used	Release unused	December 31, 2019
Subsidiary risk	0	7,159	-	-	7,159
Contingencies	1,800	-	-1,445	-335	20
Litigations	0	-	-	-	0
TOTAL	**1,800**	**7,159**	**-1,445**	**-335**	**7,179**
Of which			-		
• Operating	355	-	-	-335	20
• Financial	1,445	7,159	-1,445	-	7,179
• Exceptional					

Provisions for subsidiary risk have been made for € 7,2 million. The impairment losses are recognized when the acquisition cost of a subsidiary exceeds the value-in-use and after the complete depreciation of the participating interests, receivables and current accounts, with a limitation up to the negative equity.

The provision on contengencies for € 1,8 million was mainly due to exchange loss on an intercompany borrowing for an amount of € 1,445 million, which has been settled as of December 31, 2019 and related provision released.

Note 8 Financial borrowings

Closing net debt

(in € thousand)		Up to 1 year	1 to 5 years	Over 5 years	Gross value December 31, 2019	Gross value December 31, 2018
Bank overdraft		1,368,932	-	-	1,368,932	581,638
Bonds		600,000	1,750,000	350,000	2,700,000	2,700,000
Convertible Bond			542,913		542,913	
Bank loans		675,000	-	50,000	725,000	800,000
Other borrowings		12,312	2,515	31,457	46,284	1,129,456
Loan Interest to be paid		22,455	-	-	22,455	16,004
Borrowings		**2,678,699**	**2,295,428**	**431,457**	**5,405,584**	**5,227,098**
Cash at bank	Note 5	949,784			949,784	794,838
CLOSING NET DEBT		**1,728,915**	**2,295,428**	**431,457**	**4,455,800**	**4,432,260**

Financial borrowings included mainly:

- bonds as detailed below for € 2,700 million:
  - in June 2015, a € 600 million bond, 5 years maturity (2020, up to one year at the end of 2019) with a 2.375% rate,
  - in October 2016, a € 300 million bond, 7 years maturity (2023, between one and 5 years at the end of 2019) with a 1.444% rate,
  - in November 2018, a € 700 million bond, 3.5 years maturity (2022, between one and 5 years at the end of 2019) with a 0.75% rate,
  - in November 2018, a € 750 million bond, 6.5 years maturity (2025, between one and 5 years at the end of 2019) with a 1.75% rate,
  - in November 2018, a € 350 million bond, 10 years maturity (2028, over 5 years at the end of 2019) with a 2.5% rate;
- convertible bonds issued on November 1, 2019, due 2024 for an aggregate nominal amount of € 500 million, which will be exchangeable into Worldline shares at a premium of 35% above the placing price of the Equity Placement. The convertible bonds have been issued with a premium of € 44.375 million corresponding to the offering price of 108,875%;
- NEU MTN for € 130 million, of which € 50 million with a maturity in 2026, over 5 years;
- NEU CP for € 595 million, maturity 2020 up to one year;
- profit-sharing for € 2.5 million.

Syndicated loan extended to 2024

In 2018, a credit facility was signed for € 2.4 billion, maturing in November 2023 with an option for Atos to request the extension of the Facility maturity date until November 2025.

In 2019, the maturity has been extended until November 2024;

This facility is used for the general needs of the Group.

As of December 31, 2019, Atos SE hasn't used this facility.

Note 9 Trade accounts, notes payable and other liabilities

Maturity of trade accounts, notes payable and other liabilities

(in € thousand)	Gross amount December 31, 2019	Up to 1 year	1 to 5 years	Gross amount December 31, 2018
Trade accounts and notes payable	19,726	19,661	65	22,159
Trade accounts and notes payable	**19,726**	**19,661**	**65**	**22,159**
Social security and other employee welfare liabilities	4,405	4,405	-	2,613
VAT payable	867	867	-	4,751
Intercompany current account liabilities	1,873,233	1,873,233	-	1,790,299
Other liabilities	101,107	101,107	-	42,000
Other liabilities	**1,979,612**	**1,979,612**	**-**	**1,839,664**
TOTAL	**1,999,338**	**1,993,273**	**65**	**1,861,823**

Terms of payments

The general terms of external purchases were sixty days as from the date of issuance of the invoice except lawful or agreed contrary provisions between the parties. As far as intercompany purchases are concerned, the general terms of payments are 30 days.

The breakdown of accounts payable at the end of the financial year was as follows:

(in € thousand)	Gross amount December 31,	Associated companies	Other	Total December 31	Overdue for more than one year	Overdue for less than one year	Invoices non-due at December 31
2019							
Accounts payable and liabilities	**19,726**	**11,054**	**8,672**	**19,726**	**65**	**2,121**	**17,540**
	100.0%				0.3%	10.8%	88.9%
Accounts payable	2,420	1,671	750	2,420	65	2,121	234
Invoices to be received	17,306	9,383	7,922	17,306	-	-	17,306
2018							
Accounts payable and liabilities	**22,159**	**17,475**	**4,684**	**22,159**	**9**	**-2,803**	**24,953**
	100.0%				0.0%	-12.6%	112.6%
Accounts payable	-2,240	-3,297*	1,057	-2,240	9	-2,803	554
Invoices to be received	24,399	20,772	3,627	24,399	-	-	24,399

* *Related mainly to an inter-company credit Note for an amount of € 3.465 million.*

Deferred Expenses included in the trade payable accounts

(in € thousand)	December 31, 2019	December 31, 2018
Deferred Expenses included in the trade payable accounts		
Invoices to be received	17,306	24,399
Other liabilities	15,131	1,914
State and employee related liabilities	916	933
TOTAL	**33,353**	**27,245**

Note 10 Unrecognized exchange gains

No unrecognized exchange gains as the related items (loans) in foreign currency have been settled during 2019.

The deferred incomes are related to financial interests.

Note 11 Revenue

Revenue split

	December 31, 2019		December 31, 2018	
	(in € thousand)	*(in%)*	*(in € thousand)*	*(in%)*
Trademark fees	132,049	93.6%	129,046	88.7%
Re-invoicing	754	0.5%	8,582	5.9%
Parental guarantees	8,271	5.9%	7,929	5.4%
TOTAL REVENUE BY NATURE	**141,074**	**100.0%**	**145,558**	**100.0%**
France	21,214	15.0%	30,197	20.7%
Foreign countries	119,860	85.0%	115,360	79.3%
TOTAL REVENUE BY GEOGRAPHICAL AREA	**141,074**	**100.0%**	**145,558**	**100.0%**

Note 12 Other expenses

Expenses

(in € thousand)	December 31, 2019	December 31, 2018
Group functions expenses	-10,081	-16,196
Software and Patent	-3,995	-
Directors' fees	-518	-608
Other expenses	-948	-821
TOTAL	**-15,542**	**-17,624**

Expenses detailed above, mainly include marketing, communication, investor relations and human resources expenses invoiced by Atos International SAS and other holdings subsidiaries to the Company including fees paid to the International Olympic Committee.

Note 13 Financial result

(in € thousand)	December 31, 2019	December 31, 2018
Dividends received	284,694	23,374
Intercompany current account interests	1,237	1,248
Other financial assets income	12,202	17,417
Investment banking revenues	1,724	157
Other financial income on Convertible Bond	1,509	-
Reversal of provisions on investments in consolidated companies	38,966	42,077
Reversal of financial provisions	1,456	36,979
Reversal of provisions on treasury stock	1,341	2,523
Disposal of short-term investment	396	1,050
Foreign exchange gains	11,350	47,149
Total of the financial incomes	**354,875**	**171,974**
Interests on borrowings	-49,563	-24,151
Securitisation interests	-763	-939
Intercompany loans interests	-14,401	-19,291
Intercompany current accounts interests	5	-27
Provision for depreciation on investments in consolidated companies	-24,524	-55,277
Provision for deferred expenses	-4,123	-3,356
Other financial provisions	-7,159	-2,791
Short term borrowing interests	-5,688	-2,626
Foreign exchange losses	-13,514	-9,790
Other financial expenses	-78,135	-86,232
Total of the financial expenses	**-197,865**	**-204,481**
NET FINANCIAL RESULT	**157,010**	**-32,507**

Financial incomes

Atos SE received from its subsidiary, Atos Spain SA, the amount of € 21.8 million of dividends in 2019.

Bull SA also paid dividends to Atos SE for a total of € 262.9 million, of which € 262.5 million by the settlement of a loan between both entities.

The depreciation on investments has been disclosed in the Note 2 Financial Assets and Note 7 Provision.

The other financial assets income relates to interests on an intercompany loan in British Pound.

Financial expenses

The interests on borrowings are composed of:

- € 2.6 million on syndicated loan;
- € 45.8 million on bonds;
- €-1.5 million on NEU CP and MTN/Negociable European Commercial Paper – Medium Term Note;
- € 2.7 million on borrowing related to the purchase of Syntel.

The intercompany loans interests are main related to loans with entities located in the United Kingdom for € 12.2 million and a loan with Bull SA for € 2.2 million. All those loans have been settled during this year.

The provision for deferred expenses is mainly composed of € 1.1 million related to the syndicated loan and € 1.9 million to the bonds.

The other financial expenses are mainly related to the loss incurred on the delivery of the 1,084,747 performance shares to the employees for an amount of € 78 million (€ 84.9 million in 2018).

The depreciation on investments has been disclosed in the Note 2 Financial Assets and Note 7 Provision.

Note 14 Non-recrurring items

(in € thousand)	December 31, 2019	December 31, 2018
Selling price from disposal of financial investments	3,354,372	
Other income	73,272	92,635
Provisions on receivables	245	
Total of non recurring income	**3,427,889**	**92,635**
Amortization of merger loss		
Net book value of financial investments sold	-64,855	-
Net book value of fixed assets sold		
Provisions for liabilities and charges		
Other expenses	-62,229	-11,718
Total of non recurring expenses	**-127,084**	**-11,718**
NON RECURRING ITEMS	**3,300,805**	**80,917**

In 2019, the non-recurring incomes are mainly related to the sales of Worldine shares for € 3,354.4 million:

- € 2,344.0 million as part of the exceptional distribution in kind to Atos shareholders on May 7, 2019. 2 Worldline shares for 5 Atos shares held i.e. 42.852.724 shares sold at € 54,7;
- € 780.5 million through a private placement by way of accelerated bookbuilding offering on November 2019 (ABO);
- € 229.9 million disposed to the Atos' Pension Fund (transaction for £ 198 million) on November 1, 2019.

The related Net book value of the Wordline shares sold is disclosed as part of the non-recurring expenses for € 64.9 million.

The other non-recurring incomes for € 73,272 million are mainly composed of re-invoicing to the Group of the costs of the performance plan granted to employees.

The other non-recurring expenses are mainly composed of costs incurred due to the Worldline share disposal.

Note 15 Tax

Tax consolidation agreement

As per article 223-A of the French Fiscal Code, Atos SE signed a Group tax consolidation agreement with a certain number of its French subsidiaries with effect as of January 1, 2001.

Atos SE as parent company of the Group is designated as the only entity liable for the corporate tax of the Group tax consolidation.

The main features of the agreement are:

the result of the consolidated companies is determined as if they had been taxed individually;

Atos SE is the only company liable for any additional tax to be paid in the event of an exit by a subsidiary from the Group. In the event of tax audit, the subsidiary which exited from the Group remains liable toward Atos SE of any additional income tax related to the time it was part of the tax consolidation.

Decrease and increase of the future tax charge of Atos SE taxed separately

At year end, decreases and increases of the future tax charge were broken down as follows:

(in € thousand)	Basis Decrease	Basis Increase
Non deductible provisions for timing differences	335	364
TOTAL	**335**	**364**

No deferred tax assets or liabilities had been recognized.

Breakdown between net income on ordinary activities and non-recurring items

(in € thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	254,070	-	254,070
Non recurring items and employee participation	3,300,805	-	3,300,805
Tax Charge	-	-26,238	-26,238
TOTAL	**3,554,875**	**-26,238**	**3,528,637**

The result of the fiscal consolidation is a profit of € 423.5 million before use of losses carried forward. After use of the losses carried forward, the taxable profit 2019 was an amount of € 216.5 million with a tax charge of € 74.5 million. The tax that would have been paid in the absence of French tax consolidation would have been an expense of € 177.8 million. There are no more losses carried forward as of December 31, 2019.

Note 16 Off-balance sheet commitments

Commitments given

(in € thousand)	December 31, 2019	December 31, 2018
Performance Parental Guarantees	3,081,844	3,340,909
Bank guarantees*	78,464	50,324
TOTAL	**3,160,308**	**3,391,233**

* *Borne by Atos SE.*

For various large long-term contracts, Atos SE provides performance guarantees to its clients. These guarantees amount to € 3,082 million as of December 31, 2019, compared with € 3,341 million at the end of December 2018. This decrease of € 259 million compared to last year is mainly due to the expiration of some guarantees provided to the benefit of the US, UK and Benelux & the Nordics customers.

In relation to the multi-currency revolving facility amended in October 2018, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to € 660 million (unchanged amount) the obligations of its subsidiaries: Atos Telco Services BV and Atos International BV.

Atos SE has given a € 102.0 million guarantee to Ester Finance in relation to a securitization program involving certain of its subsidiaries. Guarantee amount decreased due to the restructuration of the securitization program in May 2018.

As part of the general agreement with Siemens in respect of the transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29, 2011 meeting, agreed to provide a 20-year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is £ 200.0 million (€ 233 million).

In the framework of the Atos pension Schemes rationalization in the UK, for a more efficient structure, the Board of Directors of Atos SE, during its July 22, 2018 meeting, agreed to provide one parental guarantee (replacing three existing) to the Atos Pension Schemes Limited as trustee of the new Atos UK 2019 Pension Scheme set up on November 1, 2019. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers. The total estimated amount of the new guarantee is £ 587 million (€ 685 million).

Commitments received

(in € thousand)	December 31, 2019	December 31, 2018
Syndicated loan	**2,320**	**2,320**

The received financial commitment refers exclusively to the part non utilized at Group level of the € 2.32 billion revolving facility.

Note 17 Risk analysis

Market risks: fair value of financial instruments

Cash at bank and short-term deposits, trade accounts receivable, bank overdraft and trade accounts payable

Due to the short-term nature of these instruments, the Group considers that the book value constitutes a reasonable estimate of their market value as of December 31, 2019.

Long- and medium-term liabilities

As of December 31, 2019, Atos SE doesn't present a long- and medium-term liabilities related to the syndicated loan.

Liquidity risk

Syndicated loan extended to 2024

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion credit facility maturing in November 2023 with an option for Atos to request the extension of the Facility maturity date until November 2025. In 2019, the maturity has been extended until November 2024.

The revolving credit facility includes one financial covenant which under the terms is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

This facility is used for the general needs of the Group.

As of December 31, 2019, Atos SE hasn't used this facility.

Securitization program

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The program has been restricted to two French participants.

The program is still structured with two compartments, called ON and OFF:

- compartment "ON" is similar to the previous program (i.e. the receivables are maintained in the Group statement of financial position) which remains by default the compartment in which the receivables are sold. This compartment was used at its lowest level;
- compartment "OFF" is designed so the credit risk (insolvency and overdue) of the debtors eligible to this compartment of the program is fully transferred to the purchasing entity of a third-party financial institution.

As of December 31, 2019, the Group has sold:

- in the compartment "ON" € 108 million receivables for which € 10 million were received in cash. The sale is with recourse, thus re-consolidated in the statement of financial position;
- in the compartment "OFF" € 37 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The Atos securitization program includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5.

Liquidity risk at December 31, 2019

Instruments	Fix/Variable	Line *(in € million)*	Maturity
Syndicated loan	Variable	2,400	November 2024
Securitization program	Variable	100	May 2023
Bond borrowing	Fixe	600	July 2020
Bond borrowing	Fixe	300	September 2023
Bond borrowing	Fixe	700	May 2022
Bond borrowing	Fixe	750	May 2025
Bond borrowing	Fixe	350	November 2028

On June 2, 2017, Atos implemented a Negotiable European Commercial Paper program (NEU CP) in order to optimize financial expenses and improve Group liquidity management, for an initial maximum amount of € 900 million raised to € 1.8 billion on October 17, 2018. On December 10, 2019 the maximum amount of € 1.8 billion was increased to € 2.4 billion.

Credit risk

The Group has a fully integrated process concerning credit risk. In its trade relations, the Group manages its credit risk with a portfolio of diversified customers and follow-up tools.

Financially, the Group monitors the credit risk on its investments and its market operations by rigorously selecting leading financial institutions and by using several banking partners. The Group thus considers its credit risk exposure as being limited.

Market risk

The Group monetary assets comprise receivables and loans, securities investments and cash at bank. Monetary liabilities comprise financial, operating and other liabilities.

Interest rate risk

The exposure to interest rate risk encompasses two types of risks:

- a price risk on fixed-rate liability, the Company is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the Company's Income Statement and, as such, future net income of the Company up to maturity of these assets and liabilities;
- a cash-flow risk on floating-rate financial assets and liabilities. The Company considers that a variation in rates would have little effect on floating-rate financial assets and liaibilities.

Note 18 Related parties

There is no transaction made by the Company (trademark fees, financing operations and tax consolidation) that was not performed under market conditions.

Following the resignation from his offices on October 31, 2019, the Chairman and Chief Executive Officer (CEO) claimed his mandatory retirement benefits. He benefited from the supplementary pension plan reserved for members of the Group Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. The gross amount of his pension amounts to € 627,586. Pensions are paid by an insurer and Atos funds its commitments when beneficiaries retire. The Chairman and CEO has informed that he waived this pension supplement that he could be entitled during his mandate period at the European Commission, which runs until end of 2024, except in the event of early termination.

The Chairman and CEO did not have an employment contract and was not entitled to severance payment at the end of his mandate. Besides, the Chairman and CEO has stated to the Board of Directors that he wishes to waive any due or potential variable compensation for the year 2019 as well as all his equity instruments rights (performance shares and stock-options) that were not vested yet.

Note 19 Subsequent events

Atos has completed as of February 4, 2020 the sale of ca. 23.9 million Worldline shares, for ca. € 1.5 billion, through a placement to qualified investors by way of an accelerated bookbuilt offering (the "Placement").

The sale price of the Placement was set at € 61.50 per Worldline share. The Placement is a further milestone in the creation of two pure play global leaders in their respective industries. However, the relationship between the two groups will remain strong with the existing and unchanged industrial and commercial partnership created through the Atos-Worldline Alliance announced in January 2019. Atos plans to use the proceeds of the Placement to repay existing debt and for general corporate purposes. Following the Placement, Atos holds ca. 7.0 million Worldline shares, representing ca. 3.8% of the Worldline share capital, which are underlying the Bonds.

E.5.5 Atos SE financial summary for the last five years

(in € million)	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
I – Common stock at period end					
Common stock	109.2	106.9	105.4	104.9	103.5
Number of shares outstanding	109,214,914	106,886,219	105,445,349	104,908,679	103,519,242
Maximum number of shares that may be created by:					
• conversion of convertible bonds					
• exercise of stock subscription options	3,026,180	2,620,383	3,205,927	3,128,274	3,374,859
II – Income for the period					
Revenue	141.1	145.6	144.4	169.6	107.0
Net income before tax. employee profit-sharing and incentive schemes. Depreciation. amortization and provisions	3,548.3	114.6	76.7	23.5	32.7
Corporate income tax	-26.2	26.3	13.5	6.2	8.2
Net income after tax, employee profit-sharing, depreciation, amortization and provisions	3,528.6	161.0	167.0	29.5	40.9
Dividend distribution	-	181.7	179.2	167.6	113.5
III – Per share data *(in €)*					
Net income after tax and employee profit-sharing but before depreciation. Amortization and provisions	32.3	1.3	0.9	0.3	0.4
Net income after tax, employee profit-sharing, depreciation, amortization and provisions	32.3	1.5	1.6	0.3	0.4
Dividend per share	-	1.7	1.7	1.6	1.1
IV – Employees					
Average number of employees during the period	1.5	1.0	1.0	1.0	1.0
Total payroll for the period	2.1	2.8	3.3	3.0	3.4
Employee social security and welfare payments	0.4	0.7	0.8	0.9	1.9

E.5.6 Payables and receivables payment terms

Invoices received and emitted not paid at year's end closing but due (statement I of article D. 441-4)

	Article D. 441 I.-1°: Invoices received not paid at year's end closing but due						Article D. 441 I.-1°: Invoices emitted not paid at year's end closing but due					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Payment delay periods												
Number of invoices concerned	1					51	2					739
Total amount of invoices concerned excluding VAT *(in € thousand)*	9	1,703	20	26	68	1,817	5	12,636	526	15,743	5,436	34,341
Total amount percentage of year expenses	0.02	3.22	0.04	0.05	0.13	3.44						
Percentage of year's sales excluding VAT							0.00	8.96	0.37	11.16	3.85	24.36
(B) Invoices excluded of (A) related to contentious payables and receivables or not recorded												
Number of excluded invoices												
Total amount of excluded invoices												
(C) Used reference payment terms (contractual or legal term – article L. 441-6 or article L. 443-1 of Code de Commerce)												
Payment terms used for late payment penalties calculation	Contractual payment terms: 60 days Legal payment terms: N/A						Contractual payment terms: 30 days Legal payment terms: N/A					

F

Risks analysis

The Group operates in a changing environment and is exposed to risks that, if materialized, may have a material adverse effect on its business, prospects, customers, partners, reputation, financial condition, including operating results and cash flows.

Risk assessment and management is an integral part of the Group's operational and strategic management. The Company conducts on a regular basis a review of risks through different channels, described hereinafter in section F.1, thereby enabling to select them, and class them by order of importance as reflected in section F.2; this document follows the AMF guidelines dated October 24, 2018 concerning the implementation of Regulation (EU) 2017/1129 of June 14, 2017, with regards to the description of risk factors in the Universal Registration Document. The risks described in section F.2.1 to F.2.4 are those assessed as the most critical risks for the Company, *i.e.* which could have the most material adverse impact on its business or results (or its ability to achieve its objectives), and/or a significant likelihood to occur. In addition, section F.2.5 outlines the emerging risks that are not critical yet but may impact significantly the Company's business or its results on the mid-term. The mitigation plans in relation to each of these risks are described in section F.3.

The extra-financial performance analysis assesses on a yearly basis, risks related to the four top areas underlined through the Corporate Responsibility and Sustainability Program. This materiality assessment is aligned with the Enterprise risk management exercise described in section F.1.1. A mapping table is presented at the beginning of section F.2 in order to highlight their intertwining.

F.1 Risk management activities

Risks are assessed and monitored through Global Business Units/Divisions and Functions. In addition to managing the risks embedded in each process, dedicated activities are also deployed for a transversal management of risks. This combination of functional and transversal approaches enables the identification of the most critical risks for the Company.

F.1.1 Enterprise risk management (ERM)

A risk mapping is revised each year under the sponsorship of the Group General Management Committee. The selected methodology involves the top 400 managers through questionnaires and workshops, to collect their perception of the main risks, their relative importance (inherent risk) and mitigation effectiveness (residual risk).

This assessment covers potential risks related to:

- external factors (stakeholders' eco-system, external events and market environment);
- the organization and business development (ability to innovate, organization alignment, go to market);
- services and product delivery (people, system performance, delivery); and
- compliance and information used for decision making (laws and regulations, Corporate Social Responsibility, financial performance).

This recurring process allows identifying evolutions from one year to another. Improvement plans for the main residual risks are designed at local and group level, with assigned owners and milestones/timelines for follow-up and completion.

Results are shared with Group management and the Group General Management Committee, to ensure that appropriate measures are deployed to mitigate the main risks, and they are also presented to the Audit Committee of the Board of Directors.

In parallel, other dedicated risk assessments are performed within departments such as Legal and Compliance, Security and Corporate Social Responsibility. Those assessments are aligned with the Enterprise Risk Management exercise.

In 2019, the ERM exercise excluded Worldline and included Atos Syntel management. A dedicated risk profile has been built for Atos Syntel which was reviewed by its management during a workshop and a risk leader has been assigned on each Top risk category in order to address them.

F.1.2 Business risk assessment and management

Atos has a robust business risk management approach reinforced during the last years, based on specific processes and organization.

F.1.2.1 Business risk management system

Atos Rainbow (Risk Assessment in Named Business Opportunities Worldwide) is a set of procedures and tools that provides a formal and standard approach to bid execution and contract monitoring. The Group operates a risk management system that facilitates the analysis (by identification and assessment) and treatment (by control and financing) of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that can be delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- identifies potential exposures, including technical, legal and financial risks that could have an impact during the life cycle of the project;
- evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- ensures that appropriate and cost-effective risk control or risk mitigation measures are initiated to reduce the likelihood and impact of negative outcomes on the project;
- manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves to minimize the exposure. All operational projects are monitored monthly at different levels (from Global Business Units/Divisions to Group level) according to their size and risk exposure, using the Rainbow Delivery Dashboard, providing status on financial, delivery and technology, customer, legal, human resources and supplier KPI's.

Bids are also monitored on a constant basis at different levels (from Global Business Units/Divisions to Group level) according to their size, using standardized review templates to bid phases (Pursuit, Strategy, solution, offer, contract) to balance sales and risks while ensuring the re-use of experience/best practices and the adherence to Atos standards.

F.1.2.2 Bid Control and Business Risk Management organization

The control and approval process governing the bidding and contracting activities report to the Group Senior Vice-President for Bid Control and Business Risk Management, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle.

Bid Control and Business Risk Management report directly to the Group CFO, with the risk managers in the Global Business Units/Divisions reporting directly to the Group Senior Vice-President for Bid Control and Business Risk Management, thereby shortening the lines of command.

F.1.2.3 Group Risk Management Committee

A Group Risk Management Committee convenes on a monthly basis to review the most significant contracts, the sensitive ones and based upon needs on weekly basis. The Committee is chaired by the Group CFO and led by the Senior Vice-President for Bid Control and Business Risk Management. Permanent members of the Committee include the Senior Executive Vice-President Operations, Executive Vice-Presidents in charge of the Global Divisions and several other representatives from the Global Functions, including Finance and Legal. On a quarterly basis, the Audit Committee conducts a thorough review of all the major critical contracts considered to be high risk. The Global Divisions and the Risk Managers perform the continuous monitoring of contracts in deviation of their initial business case, thanks to the Rainbow Delivery Dashboard which contains all financial, commercial and operational KPIs.

F.1.3 Insurance

Global insurance policies have been taken out with reliable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of these policies in 2019 represented circa 0.16% of total Group revenue.

The most important global insurance programs are bought and managed centrally with renewal on January 1st for Liability insurance and on July 1st for Property Damage and Business Interruption insurance. In 2019, the Property Damage and Business Interruption policy and Professional Indemnity policies were both renewed for limits respectively of € 180 million and € 150 million. Several additional policies cover insurable business risks such as general liabilities, cyber risks or car fleet and are maintained at cover limits commensurate with the Group's size and risk exposures.

Deductible retentions are used both to promote good risk management practices and to control the quantity of claims and level of premiums.

Each country also contracts insurance policies in accordance with local regulations, customs and practice. These include employers' liability, workers compensation and employee travel.

Atos' wholly-owned reinsurance company provides insurance for some layers of the property policy and professional indemnity policies, which are the most critical policies for the Group's operations.

Insurable losses are not a frequent occurrence. This is partly due to quality risk management processes which are deployed at all key locations to protect assets from natural disasters and other unexpected events as well as to ensure business continuity in the event of damage or loss. With respect to offers and contracts, a uniform and mandatory process of risk management is used as described in previous section.

Risks are also monitored by the Underwriting Committee of the Atos reinsurance company which maintains adequate net equity and technical reserves commensurate with the level of insured risks and ensures a satisfying diversification of external reinsurer. The Underwriting Committee also carries out regular surveys and analyses to monitor the relevance of Atos' insurance cover.

F.2 Risk Factors

The above-mentioned risk mapping exercise allowed the Group management to select, and rank in priority order, the risk factors specific to Atos which are the most material.

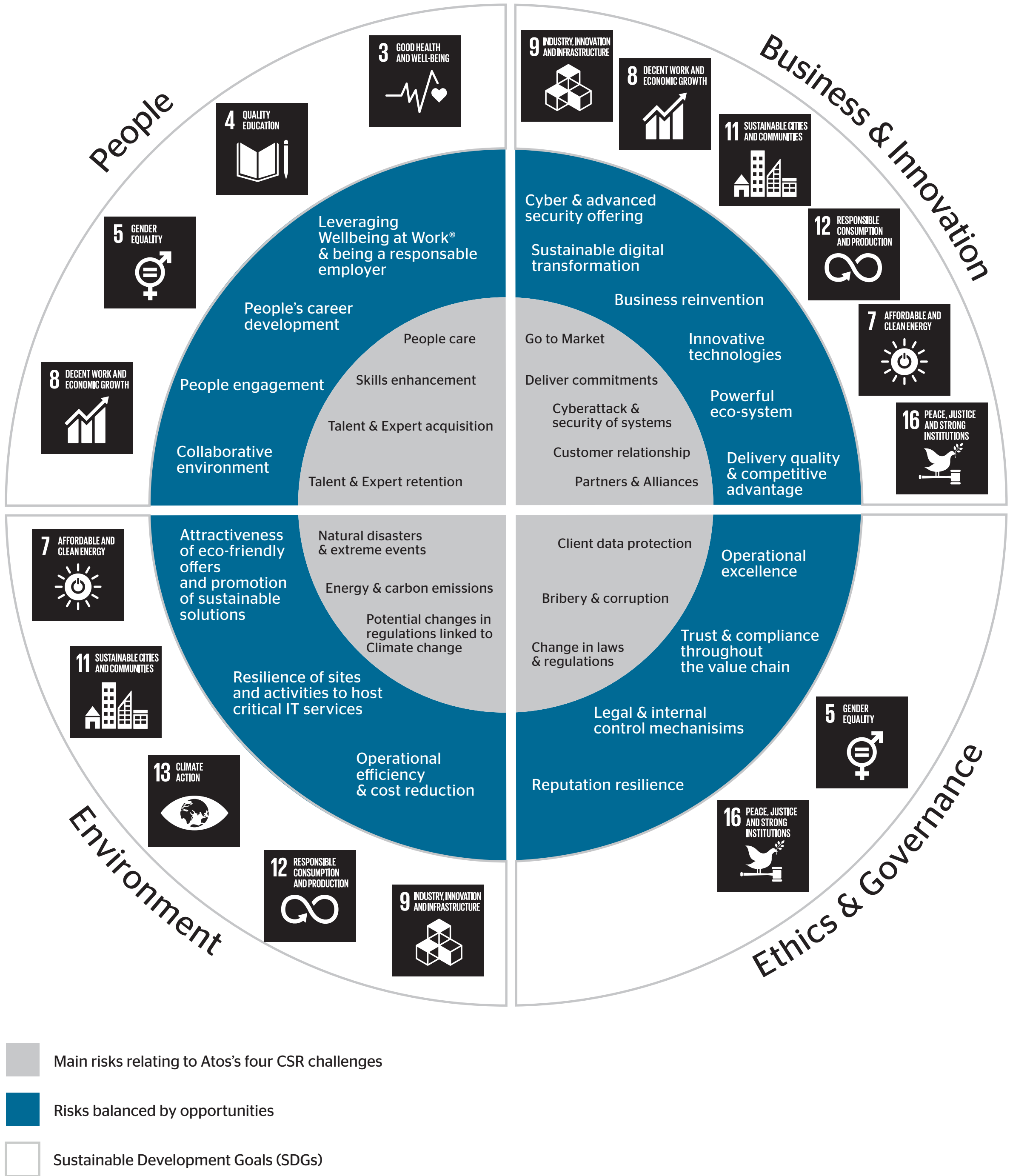
Critical risks for the Group are presented hereafter. They are classified by risk categories and by importance (decreasing in magnitude):

- people risks;
- security risks;
- operational risks;
- go to market risks;
- emerging risks;

In order to connect those categories of enterprise risks with the classification of extra-financial risks (i.e. the four top areas underlined through the Corporate Responsibility and Sustainability Program – see D.1.3.2), the table below presents their mapping.

Enterprise risks	Extra-financial challenges	Reference to section F	Reference to section D
People Risks: Labor market Key people retention & acquisition Skills enhancement & performance Leadership capabilities People care	**People**	F.2.1/F.3.1	D.2
Security risks: Cyber Attack Systems security Data protection	**Business & Innovation** **Ethics & Governance**	F.2.2/F3.2	D.3.3/D.4
Operational risks: Delivery Quality Customer relationship (contract management/satisfaction)	**Business & Innovation**	F.2.3/F.3.3	D.3.2
Go to Market risks: Market environment (competitors, Business model disruption) Innovation Customer Digital Transformation	**Business & Innovation**	F.2.4/F.3.4	D.3.1/ D.3.4/ D.3.5
Emerging risks: Regulation and compliance Partners & Alliances Environmental Impact	**Ethics & Governance** **Business & Innovation** **Environment**	F.2.5/F.3.5	D.4.1/ D.4.2 D.3.6/D.3.7 D.5

Atos carries out and updates yearly a comprehensive assessment of the risks related to the four main extra-financials areas identified as challenges under the Group's Corporate Responsibility and Sustainability program. The magnitude of these risks varies in terms of impact on Atos business or results and/or likelihood of occurring. The chart below represents the combination of the identified 2019 extra-financial risks that could adversely affect the achievement of goals to create value as well as the potential opportunities that are open to Atos and to its clients to balance those risks, including their link to the sustainable development Goals defined by the United Nations.



To find out also this mapping and description, please refer to Risks & Opportunities of the 2019 Integrated report

F.2.1 People risks: Key People retention, acquisition, Skills enhancement & performance, People care, leadership capabilities

In all areas of the organization, from R&D teams to Sales, Operations, and Support functions teams, People are the essence of the activity. Therefore, several risk factors related to human capital have been identified. As the Company mostly delivers services, it remains highly dependent on the skills, the experience and the performance of its staff and the key members of its management teams. Our customers rely on the establishment of robust and stable teams, committed to meeting their needs.

The success of the organization in this field depends first, on its ability to **retain** and **attract key qualified staff** and to use their competences for the benefit of customers. This is becoming a substantial challenge considering the current highly competitive labor market for digital skills.

The success in a fast-evolving sector, depends on the Company's ability to continuously **up/reskill** its employees, in order to meet customer demand, as well as its capacity to transform the new acquired skills into experience. Meanwhile, it is essential that the managers have strong **leadership capabilities** to drive the strategy and support individuals in their evolution.

Finally, the Company must have the ability to meet the expectations regarding **well-being** at work, personal development, fair and attractive Company culture.

Failing in "People" domain would materially adversely impact the Company as it may limit the organization's ability to sell the adequate and innovative services/products and provide high quality in the delivery as contractually agreed followed by penalties/claims, loss of customers and reputational damages.

F.2.2 Security risks: cyber-attack, systems security and data protection

The visibility and worldwide presence of Atos and its clients may attract hackers, members of organized crime or state-sponsored organizations to conduct **attacks on Atos systems** that could compromise the security of data. The sensitivity of Atos and its customers' activities, the growing complexity of technical infrastructures which may be affected by security breaches, including the use of mobile technologies and cloud-based services, and the increasing sophistication of cyber-crime contribute to intensify this risk. An information breach or unauthorized access in or through the Atos systems and/or a loss of sensitive or confidential information could have a long and significant impact on the business operations. It could result in losing the customers' confidence and thus the loss of their business, as well as reputational damages.

Being an IT company, **IT system breakdowns or disruptions** could also be highly critical both for the Group's internal operations and its customers' needs in respect of the services provided. A failure in providing the appropriate and contractually required level of services and protection to customer environments and data, could cause security breaches, customer data leakage, business disruption, high recovery costs in case of an incident, and customer loss of trust with a significant impact on reputation.

As a worldwide employer and as a service provider, Atos is subject to numerous laws and regulations which **protect personal data** and the privacy of individuals in the digital world, such as the European Union General Data Protection Regulation (GDPR). These laws and regulations are increasing in complexity and number, change frequently and sometimes conflict among the various countries in which the Group operates. If any person, including any Atos employees, negligently disregards or intentionally breaches the Group's established controls with respect to client or Atos data, or otherwise mismanages or misappropriates that data, Atos could be subject to significant litigation, monetary damages, claims from customers, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions. Atos has therefore deployed a strong and coordinated data protection organization at all levels of its organization to provide training, support and expertise to the operations.

As a result, risks related to cyber-attack, security of systems and data protection are highly important for the Group in terms of impact and likelihood and are therefore proactively and closely monitored.

F.2.3 Operational risks: Delivery quality and customer relationship

The IT services provided to customers are a critical element for the performance of their commercial activities. Often, IT solutions also play a key role in the development of their businesses. Any inadequate implementation of sensitive IT systems or any deficiency in the performance of services, either related to delays or to unsatisfactory levels of services, may result in significant prejudicial consequences for clients and may result in deteriorated customer relationship (penalty claims or litigations).

Below are some of the key risks that Atos manages in this area:

- degraded performance resulting from third party products and/or product customization: Systems Integration frequently involves products (whether software or hardware, standard or adapted or specifically developed for customized requirements) designed and developed by third parties and which, by definition, the IT service provider cannot fully control. In addition, the needs of certain clients who require specific functionalities may disrupt the operation of the products or generate significant delays or difficulties in providing the services;
- exposure due to inadequate assessment of services or delivery failures: it is a practice of the IT sector to enter into certain contracts on a fixed-rate basis whereas other contracts are invoiced according to the services provided. For fixed-rate contracts, an under assessed scope of the provided services or dedicated resources to a specific project may lead to a budget or agreed timeframe overrun and, therefore, to an operating loss, by exceeding budget and/or through the payments of penalties for late performance.

As a result, the delivery quality and client relationship are highly important for the Group in terms of impact and likelihood and are therefore proactively and closely monitored.

F.2.4 Go-to-Market risks: Market environment, innovation and customer digital transformation

F.2.4.1 Market environment

The activity of the Group is dependent on the demand **fluctuation in the different markets of our clients**. Volatile, negative, differing or uncertain economic conditions and patterns of economic growth in the markets we serve could adversely affect client demand for our services and solutions.

Faced with major budgetary pressure, governments and public administrations are delivering breakthrough performance improvement through the digitalization of their processes, citizens' relationships and the development of smart cities.

Challenged by the political market conditions, low interest rates, volatility, increasing protectionism and new capital adequacy regulations, Financial Services companies are refocusing their portfolio of businesses and keeping a strong focus on operational excellence, cost optimization and new technologies.

Manufacturing customers have seen an improvement of their profitability, due to productivity improvement programs completed in the recent past, which enables them to increase their IT investments, notably to support growth.

Faced with the continuing changes in regulations, ongoing market consolidation and even more aggressive competition, telecom, media and utilities companies are transforming to data-driven business models supported by cloud and Big Data.

In an increasingly global market, Atos organization is naturally facing some degree of competitive risk. This is further detailed in section B.3.2 Competitive landscape and new expected position of Atos.

F.2.4.2 Innovation and Customer digital transformation

In a context of rapid technological evolutions, accelerated digital shockwaves, rapid business transformation and emergence of (new) offers on the market, there is a risk for Atos to miss technological shifts or to neglect business model disruptions.

The Company's success depends on its capacity to explore new ideas and concepts, to support **innovation** and the **digital transformation of its clients**. It also relies upon adequate definition and readiness of the offerings and the overall solution portfolio.

The Company would be materially adversely impacted if it fails in any of these domains as it could result in the loss of opportunities, the inability to compete, and may prevent access to more profitable or growing markets.

F.2.5 Emerging risks

The below risks have not been assessed as being critical for the Group in terms of magnitude; however, those are emerging risks with a potential material impact in the mid-term considering their fast evolution.

F.2.5.1 Regulation and compliance

Due to its business model delivering IT products and services throughout the world, Atos is subject to a wide array of stringent regulations, particularly in the following fields: competition law, corruption, controls on exports of dual-use goods, data protection, human rights, international sanctions, fraud, harassment and discrimination and to a lesser extent money laundering and terrorist financing. As a result of the proliferation of local and global changes in laws and regulations in multiple areas, implying changes in systems and organizations, the Company could be materially affected if it fails to timely comply with them.

F.2.5.2. Partnerships and Alliances

Customer expectations are changing (business model disruption, and digital transformation) implying broader and more complex contracts which cannot be delivered by a single contributor. Therefore, Atos' activities require to build partnerships and strong alliances to complement its expertise.

Partners are strategic stakeholders to increase customer satisfaction as well as a sustainable growth. On the other hand, it may represent a risk if the relationship is not well managed.

F.2.5.3 Environmental impact

The environmental risk is two folds, the impact of our business on the environment and the impact of increasing environmental dysfunctions on the business. As a consequence, Atos main global external environmental risks relate to climate change (adaptation of changes in regulations), to natural disasters (more frequent and extreme natural events) and to energy and carbon emissions (new constraints, new limits, new taxes).

F.3 Mitigation measures

F.3.1 People risks

Atos is focused on providing attractive career opportunities and job content. Over the year, Atos has been focusing on digital competence building, in particular through the Atos University, to further develop career opportunities around the "Internal First" people program.

F.3.1.1 Key People retention & acquisition

Continuous improvement cycles of the recruitment process in different countries have been established with the identification of Talents and pools of experts in the market (technology partnerships with Tier 1 universities, network of experts) and the set-up of career plans for Tier 1 graduates and interns. The Group has also started in 2019 partnerships with social recruitment platforms to increase its visibility.

An active follow-up of key people (top performers, talents, experts) is implemented through a regular risk level status monitoring per key person including weekly Risk Alert Bulletin. An end-to-end career management governance for Key People has been recently set to meet the 95% retention of Key People.

An Individual Development Plan as well Career Mobility programs (like Internal First) are developed. In addition, the Human Resources department has developed competitive reward structures including merit review, share plan and competitive remuneration analysis.

More and more efforts were initiated in social collaboration to create communities of professionals and experts, in which sharing of knowledge and expertise is encouraged. A particular focus was put on digital experts offering a dedicated career framework. The Group is now increasing their visibility to facilitate their contribution and leverage the organization.

F.3.1.2 Skills enhancement & performance

Given Atos' ambition to be the trusted digital partner of its clients, development and certification of "digital" skills and competencies, in technology, industries knowledge, commercial and support functions, remains a priority. Skills enhancement & Performance is therefore managed through on-going investment in certifications (e.g. 3-year Digital certification program with a focus on key skills supporting growth), adaptive and multi-channel learning and the development of Atos University located in India. The Group is also focusing on facilitating the gain of experience after being trained by expanding mentoring and project rotation.

F.3.1.3 Leadership capabilities

Through state-of-the-art global programs in place from early career to senior executive level ("Launch for Future Leaders", "Fuel for Emerging Leaders", "Gold for Technology Leaders", "Gold for Business Leaders" and "Value for Executive Leaders") and with worldwide leading institutions, Atos commits to offer our talent the best management and leadership development opportunities throughout their career.

F.3.1.4 People Care

Through the "We Are Atos" program, Atos creates a collaborative environment which is underpinned by development (including Individual Development Plans) and career mobility plans such as Internal First, as well as initiatives to close the gender gap and encourage inclusiveness (for further details on those programs please refer to D.2.4 "Enhance the Wellbeing@work").

These People initiatives allowed faster adaptation of people to client needs and led to greater mobility, which also helped to balance attrition. The success of these "People" initiatives is evidenced by an increase in Trust Index as well as in the social dimension of the Dow Jones Sustainability Index (DJSI). Atos is the IT sector leader in the DJSI.

F.3.2 Security risks: Cyber-attack, systems security and data protection

The Group has implemented specific programs and procedures to ensure the proper management of IT risks, covering security and personal data protection, back-up systems and effective insurance cover.

IT production sites, offshore development centers, maintenance centers and data centers are specifically subject to extensive administrative and technical procedures for safeguarding and monitoring, covering physical and IT system access, energy supply breakdown or disruption, fire, regulation of extreme temperature changes, data storage and back-up, contingency and disaster recovery plans.

To strengthen its defense capabilities and prevent unauthorized access to information, including personal data, and systems, Atos has deployed an information security management system which is certified to the ISO 27001 standard.

Crisis management is defined in the Atos Crisis Management Policy and is applicable to all Atos business entities and their executive leadership, management, and staff (employees and contractors). In addition, Atos has established a Cyber Emergency Policy to ensure the implementation of a consistent methodology by which Atos executive leadership, management, and staff (employees and contractors) will act in addressing any declared cyber emergency event.

To minimize the impact of security incidents, including data breaches, improve the responsiveness and enforce the management of cybersecurity defenses, Atos has implemented a CSIRT (Computer Security Incident Response Team) to manage all security events and security incidents worldwide, employing a 24x7 follow-the-sun methodology. In addition, the CSIRT provides forensic and threat management expertise. A Threat Intelligence Team is responsible for identifying and monitoring all published security vulnerabilities and must present to the Group Chief Security Officer security vulnerabilities based on specific criteria. As general principle, any personal data breach is qualified as a security incident. Therefore, in case of data breach, the Data Protection Officer is invited to be part of the response team in accordance with Atos Data Breach Policy.

In order to limit the risks of data breach caused by its own employees and to enhance their responsiveness in such cases, Atos has deployed a new worldwide awareness training program, mandatory for all employee within the Group.

F.3.3 Operational risks

F.3.3.1 Delivery quality

The Group seeks to minimize the risks related to the delivery quality through rigorous review processes (including a technical and delivery assessment of the solution) right from the offer stage. A dedicated process is in place, called Atos Rainbow (further detailed in section F.1.2) under which service proposals are reviewed, with an inventory of risks being kept for tracking purposes. This process also covers the execution phase of the contract, including updates of the risk registers. This allows the Group to take mitigating actions where appropriate and to follow up on outstanding actions.

F.3.3.2 Customer relationship

In order to further strengthen Atos' operational excellence, a Group Contract Management program is deployed on major accounts to globalize and homogenize contract management activities, combining legal risk assessment, contractual obligations and performance management. Taskforces are also set up in the event of delivery issues, aimed at responding quickly and adequately to failures.

Atos must also consider the evolving customer preferences by adopting cross-selling and cross divisional portfolio to answer their demand. This implies an adequate management of client relationship through client intimacy and centricity. Since 2018, Group quality department is running a diagnostic on Net Promoter Score (NPS) downturn in order to understand the root causes and address them specifically. This enabled a recovery of the NPS.

F.3.4 Go to Market risks

F.3.4.1 Market environment

Atos is performing periodically a review of the different markets to plan and adapt its activities. This is further detailed in section B.3.2 Competitive landscape and new expected position of Atos.

F.3.4;2 Innovation and customer digital transformation

In this domain, Atos has deployed a proactive strategy under the supervision of the Chief Technology Officer, which involves a Scientific Community looking ahead for future trends, and a network of recognized "experts". The R&D investment Committee oversees the global R&D roadmap and a specific risk assessment process (named "RAPID") has been setup to approve and follow R&D investments.

Atos is also addressing the risks related to the safeguard of Innovation and new offerings through a dedicated Intellectual Property Factory managing all types of IP assets: domain names, trademarks, copyrights, patents and trade secrets. This is a defense mechanism against the competitors and patent trolls, who may target Atos with infringement claims or litigations.

To better adapt to customer demand, Solutions have been defined per Industry and are pushed throughout the organization by Senior Matter Experts and Business Developers. Regular coaching sessions are undertaken to maintain the adequate level of knowledge.

As described in section F.1.2, the Rainbow bidding process enables the detection of potential exposures, including technical, legal and financial risks, related to deals in which the Company is engaged. It is a quality gate to ensure that solutions requested by the clients are ready to be delivered.

F.3.5 Emerging risks

Detailed mitigation actions are presented in section D.4.2 for Regulation and compliance risk, D.3.6. for Partners & Alliances and D.5.4 for Environmental impact.

F.4 Claims and litigation

The Atos Group is a global business operating in some 73 countries. In many of the countries where the Group operates there are no claims, and in others there are only a very small number of claims or actions made involving the Group. Having regards to the Group' size and revenue, the level of claims and litigation remains low.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services performed by the Group and the intervention of a fully dedicated Risk Management department, which effectively monitors contract management from offering through delivery and provides early warnings on potential issues. All potential and active claims and disputes are carefully monitored, reported and managed in an appropriate manner and are subject to legal reviews by the Group Legal Department.

Due to the deconsolidation of Worldline, Worldline's claims and litigations have been removed from the Registration Document and are no longer supervised by the Group. However, in the context of their Global Alliance, Atos and Worldline have agreed to cooperate in the management of current and future litigations involving both groups by coordinating their respective legal departments.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as of December 31, 2019 to cover for the identified claims and litigations, added up to € 31.8 million (including tax and commercial claims but excluding labor claims).

F.4.1. Tax claims

The Group is involved in a number of routine tax claims, audits and litigations. Such claims are usually solved through administrative non-contentious proceedings.

Some of the tax claims are in Brazil, where Atos is a defendant in some cases and a plaintiff in others. Such claims are typical for companies operating in this region. Proceedings in this country usually take a long time to be processed. In other jurisdictions, such matters are normally resolved by simple non-contentious administrative procedures.

Following the decision in a reported test case in the UK, there is substantial ongoing court claim against the UK tax authorities for a Stamp Duty re-imbursement. Following a judgement HSBC reached by the European Justice Court, Atos UK commenced proceedings in 2009 to recover a stamp duty paid in 2000 of an amount over € 10 million. The Stamp Duty aspect of the claim was won in 2012. Regarding the time limit rule a favorable judgement was released in April 2017. Atos UK is now waiting for the outcome of the HMRC's request for appeal in the test case.

The total provision for tax claims, as inscribed in the consolidated accounts closed as at December 31, 2019 was € 22.0 million.

F.4.2 Commercial claims

There are a small number of commercial claims across the Group.

Some important contracts that have been monitored by the Risk Management Department have evolved into litigation in 2019, particularly in France. These disputes are managed by the Group's Legal Department.

There is a number of significant on-going commercial cases in various jurisdictions that the Group has integrated as a result of several acquisitions, the latest one being a litigation inherited from Syntel which the Group is trying to settle amicably. The Group and Siemens signed two settlements agreements covering the Unify cases on one hand and the Siemens IT Solutions et Services cases on the other hand. Further to the signature of these agreements, the Group is confident that it has obtained a satisfactory coverage for the residual risks associated with the acquisition of Unify.

The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at December 31, 2019 amounts to € 9.8 million.

F.4.3 Labor claims

There are 110,000 employees in the Group and relatively few labor claims. In almost every jurisdiction there are no or very few claims. Latin America is the only area where there is a significant number of claims, but such claims are often of low value or inflated and typical for companies operating in this region.

The Group is respondent in a few labor claims of higher value, but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

All of the claims exceeding € 300,000 have been provisioned for an overall amount of € 8.56 million as inscribed in the consolidated financial statements as at December 31, 2019.

F.4.4 Representation & Warranty claims

The Group is a party to a very small number of representation & warranty claims arising out of acquisitions/dispositions.

F.4.5 Miscellaneous

To the knowledge of the Company, there are no other administrative, governmental, judicial, or arbitral proceedings, pending or potential, likely to have or having had significant consequences over the past semester on the Company’s and the Group’s financial situation or profitability.

F.5 Internal control

The internal control system whose definition is stated in section F.5.1 below and designed within Atos relies on the internal control reference framework prescribed by the AMF.

The "general principles" section of the AMF framework has been used to describe in a structured manner the components of the internal control system of Atos — section F.5.3 Components of the internal control system. Specific attention has been given to the internal control system relating to accounting and financial information — section F.5.4 Systems related to accounting and financial information, in compliance with the application guide of the AMF.

Internal control players are described in section F.5.2 Internal control system players.

F.5.1 Internal control definition and objectives

Internal control system designed throughout the Group aims to ensure:

- compliance with applicable laws and regulations;
- application of instructions and directional guidelines settled by general management;
- correct functioning of Company's internal processes to establish operational effectiveness and efficiency, the safeguarding of assets and the reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud. As for any internal control system, this mechanism can only provide reasonable assurance and not an absolute guarantee against these risks.

F.5.2 Internal control system players

The main bodies involved in the implementation of internal control procedures at Atos are as follows:

F.5.2.1 Board of Directors supported by Audit Committee

The Board of Directors prepares governance rules detailing the Board's role supported by its Committees. Those Committees enlighten the Board as to the quality of the internal control system. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial and business information and stays informed about the proper implementation of the Internal Control System.

F.5.2.2 General management and Group General Management Committee

General management is responsible for the management of the Group's business and focuses on strategic aspects to develop the Group. As part of its role, general management defines the framework of the internal control system.

The Group General Management Committee leads the operational performance of the Group. Management at different levels, is responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

F.5.2.3 Audit, Risk and Compliance (ARC) Committees

At Global Division level, ARC Committees have been setup under the supervision of Group Internal Audit & Internal Control, in order to strengthen the local supervision of Internal Control topics. Their purpose is to share the main audit conclusions with local management, review action plans related, identified weaknesses or potential risks and share the maturity level of the Internal Control system (results of Internal Control monitoring campaign) in order to define measures if needed.

F.5.2.4 Internal control & ERM (Enterprise Risk Management)

Internal control & ERM function is to ensure the development and the coordination of the internal control system, like the implementation of the Book of Internal Control and its continuous monitoring and improvement within the Group. Internal control & ERM also runs the Enterprise Risk assessment in coordination with Global Functions, Divisions and Business Units.

Internal control relies on local internal control coordinators in each Global Function/Division/Business Unit who assist in the deployment of the various initiatives.

F.5.2.5 Internal Audit

The Internal Audit organization is centralized which enables a global working practice following one Group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which is validated by the CEO. The Audit Committee also receives regular reports on the Internal Audit work plan, objectives of assignments, and associated results and findings. The Internal Audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external audits.

In 2019, Group Internal Audit department confirms its certification by the French Institute for Internal Audit. This accreditation attests the quality of the Internal Audit (IA) function, the level of compliance with international standards and IA’s degree of control over key challenges.

F.5.3 Components of the internal control system

A – Governance/control environment

The organization, competencies, policies (methods, procedures and practices) and systems represent the ground layer of the internal control system and the fundamentals of the Group. The main components are presented in this section.

Matrix organization: the Company runs a matrix organization structure that combines operational management (Global Business Units (Geographies)/Divisions) and Functional Management (Sales & Markets and Support Functions). This matrix structure allows a dual view on all operations and therefore enhances the control environment.

Responsibilities and powers: the following initiatives aim to frame the assignment of responsibilities:

- delegation of authority: in order to ensure efficient and effective management control from the country level to general management level, a formal policy sets out the authorization of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The delegation of authority policy has been approved by the Board of Directors and rolled-out under the supervision of the Group Legal & Compliance department;
- segregation of duties: the segregation of duties (SOD) policy is defining accountability for implementing and monitoring organizational and technical measures proportionate to the risks of errors or fraud. A tool has been used to perform automatic assessments of those rules in the main systems.

Compliance coordination: compliance is managed by a committee chaired by the Group General Counsel, in order to ensure that the organizations, processes and activities effectively support the compliance policy of Atos.

Competencies: the Group Human Resource management policy relies on the *Global Capability Model* (GCM) which is a standard for categorizing jobs by experience and expertise across the Group. A Group Policy on bonus scheme completes this system by setting incentives.

Policies and procedures: policies and procedures contribute to an appropriate control environment: Main ones are gathered in the Book of Internal Policies and stored in a common repository. They include among other, Code of Ethics (further described in the section D.4.2 – Ethics and Compliance Program), Data protection, Payments & Treasury Security Rules, Investment Committee, Security Policy.

Along with the centralization of the Group Policies, the “GIT-Enterprise Architecture team” focuses on creating an Atos Enterprise Architecture model, in coordination with the GIT-End to End Applications Towers teams, together with business process owners and the assurance functions (e.g. Internal Control, Quality, Security…). The Enterprise Architecture community, supported by process analysts, is responsible for documenting existing and targeted business processes, including the supporting organization, KPIs, and internally and externally mandated compliance parameters.

Information Systems: Group Business Process and Internal IT department is in place to provide common internal IT infrastructures and applications for Atos staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory), Communication (Group websites and Intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

B – Communication of relevant and reliable information

Several processes are in place to ensure that relevant and reliable information is provided within the Group.

Monthly reviews of operational performance by Division and Operational Entity are organized under the responsibility of the Group Chief Financial Officer and in the presence of the relevant Executive Vice-Presidents.

A shared ERP system is deployed and used in almost all countries of the Group except recently acquired entities, enabling easier exchange of operational information. It allows producing cross border reporting and analysis (cross border project analysis, customer profitability) as well as business reports through different analytical axis (Division, geographical and market axis).

Formal information reporting lines have been defined, following the operational and the functional structures. This formal reporting, based on standard formats, concerns financial and non-financial information as well as operational risks (through Risk Management Committees), treasury (with Payments and Treasury Security Committee), or financial structuring (Equity Committee).

This bottom-up communication is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.

C – System for risk management

Risk Management refers to means deployed in Atos to identify, analyze and manage risks. Although risk management is part of a manager's day to day decision making process, specific formal initiatives are in place for risk management, as described in section [F.1 – Risk Management activities] of this document.

D – Control activities

Atos key control activities are described in the Book of Internal Control (BIC) on the basis of main risks identified. This document, sent out to all entities, complements the different procedures by addressing the key control objectives of each process to achieve an appropriate level of internal control.

It doesn't cover only the financial processes, but also the various operational processes (Opportunity to Order, Order to Cash, Offering Lifecycle, HR Management, Asset Lifecycle) and Risk & Compliance activities (Security, Legal, Sustainability).

An updated version of the Book of Internal Control has been released and distributed throughout the Group in July 2019, in order to consider additional controls and some improvements in various processes. This framework will continue to evolve, according to growing maturity of processes and emerging risks (update at least once a year).

An IT control framework (part of the BIC) has been defined, detailing control activities related to client service. This framework is used to issue "ISAE 3402" reports[1] for several Atos clients.

F

1 *ISAE3402 (International Standards for Assurance Engagements (ISAE) No. 3402). A global assurance standard for reporting on controls at a service organization used for auditor's report on internal control of a service to a third party. Activities of Atos typically have an impact on the control environment of its clients (through information systems), which may require the issuance of "ISAE3402 reports" for the controls ensured by Atos.*

E – Monitoring

Monitoring of the internal control system is the responsibility of the Group and Local Management and is also supported by Internal Audit missions.

Control self-assessments (through questionnaires) and control testing (evidence based) are performed by the Functions and the divisions within the GBUs/ Countries and are reviewed at Group level. Action plans are initiated when deviations were reported.

Internal Audit is ensuring, through its reviews, that the internal control procedures are properly applied and supports the development of internal control procedures. Internal Audit also defines, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2019, Internal Audit carried out a total of 17 audit assignments (including investigations at the request of general management and excluding Worldline) assessing the functioning of internal control system: 9 in the domain of support functions and 8 related to Operations/core business. All assignments have been finalized by the issuance of an audit report including action plans to be implemented by the related division or country.

Twice a year, a full review of open recommendations is performed by Internal Audit with concerned owners, and critical, high & medium risk actions are reported up to the Group General Management Committee and Audit Committee. End of H1 2019, circa 91% of high and medium audit recommendations have been implemented.

Audits on Service Organization Controls (SOC) have been performed by independent auditors for the main service providers who run processes on behalf of Atos, notably in the areas of payroll processing, accounts payable management or general ledger accounting processing.

F.5.4 Systems related to accounting and financial information

The financial governance of the Group supports a set of global financial processes, which are part of the Group Internal Control system and are carefully monitored due to their sensitive nature:

- finance processes: general accounting, budgeting and forecasting, consolidation and reporting, treasury, credit risk management;
- "expert" functions processes: taxes, insurance, pensions, real estate transactions;
- operational processes: bidding, contract execution, financial business model.

A – Local and Group financial organization

The management of the Finance function is performed through two main Committees that meet on a bi-monthly basis and are chaired by the Group CFO:

- the Group Finance Committee (GFC) is composed of the Directors of the main functions within the Finance organization and Finance Directors of the Divisions. This Committee deals with cross functional topics critical to the Group;
- the Operational Finance Committee (OFC) comprises CFOs from the GBUs and the divisions, Treasury and Controlling Directors (and other Directors according to the agenda). It deals with operational topics and GBU specific issues.

A direct reporting line to the Group Finance Function, as it is the case for the other support functions, reinforces the integration of the financial function, contributes to the full alignment of key finance processes and provides an appropriate support to operational entities of the Group.

The Group Finance department is in charge of piloting the financial processes, especially through financial consolidation, monitoring of compliance matters and supplying expertise and control of the reported financial information. Group Finance reviews significant accounting options and positions, as well as potential Internal Control weaknesses, and it initiates any required corrective actions.

B – Group Finance policies & procedures

Group Finance has drawn up a number of Group policies and procedures to control how financial information is recorded and processed in the subsidiaries. These policies and procedures are discussed with the statutory external auditors before issuance. They cover a number of elements :

- financial accounting policies cover Group reporting and accounting principles, guidelines on how financial information must be prepared, with common presentation and valuation standards. They also specify the accounting principles to be followed by Atos entities in order to prepare budgets, forecasts and submit actual financial reporting required for Group consolidation purposes. Group Reporting Definitions (GRDs), internal guidelines for IFRS and accounting rules applicable in the Operations, are regularly updated;
- training and information sessions are organized regularly in order to disseminate these policies and procedures within the Group. A dedicated Intranet site is accessible to all accounting staff to facilitate the sharing of knowledge and issues raised by members of the Atos financial community;
- instructions and timetable: Financial reporting including budgets, forecasts and financial statements by subsidiary is performed in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaises with statutory auditors to coordinate the annual and half-year closing process.

C – Information systems

Information systems play a key role in the establishment and maintenance of a control system related to accounting and financial information. They have strongly structured the processes and have enabled automated preventive controls. They also provide ongoing monitoring and analysis capabilities.

An integrated ERP system supports the production of accounting and financial information in almost all the subsidiaries within the Group except for those recently acquired.

A single group reporting, and consolidation tool is used for financial reporting (operational management reporting and statutory data). Each subsidiary reports its financial statements on a standalone basis in order to be consolidated at Group level. There is no intermediary consolidation level and all accounting entries linked to the Group consolidation remain under the direct control of Group Finance. Off balance sheet commitments are reported as part of the mainstream financial information and are reviewed by Group Finance.

D – Monitoring and control

In addition to the financial processes defined, monitoring and control processes aims to ensure that accounting and financial information complies with all applicable policies, rules and instructions.

The Closing File (which is closely linked with the Book of Internal Control) has been deployed at local level across all GBUs. It requires the main subsidiaries to complete a standard electronic closing file on a quarterly basis in order to formalize key internal controls performed over financial cycles and provide appropriate back up to support closing positions. Templates created by Group Finance illustrate the expected level of control for the main items.

Functional reviews are performed by Group financial support functions on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or business performance and forecasts.

Operational and financial reviews: Group Controlling supports Operations and general management in the decision-making process through monthly reviews and by establishing a strong link with country and division management in performing financial analysis and monitoring, enhancing control over operations and improving the accuracy and reliability of information reported to the Group.

Representation letters: During the annual and half-year accounts preparation, the management and financial head of each subsidiary are required to certify in writing that:

- they have complied with the Group's accounting rules and policies;
- they are not aware of cases of proven or potential fraud that may have an impact on the financial statements;
- the estimated amounts resulting from assumptions made by management enable the Company to execute the corresponding actions; and
- to the best of their knowledge, there was no major dysfunction in the control systems in place within their respective subsidiaries.

Internal Audit department: The review of the internal control procedures linked to the processing of financial information is a key component of the reviews conducted by the Internal Audit department on an ongoing basis. The Internal Audit department works together with Group Finance to identify the main risks and to focus its audit plan accordingly.

F.5.5 Outlook and related new procedures to be implemented

In 2020, financial, commercial and social development programs, as well as other transformation initiatives, will pursue their effects to improve and streamline processes, with benefits for the Internal Control System. In particular, recently acquired entities will be integrated in Atos internal control system.

Initiatives identified through the updated risk mapping will be monitored to ensure that proper attention is given to those topics.

The Internal Audit department will pursue the internal review program updated following the risk assessment performed in 2019, and the follow-up of its recommendations.

G

Corporate governance and capital

G.1 Legal Information

G.1.1 Corporate form

[GRI 102-15]

The Company, which was initially incorporated as a "Société Anonyme" (public limited-liability company) was transformed into a European public limited-liability company ("Societas Europaea" (European Company) or "SE") pursuant to a decision of the Annual General Meeting of May 30, 2012. It is governed by applicable European and French legal provisions on "European companies", and to the extent they are not contrary to such specific provisions, French legal provisions, applicable to "Sociétés Anonymes", as well as by the Articles of Association.

G.1.2 Corporate purpose and other information

- **Corporate purpose:** under article 2 of the Articles of Association, the Company's purpose in France and elsewhere is as follows:
  - the processing of information, systems engineering, studies, advice and assistance notably in the finance and banking sectors;
  - the research into, study, realization and sale of products or services which help in promoting or developing the automation and broadcasting of information and notably: the design, application and implementation of software, computer, on-line and office automation systems;
  - it can also operate, either by itself or using any other method, without any exception, or create any company, make all contributions to existing companies, merge or create alliances therewith, subscribe to, purchase or resell all shares and ownership rights, take all interests in a partnership and grant all loans, credits and advances;
  - and more generally any commercial, industrial, real-estate, movable property or financial transactions, either directly or indirectly related to one of the above-mentioned purposes.
- **Sense of purpose:** Article 2 of the Articles of Association, as amended on April 30, 2019, provides that the Company's mission is to help design the future of the information technology space. Its services and expertise, multiculturally delivered, support the advance of knowledge, education and science and contribute to the development of scientific and technological excellence. Across the world, the Company enables its customers, employees and as many people as possible to live, work and develop sustainably and confidently in the information technology space.
- **Company name:** the corporate name of the Company has been changed to "Atos SE" (previously "Atos") upon the transformation into a "Societas Europaea" (European Company) (article 3 of the Articles of Association).
- **Nationality:** French.
- **Registered office and principal place of business:** under article 4 of the Articles of Association, the registered offices of Atos SE are located at 80, quai Voltaire – 95870 Bezons, France – +33 (0)1 73 26 00 00.
- Registered in the Pontoise Registry of Commerce under Siren number 323 623 603.
- **Business identification code (APE code):** 7010Z.
- **Date of incorporation and term:** The Company was incorporated in 1982 for a period of 99 years, i.e. up to March 2, 2081.

G.1.3 Provisions of the Articles of Association

G.1.3.1 Governance, related-party agreements

Members of the Board of Directors (articles 13, 14, 15, and 16 of the Articles of Association)

The Company is managed by a Board of Directors composed of a minimum of seven members and a maximum of eighteen members that are appointed by the Ordinary General Meeting of Shareholders. The Board of Directors will be renewed annually by rotation in such a way as to allow a rotation of one third of the members of the Board of Directors. The term of office of the Directors is three years. The number of members of the Board of Directors over the age of 70 must not be greater than one third of the total serving members. Each Director is required to own at least 500 Company shares during the term of his or her office (this rule however does not apply to the Director representing the employees and the Director representing the employee shareholders).

The Board of Directors comprises up to two Employee Directors. It may also comprise, when applicable legal requirements are met, a Director representing the employee shareholders.

Chairman (article 21 of the Articles of Association)

The Board of Directors elects a Chairman from among its members. The Chairman represents the Board of Directors. He organizes and directs the Board's activities, on which he reports at General Meetings of Shareholders. He oversees the proper operation of the Company's bodies and makes sure, in particular, that the Directors are able to carry out their assignments.

Chief Executive Officer (articles 22, and 23 of the Articles of Association)

Pursuant to the choice made by the Board of Directors, the general management is handled either by the Chairman, or by an individual appointed by the Board of Directors who has the title of Chief Executive Officer. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the Company's purpose and what the law, the Articles of Association and the Board Internal Rules expressly assign to the General Meetings of shareholders or the Board of Directors. The Chief Executive Officer represents the Company in its relationship with third parties.

Notices to attend Board meetings and decisions of the Board of Directors (article 18 of the Articles of Association)

The Board of Directors convenes as often as the Company's interest demands and at least every three months. Notice of Board meetings is sent to Directors by the Chairman. If no Board meeting has been called for over two months, at least one third of the Directors are empowered to ask the Chairman to call a meeting in order to handle the specific matters included on the agenda. The Chief Executive Officer is also empowered to ask the Chairman to call a Board meeting in order to discuss specific matters included on the agenda. Decisions are taken by majority of the members present or represented. In the event of a tie in the voting, the Chairman has a casting vote.

Powers of the Board of Directors (article 17 of the Articles of Association)

The Board of Directors determines the orientations of the Company's business and monitors their implementation. With the exception of powers expressly assigned to General Meetings of Shareholders and within the limits of the Company's purpose, it handles all matters involving the proper operation of the Company and settles matters through its deliberations. The Board of Directors sets the limitations on the Chief Executive Officer's powers, where required, in its Internal Rules, by indicating the decisions which require a prior authorization of the Board of Directors.

Related-party agreements (article 25 of the Articles of Association)

Any agreement entered into (directly, indirectly or through an intermediary) between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, any of its Directors or one of its shareholders holding a fraction of the voting rights greater than 10% or, if it is a Company shareholder, the Company that controls it in the meaning of article L. 233-3 of the French Commercial Code, must receive the prior authorization of the Board of Directors. Agreements between the Company and another company, if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the Directors of the Company is an owner, indefinitely responsible partner, manager, Director, member of the Supervisory Board or, in general, a senior manager of this company, are also subject to prior authorization. Such prior approval does not apply to agreements covering standard operations that are concluded under normal conditions nor to those entered into by two companies where one of them holds, directly or indirectly, the entire share capital of the other, after deducting, if applicable, the minimum number of shares required to meet the requirements of article 1832 of the Civil Code or articles L. 225-1 and L. 226-1 of the French Commercial Code.

Directors' compensation (article 20 of the Articles of Association)

The members of the Board of Directors may receive as Directors' fees, a compensation, the aggregate amount of which, as determined by the General Meeting, is freely allocated by the Board of Directors. The Board of Directors may in particular allocate a greater share to the Directors who are members of the Committees.

G.1.3.2 Rights, privileges and restrictions attached to shares

Voting rights (article 33 of the Articles of Association)

Each share carries one voting right. There is no share with double voting right. On the occasion of the Annual General Meeting held on May 28, 2015, the shareholders approved the modification of article 33 of the Articles of Association aimed at excluding the application of the so called "Florange law" (Act dated March 29, 2014) related to double voting rights and consequently, maintain single voting rights at General Meetings of the Company.

Participation in General Meetings of Shareholders (article 28 of the Articles of Association)

All shareholders may participate in General Meetings either in person or by proxy. All shareholders may be represented by their spouses, by another shareholder, or by partners with whom a civil solidarity pact ("PACS") has been concluded. They may also be represented by any other natural person or legal entity of their choice. The proxy must show evidence of this delegation.

The right of shareholders to participate in General Meetings is subject to the registration of the shares in the name of the shareholder or the financial intermediary registered on its behalf according to the regulations in force. Such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate enabling them to participate in the General Meeting.

The shareholders, upon decision of the Company's Board of Directors, may take part in General Meetings through video conference or by telecommunication means, including the Internet. Article 28 of the Articles of Association provides for the terms and conditions of shareholders' participation in General Meetings in particular by means of an electronic voting form made available on the Company's website.

Identifiable bearer shares (article 9 par. 3 of the Articles of Association)

The Company may proceed to the identification of holders of bearer shares at any time.

Changes to shareholders' rights

Any amendment to the Articles of Association, which set out the rights attached to the shares, must be approved by a two-thirds majority at an Extraordinary General Meeting. A unanimous shareholder vote is required to increase the liabilities of shareholders.

Terms and conditions for calling and general conduct of Ordinary General Meetings and Extraordinary General Meetings (articles 34 and 35 of the Articles of Association)

General Meetings of Shareholders are considered to be "Extraordinary" when the decisions relate to a change in the Articles of Association or Company's nationality or where required by law; and, "Ordinary" in all other cases. The Extraordinary General Meeting rules by a majority of two-third of the expressed votes, and the Ordinary General Meeting rules by the majority of expressed votes; expressed votes do not include blank and null votes of the present or represented shareholders, or of shareholders having voted by mail.

General Meetings are called and conducted in accordance with the terms and conditions of French law.

Disclosure of threshold crossing (article 10 of the Articles of Association)

In addition to the thresholds defined by applicable laws and regulations, all private individuals and legal entities, acting alone or in concert, who acquire, directly or indirectly, a fraction of the share capital equal to or greater than 2% or, following a shareholding of 2%, any multiple of 1%, are required to inform the Company, by registered letter with return receipt requested, within 5 trading days from the date on which one of these thresholds is crossed, of the total number of shares, voting rights or securities giving access to the share capital or voting rights of the Company held by them.

Failure to comply with the above requirements results in rescission of the voting rights attached to those shares relating to the unreported fraction at all General Meetings of Shareholders held during a two-year period following the date or regularization filing of the aforementioned notice. Application of this penalty is subject to a request by one or more shareholders holding at least 5% of the Company's share capital or voting rights mentioned in the minutes of the General Meeting.

The same information obligation applies, under the same terms and conditions, each time the fraction of the share capital or voting rights of a shareholder decreases to less than one of the above-mentioned thresholds.

Control of the issuer

No provisions in the Articles of Association, nor in any charter or Internal Rules, may delay, postpone or prevent a change of control of the Company.

G.1.3.3 Financial statements (articles 37, 38 and 39 of the Articles of Association)

Legal Reserve

5% of the statutory net profit for each year, reduced by prior losses if any, has to be allocated to the legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10% of the share capital, and shall be allocated again if, for any reason whatsoever, the legal reserve falls below that threshold.

Distribution of Company's assets

The General Meeting may decide to distribute assets recorded on the Company's balance sheet and, in particular, tradable securities by taking sums from the profits, retained earnings, reserves or additional paid-in capital.

Approval of dividends

Dividend payments are approved by the General Meeting of Shareholders, in accordance with articles L. 232-12 to L. 232-18 of the French Commercial Code. The General Meeting of Shareholders may offer the shareholders, for all or part of the dividend available for distribution, an option for cash payments or payments in the form of new shares of the Company under the terms and conditions set by law.

G.2 Corporate Governance

[GRI 102-10] [GRI 102-18] [GRI 102-22] [GRI 102-23] [GRI 102-24] [GRI 102-26]

G.2.1 Compliance with the AFEP-MEDEF Code – Frame of reference on corporate governance

French legislation and rules published by the financial market regulatory authorities apply to the Company's corporate governance.

The Company refers to the Corporate Governance Code of Listed Companies issued by the AFEP-MEDEF (revised version of January 2020) and has decided to use the Code, as soon as published, as a reference in terms of corporate governance, and to follow it up, through an annual Board meeting entirely dedicated to these issues.

In that respect, like every year, Atos' Board of Directors met on December 16, 2019 to perform the annual review of the implementation by the Company of these governance principles. Following this meeting, also attended by employee members of the Participative Committee (body stemming from the European Company Council) who actively participated in the debates, the Board considered that the Company's governance practices are compliant with the recommendations of the AFEP-MEDEF Code.

The detail of the Board's assessment items on the implementation of the AFEP-MEDEF Code is available in its entirety on Atos' website: atos.net. The AFEP-MEDEF Code is available on the AFEP website: www.afep.com, in the Governance section.

As at the date of publication of this Universal Registration Document, and in compliance with the rule "Comply or Explain" set forth under article L. 225-37-4 of the French Commercial Code and article 27.1 of the AFEP-MEDEF Code, the Company has deviated from the following provisions for the reasons hereafter indicated:

Recommendation of the AFEP-MEDEF Code	Justification
Director's independence criteria (article 9.5.6 of the AFEP-MEDEF Code) The criteria to be reviewed by the Committee and the Board in order for a Director to qualify as independent and to prevent risks of conflicts of interest between the Director and the management, the corporation, or its group, are as follows: • not to have been a Director of the corporation for more than twelve years. Loss of the status of independent Director occurs on the date when the twelve years are reached.	As part of its annual review during the meeting of December 16, 2019, the Board of Directors acknowledged that 80% of its Directors were considered independent (8 out of 10 members to be taken into account in order to calculate the independent Director ratio*), i.e. Mr. Vivek Badrinath, Mr. Nicolas Bazire, Ms. Valérie Bernis, Mr. Bertrand Meunier, Ms. Colette Neuville, Ms. Aminata Niane, Ms. Lynn Paine, and Mr. Vernon Sankey. In particular, the Board considered that even though Mr. Vernon Sankey had served for 14 years as member of the Supervisory Board and member of the Board of Directors of the Company, his independence remained unaffected as of today due to the modification of the Company's governance structure in 2009 (from a dual to a unified Board structure) and more significantly to the modification of the identity of the Chief Executive Officer in 2008 (arrival of Mr. Thierry Breton as Chief Executive Officer). Consequently, Mr. Sankey was considered as having served 11 years so far under the previous governance structure. As a reminder, the governance structure has further evolved since November 1, 2019 with the separation of the Chairman and CEO offices and the appointment of a new CEO. The Board of Directors took note of the feedbacks received from certain shareholders on this point and asked the Nomination and Remuneration Committee to work towards a succession of Mr. Sankey as Chair of the Audit Committee which will be effective in 2020. The Board considers that the interim retention of Mr. Sankey on this post is critical to ensure a smooth transition following the recent change in the Company's governance.

* *As per article 9.3 of the AFEP-MEDEF Code, the Directors representing the employee shareholders and the Employee Directors are not taken into account for the ratios of independent Directors.*

Moreover, governance issues are regularly addressed during Board meetings. The Board has indeed consistently expressed its will to take into account, and sometimes anticipate, recommendations on the improvement of corporate governance for listed companies whenever such recommendations are in line with the interests of the Company and of its shareholders.

This includes, in particular:

(i) the appointment of a Lead Independent Director;

(ii) the reinforcement of conditions for stock option or performance share plans benefiting to the Company's senior managers;

(iii) the reinforcement of the presence of women and of employee representation at Board and Committee levels;

(iv) the addition, in 2015, of performance conditions on the acquisition of rights under the supplementary pension scheme that benefited the former Chairman and Chief Executive Officer; or

(v) the consultation of the shareholders on the strategic orientation plans for 3 years (December 2013, December 2016 and May 2019);

(vi) in December 2018, the Board also decided to create a Board Committee dedicated to corporate social and environmental responsibility issues ("CSR Committee") in order to strengthen the consideration of these matters for the Company;

(vii) Atos was the first CAC 40 company to enshrine its sense of purpose in its Articles of Association, during its Annual General Meeting held on April 30, 2019, thereby anticipating the entry into force of the PACTE law of May 22, 2019. Atos' sense of purpose describes how its operations in their entirety contribute to the common interest and inspires Atos' engagement with all stakeholders (see para. A.2.1);

(viii) in November 2019, following the resignation of the former Chairman and Chief Executive Officer from his mandates, in accordance with the succession plan, the Board decided to change the Company's governance structure and separate the offices of Chairman of the Board and Chief Executive Officer, in compliance with best governance practices.

G.2.2 Management Mode

The statutory governance of the Company was changed from a Supervisory Board and Management Board system to a system with a Board of Directors further to the decisions of the General Meeting held on February 10, 2009. This evolution has simplified and unified the governance by adapting it to the Company's situation. On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European Company") decided by the Annual General Meeting held on May 30, 2012, the unitary Board structure, with Board of Directors, was upheld by the shareholders in the Articles of Association of the Company that were submitted to their approval.

Between January 2009 and November 2019, to support the Company's development, the Board of Directors had chosen to unify the offices of Chairman and Chief Executive Officer and appointed Mr. Thierry Breton as Chairman and Chief Executive Officer on February 10, 2009 and upon the renewal of his term of office in 2012, 2015, 2016 and 2019. Following Mr. Breton's resignation from his mandates as of October 31, 2019, in accordance with the succession plan and in compliance with best governance practices, the Board of Directors decided to change the Company's governance structure as of November 1, 2019 and to separate the offices of Chairman of the Board and of Chief Executive Officer. The Board appointed Mr. Bertrand Meunier as non-Executive Chairman of the Board and Mr. Elie Girard as Chief Executive Officer. This corporate governance formula is widely recognized as the best practice to enable listed companies to ensure the transition during the period necessary in the context of the succession of the Chairman and Chief Executive Officer.

The mechanisms already implemented to ensure a good balance of powers at corporate governance level will remain applicable:

(i) the Board of Directors is composed by 80% of independent Directors;

(ii) the Board has constituted three internal Committees, to help in the decision process, composed mostly or entirely of independent members;

(iii) since 2010, in accordance with the recommendations of the French Financial Market Authority, the Board has appointed, alongside the Chairman of the Board, a Lead Independent Director, in order to ensure the implementation of best corporate governance standards by the Board of Directors;

(iv) at least twice a year, Directors hold meetings, in the absence of the Chief Executive Officer, during which they discuss the Company's affairs, and address, among other subjects, the Executive Officer's succession plan;

(v) the Internal Rules of the Board of Directors specify the Board's reserved matters which require the Board's prior authorization (see below).

Missions of the non-Executive Chairman

The statutory missions of the Chair of Atos SE's Board of Directors (as per the Company's Articles of Association and Board Internal Rules) are the following:

- the Chairman organizes and directs the work of the Board;
- the Chairman convenes the Board meetings, determines the agenda and presides over the meetings;

- the Chairman oversees the proper functioning of the Company's bodies and makes sure, in particular, that the Directors are able to carry out their assignments;
- the Chairman presides over shareholders meetings and reports on the Board work to the Annual General Meeting.

The Board of Directors decided to create an ad hoc Committee composed of four independent Directors (Mr. Vernon Sankey as chair, Ms. Aminata Niane, Ms. Colette Neuville and Ms. Lynn Paine) to review the missions allocated to the Board Chair due to the separation of offices. Upon the recommendations of this ad hoc Committee, the Board of Directors decided to entrust Mr. Bertrand Meunier, as Chairman of the Board, with the following additional missions, as reflected in the Board Internal Rules:

- consulting or being consulted and holding discussions with the Chief Executive Officer on certain significant and strategic events for the Company;
- representing the Company in its high-level relations with the public authorities and the Company's strategic stakeholders, in consultation with the Chief Executive Officer;
- participating in certain internal meetings with the Company's managers and teams and, as the case may be, as well as in certain Board Committees;
- maintaining the quality of relations with the shareholders;
- participating in the recruitment process for new Directors and in the development of the succession plan;
- ensuring the balance of the Board (in addition to its proper functioning);
- arbitrating potential conflicts of interest.

Limitations on the powers of the Chief Executive Officer

The Board has defined, in its Internal Rules, reserved matters which require the Board's prior authorization:

(i) purchase or sale of shareholdings exceeding € 100 million;

(ii) purchase or sale of assets exceeding € 100 million;

(iii) purchase of assets or shareholdings beyond the Group's usual activities;

(iv) purchase or sale of real property exceeding € 100 million;

(v) strategic alliance or partnership which may have a structural impact for the Group;

(vi) parental company guarantees exceeding the scope of the delegation granted to the Chief Executive Officer;

(vii) any material transaction not within the scope of the strategy announced by the Company.

Communication with shareholders

In accordance with the AFEP-MEDEF Code, the Company has regular direct contacts with its shareholders and investors throughout the year to understand their expectations and take them into account.

In that context, the following measures, in favor of a smooth shareholders dialogue have been implemented:

(i) Atos has communicated its strategy through three-year plans. On January 30, 2019, in the context of an "Investors Day" Atos presented its three-year plan "Advance 2021". As for the previous plans, this plan was submitted to the shareholders' consultative vote during the 2019 Annual General Meeting;

(ii) presentations established for financial reports, investor days or General Meetings are posted on the website of the Company;

(iii) the Company is exchanging with its shareholders throughout the year but has, for many years, been conducting a governance roadshow prior to its Annual General Meetings for instance, in the context of the preparation of the 2019 Annual General Meeting, the Board of Directors has slightly adjusted the floor targets of the performance criteria for the performance share plans and plans of stock options, which were submitted to the vote of the shareholders during that meeting.

Executive Director Succession plan

At least twice a year, Directors hold meetings, in the absence of the Chief Executive Officer, during which they discuss the Company's affairs, and address, among other subjects, the Executive Officer's succession plan, as per the recommendation of the AFEP-MEDEF Code.

During the 2019 Investor Day held on January 30, 2019, the former Chairman and Chief Executive Officer had indicated to be working on his succession plan in the context of the renewal of his term of office as Director during the Annual General Meeting held on April 30, 2019. The Board of Directors then appointed Mr. Elie Girard as Deputy Chief Executive Officer, with effect from April 2, 2019. Thanks to the excellent quality of the preparatory works of the Board, with the support of the Nomination and Remuneration Committee, the Board of Directors was in the position to implement the agreed succession plan at the time of the resignation of Mr. Breton from his mandates as Chairman and Chief Executive Officer, which was publicly disclosed on October 24, 2019 and acknowledged during a Board meeting on October 31, 2019.

The implementation of the succession plan resulted in the change of governance structure with the separation between the offices of Chairman of the Board and Chief Executive Officer, and the appointments of Mr. Bertrand Meunier as Chairman of the Board and Mr. Elie Girard as Chief Executive Officer.

G.2.3 The Board of Directors: composition and organization principles

[GRI 102-5] [GRI 102-22] [GRI 102-23]

G.2.3.1 Composition of the Board of Directors

Evolution of the composition of the Board of Directors and its Committees

In 2019 and up until the date of publication of this Universal Registration Document, the composition of the Board of Directors was modified as a result of the following events:

	Departure	Appointment	Renewal
Board of Directors	Marie-Christine LEBERT **(04/25/2019)** Thierry BRETON **(10/31/2019)** Roland BUSCH **(01/17/2020)** Jean-Louis GEORGELIN **(02/18/2020)**	Vivek BADRINATH[1] Jean-Louis GEORGELIN[2] **(04/30/2019)** Farès LOUIS[3] **(04/25/2019)** Elie GIRARD[4] **(12/16/2019)** Cedrik NEIKE[6] **(01/28/2020)**	Thierry BRETON[5] Aminata NIANE[1] Lynn PAINE[1] Vernon SANKEY[5] **(04/30/2019)**
Audit Committee	Roland BUSCH **(01/17/2020)**	Vivek BADRINATH **(02/18/2020)**	N/A
Nomination and Remuneration Committee	N/A	N/A	N/A
CSR Committee	Marie-Christine LEBERT **(04/25/2019)**	N/A	N/A

1 *For 2 years.*
2 *Jean-Louis GEORGELIN was appointed as censor for 1 year.*
3 *Farès LOUIS will serve for the remainder of Marie-Christine LEBERT's term of office, i.e. until 2020 Annual General Meeting.*
4 *Elie GIRARD will serve for the remainder of Thiery BRETON's term of office, i.e. until 2022 Annual General Meeting.*
5 *For 3 years.*
6 *Cedrik NEIKE will serve for the remainder of Roland BUSCH's term of office, i.e. until 2020 Annual General Meeting.*

Mr. Cedrik Neike's appointment by the Board on January 28, 2020, by way of cooptation on the vacant Director seat of Dr. Roland Busch who resigned with effect on January 17, 2020, was proposed by Siemens Pension-Trust e.V. pursuant to the agreements signed with Siemens in connection with the acquisition of Siemens Information Technology Services, which provided for the possibility for Siemens to submit an applicant as a Director of the Company. This appointment will be submitted for ratification at the Annual General Meeting convened in 2020.

Composition of the Board of Directors

At the date of publication of this Universal Registration Document, the Board of Directors was composed of 12 members as listed below:

		PERSONNAL INFORMATION				EXPERIENCE	POSITION ON THE BOARD				MEMBERSHIP IN COMMITEES[3] (and other office)
		Age	Gender	Nationality	Number of shares	Number of other mandates in listed companies[1]	Independence	Date of first appointment[2]	End of term of office	Seniority on Board	
Non-Executive Chairman	**Bertrand MEUNIER**	63	M	French/British	4,000	0	YES	02/10/2009	AGM 2021	11	Audit, N&R
Chief Executive Officer	**Elie GIRARD**	41	M	French	41,632	0	NO	12/16/2019	AGM 2022	0	N/A
Directors (L. 225-17 Ccom)	**Vivek BADRINATH**	50	M	French	500	1	YES	04/30/2019	AGM 2021	1	Audit
	Nicolas BAZIRE	62	M	French	1,040	4	YES	02/10/2009	AGM 2020	11	N&R*
	Valérie BERNIS	61	F	French	505	1	YES	04/15/2015	AGM 2020	4	CSR*
	Cedrik NEIKE	46	M	French/German	0	1	NO	01/28/2020	AGM 2020	0	N/A
	Colette NEUVILLE	83	F	French	1,012	1	YES	04/13/2010	AGM 2020	9	N/A
	Aminata NIANE	63	F	Senegalese	1,012	0	YES	05/27/2010	AGM 2021	9	**Lead Independent Director**
	Lynn PAINE	70	F	American	1,000	0	YES	05/29/2013	AGM 2021	6	Audit, CSR
	Vernon SANKEY	70	M	British	1,296	0	YES	02/10/2009	AGM 2022	11	Audit*, CSR
Director representing the employee shareholders (L. 225-23 CCom)	**Jean FLEMING**	50	F	Bristish	1,496	0	NO	05/26/2009	AGM 2020	10	N&R
Employee Director (L. 225-27-1 CCom)	**Farès LOUIS**	57	M	French	0	0	NO	04/25/2019	AGM 2020	1	N/A

1 *Other mandates exercised in listed companies (outside the Atos Group). Mandates exercised in listed companies belonging to the same group account for one single mandate.*

2 *Date of first appointment on the Board of Directors of Atos.*

3 *N&R: Nomination and Remuneration Committee, Audit: Audit Committee, CSR: CSR Committee*

* *Chairman of Committee.*

Directors' biographies

Bertrand MEUNIER*

Chairman of the Board of Directors

Member of the Nomination and Remuneration Committee

Member of the Audit Committee

Professional address:
River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares: 4,000

Date of birth: March 10, 1956

Nationality:
French, British

Date of first appointment:
February 10, 2009 (Director) – July 3, 2008 (Member of Supervisory Board)

Date of last renewal: May 24, 2018

Term expires on: AGM ruling on the accounts of the 2020 financial year

Individual attendance rate:

Board: 100%

N&R Committee: 100%

Audit Committee: 100%

Biography - Professional Experience

Chairman of the Board of Directors of Atos SE*

Bertrand Meunier is a graduate of the *École Polytechnique* and of *Paris VI University*. He joined PAI Partners in 1982 up until 2010. Bertrand Meunier joined CVC Capital Partners as a Managing Partner in 2012.

He became Chairman of the Board of Directors of Atos in November 2019.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

France:

- Director: Elsan Holding

Abroad:

- Director: PDC Brands (USA)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

France:

Director: Parex, Vedici

Abroad:

- Managing partner: CVC Capital Partners Ltd (United Kingdom)
- Director: Continental Foods (Belgium), CVC Capital Partners (Luxembourg), CVC Group Ltd (Luxembourg)

* *Independent Director.*

Elie GIRARD

Professional address:

River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares: 41,632

Date of birth:

April 12, 1978

Nationality: French

Date of first appointment:

December 16, 2019 (as a Director)[1]

Term expires on:

AGM ruling on the accounts of the 2021 financial year

Individual attendance rate:

Board: 100%

Biography - Professional Experience

Chief Executive Officer of Atos SE

Elie Girard is a graduate of the *École Centrale de Paris* and of *Harvard University*. He began his career as auditor at Andersen, before joining the Ministry for the Economy, Finance and Industry in the Treasury department.

Between 2004 and 2007, Elie Girard worked for the Office of the Minister for the Economy, Finance and Industry in France.

He joined Orange in 2007 and was appointed Chief of Staff to the Chairman and Chief Executive Officer. From 2010 to 2014, he was Senior Executive Vice-President in charge of Strategy & Development of the Orange Group, member of the Group Executive Committee.

In April 2014, Elie Girard joined Atos as Deputy Chief Financial Officer of Atos Group. He was appointed Group Chief Financial Officer in February 2015 and Group Senior Executive Vice-President in February 2018. In March 2019, Elie was appointed Group Deputy Chief Executive Officer. He became Chief Executive Officer of Atos in November 2019.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

Germany:

- Chairman of the Supervisory Board: Atos Information Technology GmbH

Outside the Atos Group

France:

None

Abroad:

None

Other positions held during the last five years

Within the Atos Group

France:

- Deputy Chief Executive Officer: Atos SE
- CEO: Atos Investissement 10, Atos Investissement 12, Atos Investissement 19, Atos Investissement 20, Atos Investissement 21, Atos Investissement 22, Atos Investissement 23, Atos Investissement 24, European Silicon Technologies SAS, Bull International SAS, Atos Participation 2
- Deputy CEO: Bull SAS
- Permanent representative of Atos Investissement 10, CEO: BlueKiwi Software SAS

Abroad:

Netherlands:

- Director: Atos International BV, Atos International Global Functions BV, Unify Holdings BV, Unify Germany Holdings BV, Unify Overseas Holdings BV

United Kingdom:

- Director: Bull Holdings ltd, Bull ND Holdings ltd, Canopy the Open Cloud Company ltd

USA:

- Director: Syntel Inc., Atos Syntel Inc.

Germany:

- Member of the Supervisory Board: Atos IT Solutions and Services GmbH

Poland:

- Chairman of the Supervisory Board: Atos Polska SA

China:

- Supervisor: Atos Worldgrid Information Technology (Beijing) Co., Ltd.

Luxembourg:

- Chairman of the Board of Directors: St Louis RE

Outside the Atos Group

None

1 *Mr. Elie Girard was appointed Chief Executive Officer as of November 1, 2019 and Director on December 16, 2019. His term of office as Director will be subject to ratification by the shareholders at the Annual General Meeting to be held in 2020 and his term of office, subject to renewal, will expire at the end of the Annual General Meeting to be held in 2022. His term of office as Chief Executive Officer is aligned with his term of office as a Director.*

** *Listed company.*

Vivek BADRINATH*

Member of the Audit Committee

Professional address:
River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares:
500

Date of birth:
June 27, 1969

Nationality: French

Date of first appointment:
April 30, 2019

Term expires on:
AGM ruling on the accounts of the 2020 financial year

Individual attendance rate:
Board: 100%

Biography - Professional Experience

Chief Executive Officer of Africa, Middle East Asia and Pacific, Vodafone

Vivek Badrinath holds Engineering degrees from the *École Polytechnique* and the *École Nationale Supérieure des Télécommunications (ENST)* and also holds a post-graduate degree in stochastic modeling and statistics from *Paris-Sud University*.

He started his career in 1992 at the French Ministry of Industry.

Vivek Badrinath joined Vodafone's Executive Committee as CEO of Africa, Middle East, Asia and Pacific in October 2016. He oversees Vodafone's operations in the Vodacom Group, in India, Australia, Egypt, Ghana, and Kenya. He was also Interim CEO of Vodafone Business in 2019.

In 1996, he joined Orange in the Group's Long Distance Networks Department before becoming CEO of Thomson India in 2000. He returned to Orange in 2004 as Chief Technical Officer of the mobile division and was appointed to the Group's Executive Committee in 2009 as Director of the networks and operators division. Between April 2010 and April 2012, Vivek Badrinath was CEO of Orange Business Services before being appointed Deputy CEO in charge of Innovation, Marketing and Technologies on May 1, 2013. He was Deputy Chief Executive Officer, Marketing, Digital Solutions, Distribution and Information Systems for AccorHotels between March 2014 and October 2016.

Vivek Badrinath is a Chevalier in the French *Ordre national du mérite* (National Order of Merit) and in the French *Légion d'honneur*.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

France:

None

Abroad:

(all mandates relating to his main function at Vodafone)

- Director:
  - Vodacom** (South Africa)
  - Vodafone Idea Limited** (India)
  - Vodafone Egypt**
  - Safaricom** (Kenya)
  - Vodafone Hutchison Australia (Joint Venture with Hutchison Whampoa)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Director and member of the Audit Committee: Nokia (2014-2016)
- Director: Accor (2016-2018)

* *Independent Director.*
** *Listed company.*

Nicolas BAZIRE*

Chairman of the Nomination and Remuneration Committee

Professional address:

River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares: 1,040

Date of birth: July 13, 1957

Nationality:

French

Date of first appointment:

February 10, 2009

Date of last renewal: May 24, 2017

Term expires on:

AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:

Board: 80%

N&R Committee: 100%

Biography - Professional Experience

General Manager of Groupe Arnault SE

Nicolas Bazire is a graduate of the *École Navale* (1978), the Paris *Institut d'Études Politiques* (1984), former student of the *École Nationale d'Administration*, Magistrate on the French *Cour des Comptes* (Court of Audit). Nicolas Bazire is a honorary *Conseiller Référendaire* with the *Cour des Comptes.*

In 1993 he became Cabinet Director for French Prime Minister Édouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999.

He was appointed General Manager at Groupe Arnault in 1999, and became a member of the LVMH Board of Directors; he is also a member of the Executive Committee.

Nicolas Bazire is a Reserve Officer in the French Naval Reserve. He is an Officer in the French *Ordre National du Mérite* (National Order of Merit) and a *Chevalier* in the French *Légion d'honneur*.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

France:

- Member of the Supervisory Committee:
  - Montaigne Finance SAS
- Vice-Chairman of the Supervisory Board:
  - Les Echos SAS
- Deputy CEO:
  - Financière Agache SA
  - Semyrhamis SA
- Director:
  - LVMH Moët Hennessy Louis Vuitton SE**
  - Agache Développement SA
  - Europatweb SA
  - Groupe Les Echos SA
  - LV group SA
  - Suez SA**
  - Carrefour SA**
  - Louis Vuitton (Fondation d'Entreprise)
  - Christian Dior SE**
- Permanent Representative:
  - Groupe Arnault SE, Director of Financière Agache SA
  - Groupe Arnault SE, Director of Semyrhamis SA
  - Ufipar SAS, Director of Louis Vuitton Malletier SA
  - Montaigne Finance SAS, Director of GA Placements SA

Abroad:

- Permanent Representative:
  - Ufipar SAS, Director of Société des Bains de Mer de Monaco SA**

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Director:

Financière Agache Private Equity SA

* *Independent Director.*
** *Listed company.*

Valérie BERNIS*

Chairman of the CSR Committee

Professional address:
River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares:
505

Date of birth:
December 9, 1958

Nationality:
French

Date of first appointment:
April 15, 2015, ratified by AGM held on May 28, 2015

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 80%
CSR Committee: 100%

Biography - Professional Experience

Company Director

Valérie Bernis is a graduate of the *Institut Supérieur de Gestion* and *Université des Sciences Économiques* in Limoges. In 1996, after 2 years spent as Communication and Press Advisor to the Prime Minister, she joined Compagnie de Suez as Executive Vice-President – Communications, and then in 1999, she became Executive Vice-President Financial and Corporate Communications and Sustainable Development. During the same period, she served for 5 years as Chairman and CEO of Paris Première, a French TV channel. Valérie Bernis is currently a member of the Board of Directors of l'Occitane and France Télévisions.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

France:

- Member of the Board of Directors: France Télévisions
- General Secretary of Board of Directors: AROP (Opéra de Paris)
- Board Member: Fondation contre Alzheimer

Abroad:

- Independent member of the Board of Directors and member of Nomination Committee: l'Occitane International SA (Luxemburg)**

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Member of the Supervisory Boar: Euro Disney SCA**
- Member of the Board of Directors: Suez SA**

* *Independent Director.*
** *Listed company.*

Jean FLEMING

<table>
<tr><td rowspan="4">

Director representing the employee shareholders

Member of the Nomination and Remuneration Committee

Professional address:
Midcity Place,
71 High Holborn
London
WC1V 6EA UK

Number of shares:
1496

Date of birth:
March 4, 1969

Nationality:
British

Date of first appointment:
May 26, 2009

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:

Board: 70%

N&R Committee: 60%

</td><td colspan="2">Biography - Professional Experience</td></tr>
<tr><td colspan="2">

Leadership Coach

Jean Fleming is a graduate of the London South Bank University where she obtained an MSc in Human Resources and from Brunnel University where she obtained a BA in Business Administration.

Former Client Executive, Business Process Services, she is now a Leadership Coach. Jean Fleming was appointed Director representing the employee shareholders.

</td></tr>
<tr><td colspan="2">Directorships and positions</td></tr>
<tr><td>

Other directorships and positions as at December 31, 2019

None

</td><td>

Other positions held during the last five years

None

</td></tr>
</table>

Farès LOUIS

Employee Director

Professional address: River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares: 0

Date of birth: May 23, 1962

Nationality: French

Date of first appointment: April 25, 2019

Term expires on: AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:

Board: 100%

Biography - Professional Experience

Business Developer

Farès Louis joined Bull in 1991 as commercial engineer. He then held several positions as Account Manager for large accounts located in France, manager of Bull subsidiary located in the Middle East, and in the development of international offers. Currently, he is a business developer for security products in Middle East & Africa within the BDS service line.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

- French Labor Court judge (conseiller prud'homal)
- Trade Union defender
- Member of the CFDT corporate body/Symetal Francilien

Other positions held during the last five years

Within the Atos Group

- Trade Union representative
- Employee representative on the company premises located in Les Clayes-sous-Bois
- European Committee Bull
- Bull work's council

Outside the Atos Group

None

Cedrik NEIKE

Professional address: Siemens AG Werner-von-Siemens-Straße 1 80333 Munich, Germany **Number of shares:** 0 **Date of birth:** March 7, 1973 **Nationality:** German, French **Date of first appointment:** January 28, 2020 **Term expires on:** AGM ruling on the accounts of the 2019 financial year **Individual attendance rate:** **Board:** N/A	**Biography - Professional Experience** **Member of the Managing Board of Siemens AG and CEO Smart Infrastructure** Cedrik Neike is a graduate of *University College London* and *London School of Economics* where he received a Bachelor in Engineering and Business Finance. He also holds a MBA from *Insead Business School* (France). Cedrik Neike joined Siemens in 1997 as Product line Manager for wireless Internet. In 2001, he moved to Cisco Systems where he held several executive positions in Germany and USA, including in particular SVP, Global Service Provider, Service Delivery Worldwide, and SVP, Global Service Provider, Sales, EMEA, Russia and APJ. In April 2017 he was appointed Member of the Managing Board of Siemens AG**.	
	Directorships and positions	
	Other directorships and positions as at December 31, 2019 **Within the Atos Group** None **Outside the Atos Group** • Siemens France Holding SA, France • Siemens Ltd., India • Siemens Pte. Ltd., Singapore • Siemens Schweiz AG, Switzerland (Chairman)	**Other positions held during the last five years** **Within the Atos Group** None **Outside the Atos Group** None

*** Listed company.*

Colette NEUVILLE*

Professional address:
River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares:
1,012

Date of birth:
January 21, 1937

Nationality: French

Date of first appointment:
May 30, 2012 (Director) – June 12, 2008 (member of Supervisory Board) – April 13, 2010 (Censor) ratified by General Meeting of May 27, 2010

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 80%

Biography - Professional Experience

Chairman (founder) of the ADAM

Colette Neuville is a law graduate and a graduate of the Paris *Institut d'Études Politiques* and holds a post-graduate degree in economics and political science. She served as an Economist for NATO, the Moroccan administration (National Office for Irrigation), and the Loire-Bretagne agency. Ms. Neuville is the founding Chairman of ADAM *(Association de Défense des Actionnaires Minoritaires)* and member of the commission *"Épargnants et Actionnaires Minoritaires"* (Retail Investors and Minority shareholders) of the *Autorité des Marchés Financiers* (French Financial Markets Authority). She is the Lead Independant Director of the Board of Directors, member of the Audit Committee and of the corporate Committee, and Chairman of the Remuneration Committee of Getlink SE. She is member of the Board of Directors of the FAIDER and the ARCAF.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

France:

- Director: Getlink SE** (also member of the Audit Committee and of the Corporate Committee, and Chairman of the Remuneration Committee and Lead Independant Director since February 2014), ARCAF *(association des fonctionnaires épargnants pour la retraite)*, FAIDER *(fédération des associations indépendantes de défense des épargnants pour la retraite)*
- Member: Consultative Commission *"Épargnants et actionnaires minoritaires"* ("Retail Investors and Minority shareholders") of the AMF, of the Club of the Chairmen of Remuneration Committees.

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Director (and member of the Audit Committee): Numericable-SFR** from November 27, 2014 to January 12, 2016
- Member: Governance Committee of the École de Droit & Management de Paris

* *Independent Director.*
** *Listed company.*

Aminata NIANE*

Lead Independent Director

Professional address:
BP 29495 – DAKAR, Senegal

Number of shares:
1,012

Date of birth:
December 9, 1956

Nationality:
Senegalese

Date of first appointment:
May 27, 2010

Date of last renewal:
April 30, 2019

Term expires on:
AGM ruling on the accounts of the 2020 financial year

Individual attendance rate:
Board: 100%

Biography - Professional Experience

International Consultant

Aminata Niane holds an Engineering Degree in Science and Technology of Food Industries (Montpellier, France) and a Master in Business Administration (Birmingham, UK).

Then she started her career in 1983 as an engineer in big Senegalese companies in the food-processing sector (SIPL and SONACOS).

This experience continued in 1987 in the Senegalese administration (Ministry of Commerce, Senegalese Institute for Standardization), then in 1991 in the first structures supporting the private sector, financed by the French Cooperation and the World Bank (Support Unit to the Business Environment and Private Sector Foundation).

Finally, after several years of entrepreneurial experience in strategy consulting, she was appointed in 2000 Managing Director of APIX, National Agency for Investment Promotion and Major Projects. She handled the creation and the management until May 2012. Then, she was Special Advisor of the President of the Republic of Senegal until May 2013.

Today she is International Consultant, after being with the African Development Bank, Lead Advisor-Office of the Vice-President Infrastructure, Private Sector and Regional Integration, and Manager for the return of the Bank to its registered offices in Abidjan.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

France:

None

Abroad:

- Director: Groupe Envol Immobilier Sénégal (Senegal), Banque Atlantique Sénégal (Sénégal)
- Chairman: Association Social Change Factory

Other positions held during the last five years

None

* *Independent Director.*

Lynn PAINE*

Member of the Audit Committee

Member of the CSR Committee

Professional address:

Harvard Business School,

Soldiers Field Road,

Boston, Massachusetts 02163

Number of shares: 1,000

Date of birth: July 17, 1949

Nationality:

American

Date of first appointment:

May 29, 2013

Date of last renewal:

April 30, 2019

Term expires on: AGM ruling on the accounts of the 2020 financial year

Individual attendance rate:

Board: 90%

Audit Committee: 86%

CSR Committee: 100%

Biography - Professional Experience

John G. McLean Professor of Business Administration, Harvard Business School, Senior Associate Dean for International Development

Lynn Paine is John G. McLean Professor of Business Administration and Senior Associate Dean for International Development at Harvard Business School. She previously served as Senior Associate Dean for Faculty Development. She is former chair of the School's General Management unit and a specialist in corporate governance. An American with worldwide recognition, she currently teaches corporate governance in both the MBA and executive programs.

She co-founded and chaired the "Leadership and Corporate Accountability" required course, which she has taught in the MBA program as well as the Advanced Management Program. Ms. Paine has also taught in numerous other executive programs including the Senior Executive Program for China, the Senior Executive Program for Africa, and, currently, Leading Global Business, Preparing to Be a corporate Director, Women on Boards, and Making corporate Boards more Effective.

In addition to providing executive education and consulting services to numerous firms, she has served on a variety of Advisory Boards and panels. In particular, she was a member of the Conference Board Commission on Public Trust and Private enterprise and the Conference Board's Task Force on Executive Compensation. She also served on the Academic Advisory Council of the Hills Program on Governance at the Center for Strategic and International Studies (CSIS), in Washington, D.C.; on the Governing Board of the Center for Audit Quality in Washington D.C.; and the Advisory Board of the Conference Board's Governance Center in New York. She was a Director of RiskMetrics Group (NYSE) prior to the company's merger with MSCI.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

Abroad

- Global Advisory Council, Odebrecht SA, São Paulo (Brazil)
- Senior Advisor to Independent Monitor for Volkswagen AG** (Germany)
- Selection Panel, Luce Scholars Program, Henry Luce Foundation, NYC (USA)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Senior Associate Dean, Harvard Business School, Boston, Massachusetts (USA) (2010-2016)
- Governing Board (Public Member), Center for Audit Quality, Washington D.C. (USA) (2007-2016)
- Academic Advisory Council, Hills Program on Governance – Center for Strategic and International Studies, Washington, D.C. (USA) (2001-2017)

* *Independent Director.*
** *Listed company.*

Vernon SANKEY*

Chairman of the Audit Committee

Member of the CSR Committee

Professional address:

51 Walnut Court, St Mary's Gate, London W85UB, UK

Number of shares: 1296

Date of birth: May 9, 1949

Nationality: British

Date of first appointment:

February 10, 2009 (Director) – December 16, 2005 (Member of Supervisory Board) ratified by General Meeting of May 23, 2006

Date of last renewal: April 30, 2019

Term expires on:

AGM ruling on the accounts of the 2021 financial year

Individual attendance rate:

Board: 100%

Audit Committee: 100%

CSR Committee: 100%

Biography - Professional Experience

Officer in companies

Vernon Sankey graduated from Oriel College, Oxford University (United Kingdom).

He joined Reckitt and Colman plc in 1971, and became Chief Executive Officer in Denmark, France, the USA and in Great Britain. He was Group Chief Executive Officer in the period 1992-1999.

Since then, he has held several non-executive positions as Chairman or Board member (Pearson plc, Zurich Insurance AG, Taylor Woodrow plc, Thomson Travel plc, Gala plc, Photo-Me plc, Firmenich SA, etc.) and was a member of the Management Board of the FSA (Food Standards Agency) UK.

Directorships and positions

Other directorships and positions as at December 31, 2019

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Chairman, former Director: Harrow School Enterprises Ltd (United Kingdom)
- Member: Pi Capital (United Kingdom)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

None

* *Independent Director.*

Diversity policy at Board level

The Board of Directors meeting held on December 16, 2019, upon recommendation of the Nomination and Remuneration Committee, examined the composition of the Board of Directors and approved the diversity policy applicable at Board level.

In that respect, after carefully analyzing the Board's membership with respect to such criteria as age, gender, skills, professional experience, nationality and independence, and in light of the evolution of the Board composition over the past recent years, it set the following objectives:

(i) **age of Directors:** On December 16, 2019, Directors' age ranked from 50 to 82 with an average of 62.8 years old compared to 64 in 2018. The Board considered that the age average was satisfactory and decided to closely monitor the limit of one third exceeding 70 years old set in the Articles of Association;

(ii) **gender diversity:** On December 16, 2019, the Board of Directors was composed of 44.4% women Directors (4 out 9 members to be taken into account)[1]. The Board considered that the ratio was satisfactory but that the selection of new women Directors should be considered in the future;

(iii) **diversity of skills and professional experience:** The Board acknowledged that (i) Directors have extensive professional experience in various industries on high profile positions and are serving or have served as Directors or corporate officers in other French or non-French companies, some of which are listed on stock exchanges, (ii) the diversity of skills is well reflected in the variety of profiles of Board members who gather extensive experiences and trainings: technology, engineering, finance, governance, CSR, risk management, former CEO roles, etc., and (iii) the Board has two Directors representing the employees (employees and employee shareholders) who enrich the panel of professional experience and perspective;

(iv) **diversity of nationalities:** On December 16, 2019, the proportion of Directors of non-French nationality reached 42%, in line with the Group's international dimension. Consequently, the Board considered that the ratio was highly satisfactory and set the objective to uphold the ratio in line with the Group's identity;

(v) **directors' independence:** On December 16, 2019, the ratio of independent Directors was 80% following the appointment of Mr. Elie Girard as a Director. The Board considered that the ratio was satisfactory and that the Company should remain above the ratio recommended by the AFEP-MEDEF Code (i.e. at least half of the Board members).

G.2.3.2 Directors' independence

Definition of an independent Director

As per the AFEP-MEDEF Code

The AFEP-MEDEF Code defines as independent, a Director when *"he or she has no relationship of any kind whatsoever with the corporation, its group or its management that may interfere with his or her freedom of judgment".* The AFEP-MEDEF Code also provides for a certain number of criteria that must be reviewed in order to determine the independence of a Director:

Criterion 1: Employee company officer within the previous 5 years:

Not to be and not to have been within the previous five years:

- an employee or executive officer of the corporation;
- an employee, executive officer or Director of a company consolidated within the corporation;
- an employee, executive officer or Director of the Company's parent company or a company consolidated within this parent company.

Criterion 2: Cross-directorships:

Not to be an executive officer of a company in which the Corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: Significant business relationships

Not to be a customer, supplier, commercial banker, investment banker or consultant:

- that is significant to the corporation or its group,
- or for which the corporation or its group represents a significant portion of its activities.

The evaluation of the significance or otherwise of the relationship with the Company or its group must be debated by the Board and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the report on corporate governance.

Criterion 4: Family ties

Not to be related by close family ties to a Corporate Officer.

Criterion 5: Auditor

Not to have been an auditor of the corporation within the previous 5 years.

Criterion 6: Period of office exceeding 12 years

Not to have been a Director of the corporation for more than 12 years. Loss of the status of independent Director occurs on the date of the 12th anniversary.

1 *In accordance with article L. 225-23 and L. 225-27-1 of the French Commercial Code, the Directors representing the Employee shareholders and the Employee Director are not taken into account to determine the ratio of gender diversity on the Board of Directors.*

Criterion 7: Status of non-executive officer

A non-executive officer cannot be considered independent if he or she receives a variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or Group.

Criterion 8: Status of the major shareholder

Directors representing major shareholders of the corporation or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board of Directors, upon a report from the Nomination Committee, should systematically review the qualification of a Director as independent in the light of the composition of the corporation's share capital and the existence of a potential conflict of interest.

Independence criteria based on the significant nature of the relationship with the Company

As recommended by the AFEP-MEDEF Code, as part of the assessment of how significant the relationship with the Company or its Group is, the Board of Directors, during its meeting held on December 16, 2019, on the recommendation of the Nomination and Remuneration Committee retained the same criteria as those used the previous year:

- a quantitative criterion, being the consolidated turnover of 1% performed by the Company with a group within which an Atos Director exercises a function and/or holds a mandate. This criterion was set on the basis of the specificities of the Atos Group activity, in particular the rigorous procedures related to answers to bidding processes;
- qualitative criteria, i.e.: (i) the duration and continuity of the business relationship (seniority of the relationship or impact of potential contract renewals…), (ii) the importance or intensity of the relationship (potential economic dependency), and (iii) the structure of the relationship (Director free of any interest…).

Review of the Directors' independence

As part of its annual review during the meeting of December 16, 2019, the Board, relying on the preparatory work of the Nomination and Remuneration Committee, and on the basis of the above mentioned criteria acknowledged that 80% of its Directors were considered independent (8 out of 10 members to be taken into account in order to calculate the independent Director ratio[1]: Mr. Vivek Badrinath, Mr. Nicolas Bazire, Ms. Valérie Bernis, Mr. Bertrand Meunier, Ms. Aminata Niane, Ms. Colette Neuville, Ms. Lynn Paine and Mr. Vernon Sankey). i.e. more than half of the Board members, in conformity with the AFEP-MEDEF Code. Consequently, the Board acknowledged that the Audit Committee and the Nomination and Remuneration Committee were both chaired by an independent Director.

In the context of that assessment, the Board decided that:

(i) 4 Directors were not considered as independent, namely:

- Mr. Elie Girard, as Chief Executive Officer,
- Dr. Roland Busch due to his relations with Siemens which he represents (as main indirect shareholder of the Company due to Siemens's relationship with Siemens Pension-Trust e.V.), and having significant business relationships with Siemens,
- Ms. Jean Fleming, Director representing the employee shareholders and Mr. Farès Louis, Employee Director by virtue of their quality as employees of a subsidiary of the Company (it being specified that as Directors representing the employee and the employee shareholders, Mr. Farès Louis and Ms. Jean Fleming are not taken into account in the calculation of the percentage of independent Directors);

(ii) 4 Directors, performing mandates or functions in corporations having business relationships with the Company could nevertheless be considered as independent, considering the low turnover, below the threshold of 1% set by the Board, achieved by Atos with all these corporations: Mr. Vivek Badrinath, Mr. Nicolas Bazire, Ms. Valérie Bernis and Ms. Lynn Paine;

(iii) As far as Mr. Vernon Sankey is concerned, the Board considered that even though Mr. Vernon Sankey had served for 14 years as member of the Supervisory Board and member of the Board of Directors of the Company, his independence remained unaffected as of today due to the modification of the Company's governance structure in 2009 (from a dual to a unified Board structure) and more significantly to the modification of the identity of the Chief Executive Officer in 2008. Consequently, Mr. Sankey was considered as having served 11 years so far under the previous governance structure. As a reminder, the governance structure has further evolved since November 1, 2019 with the separation of the Chairman and Chief Executive Officer offices and the appointment of a new Chief Executive Officer. The Board of Directors took note of the feedbacks received from certain shareholders on this point and asked the Nomination and Remuneration Committee to work towards a succession of Mr. Sankey as Chair of the Audit Committee which will be effective in 2020. The Board considers that the interim retention of Mr. Sankey on this post is critical to ensure a smooth transition following the recent change in the Company's governance;

(iv) Gen. Jean-Louis Georgelin, Mr. Bertrand Meunier, Ms. Colette Neuville and Ms. Aminata Niane were also considered as independent in the absence of any element falling within the criteria.

1 *As per article 9.3 of the AFEP-MEDEF Code, the Directors representing the employee shareholders and the Employee Directors are not taken into account for the ratios of independent Directors.*

The detailed assessment of the Directors' independence carried out on December 16, 2019, and based on the above-mentioned criteria is reproduced in the table below:

Criteria[1]	Vivek Badrinath	Nicolas Bazire	Valérie Bernis	Roland Busch	Jean Fleming	Jean-Louis Georgelin[2]	Elie Girard	Farès Louis	Bertrand Meunier	Colette Neuville	Aminata Niane	Lynn Paine	Vernon Sankey
Criterion 1: Employee corporate officer within the past 5 years	✔	✔	✔	✔	✖	✔	✖	✖	✔	✔	✔	✔	✔
Criterion 2: Cross-directorships	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 3: Significant business relationships	✔	✔	✔	✖	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 4: Family ties	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 5: Auditor	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 6: Period of office exceeding 12 years	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 7: Status of non-executive officer	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 8: Status of the major shareholder	✔	✔	✔	✖	✔	✔	✔	✔	✔	✔	✔	✔	✔
INDEPENDENT	✔	✔	✔	✖	✖	✔	✖	✖	✔	✔	✔	✔	✔

1 *In this table, ✔ represents an independence criterium that is satisfied and ✖ signifies that a criterion for independence is not satisfied.*
2 *Jean-Louis Georgelin resigned from his duties as censor on January 18, 2020.*

The independence ratio was not impacted by the appointment of Mr. Cedrik Neike on the Board of Directors to replace Dr. Roland Busch, effective on January 28, 2020.

G.2.3.3 Lead Independent Director

In accordance with the AMF recommendation of December 7, 2010 as part of its supplemental report on corporate governance, executive compensation and internal control, the Board of Directors has appointed a Lead Independent Director since 2010. Mr. Pasquale Pistorio had held this office since December 22, 2010. After being appointed Deputy Lead Independent Director during the Board meeting of May 24, 2018, Ms. Aminata Niane was appointed Lead Independent Director during the Board meeting held on December 17, 2018, to replace Mr. Pistorio. She was confirmed in this role after the separation of the offices of Chairman of the Board and Chief Executive Officer.

As per the Board Internal Rules, the Lead Independent Director is in charge of ensuring continuous commitment and the implementation of best corporate governance standards by the Board of Directors. In that respect, he/she is in charge, in particular, of the assessment of the Board's work, carried out every year under his/her supervision. A detailed presentation of the works carried out in that respect is available in section G.2.5. He/she is questioned on the functioning of the Board. The Board of Directors may assign specific tasks to the Lead Independent Director related to governance or to the relationships with the shareholders. In connection with the carrying out of his/her duties, the Lead Independent Director is assisted by the Company's General Secretarial team for administrative tasks.

G.2.3.4 Censor

As had already been done in the past, the Board submitted to the 2019 Annual General Meeting the appointment of Gen. Jean-Louis Georgelin as censor for a one-year term.

As per the Articles of Association, the General Meeting can appoint one or two censors (individuals or legal entities). The Board of Directors can also appoint censors subject to ratification by the next General Meeting. The term of office of the censors is one year. The censors can be reappointed twice.

The censors act as observers at meetings of the Board of Directors and can be consulted by it. They can, based on proposals submitted to them, and if they consider it relevant, present observations to the General Meetings. They must be convened to each meeting of the Board of Directors. The Board of Directors may give specific assignments to the censors. They can also serve on Committees established by the Board of Directors.

In 2019, the Board of Directors wished to benefit from the experience of an army general acknowledged for his leadership and his skills, in particular in the defense and security sectors. His profile contributed to pursue the development of the activity Big Data & Cybersecurity (BDS) of the Company.

Gen. Jean-Louis Georgelin resigned as censor on February 18, 2020.

G.2.3.5 Employee's participation at Board level

The Board comprises a Director representing the employee shareholders, appointed by the General Meeting. The appointment of such Director was voluntarily submitted to the General Meeting in 2013 and 2017.

The Board also comprises an Employee Director within the meaning of article L. 225-27-1 of the French Commercial Code, appointed as per the procedure set in the Articles of Association. In accordance with the "PACTE law", the Company will submit to the next Annual General Meeting an amendment to the Articles of Association to lower the threshold from 12 to 8 Directors composing the Board for the required appointment of a second Employee Director.

Directors representing the employee shareholders and those representing the employees are expressly designated as members of the Board in the Board Internal Rules. In that respect, they participate in the meetings and deliberations of the Board. They have the same obligations as any other Directors, in particular of confidentiality, save for the obligation to hold at least 500 shares of the Company.

In addition, pursuant to an agreement of December 14, 2012, the Company has implemented an innovative scheme of participation of employees through the creation of the European Company Council of Atos SE and the designation, among such council members, or within Atos' employees, of a Participative Committee made up of four persons, which meets with members of the Board of Directors and discusses on topics on the agenda of Atos SE's Board meetings. Once a year, the Participative Committee is invited to a plenary meeting of the Board of Directors corresponding to the session on the review of compliance practices of the Company with rules of corporate governance. The Participative Committee has also been associated to the determination of the Group Strategy. In that respect, it was invited, in March 2015, to attend the Board of Directors meeting related to the strategic development of the Atos Group, and in November 2016, to attend the meeting of the Board concerning the 3-year plan "Ambition 2019". In November 2018, the Chairman of the Board met with the Participative Committee in connection with the preparation of the Company's strategic plan.

With the implementation of all these schemes, the Company is showing its great interest for employee representation within the Group.

G.2.3.6 Directors' training

As per the AFEP-MEDEF Code, upon the appointment of a new Director, various sessions are offered with the main group executives on the Group's business, organization and governance.

In addition, in his capacity as Employee Director, Mr. Farès Louis received a specific training, upon his appointment on the Board of Directors, focusing on corporate governance. He was provided with the Company's governance documentation (including the Articles of Association, the Board Internal Rules, and the Charter of the Atos Board of Directors) and alerted on stock exchange regulation obligations applying to Directors of listed companies. In addition, a comprehensive training plan was discussed and Mr. Louis was informed of training opportunities, including those available within the Company on topics such as finance and accounting.

A specific training is also provided to Directors appointed on the Audit Committee. Upon their appointment on the Committee, Mr. Meunier and Ms. Paine were trained by the former Chairman and Chief Executive Officer, the Chairman of the Audit Committee, the Group Chief Financial Officer and the Group General Counsel on the Company's specific accounting, financial or operational features and the Company's governance.

Detailed presentations on the Company's numerous CSR initiatives were made to all the members of the CSR Committee since its creation in December 2018.

G.2.3.7 Shareholding obligations

Pursuant to the Company's Articles of Association, each Director must own at least 500 shares. However, such requirement does not apply to the Employee Director and the Director representing the employee shareholders.

G.2.3.8 Declarations related to the members of the Board of Directors

To the best of the Company's knowledge, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organisms) against any of the members of the Board of Directors. No court has, over the course of the past five years at least, prevented the members of the Board of Directors from acting as member of an administrative, managing or supervisory body of an issuer or from participating in the management or oversight of an issuer's business. No Board member has been convicted for fraud over the past five years at least. No Board member has taken part as senior manager in a bankruptcy, receivership or liquidation over the past five years.

G.2.3.9 Potential conflict of interest and agreements [GRI 102-25]

To the Company's knowledge, there are no existing service agreements between the members of the Board of Directors and Atos SE or one of its subsidiaries which would provide for benefits.

To the best of the Company's knowledge, save for the case of Mr. Cedrik Neike whose appointment was proposed by Siemens Pension-Trust e.V. pursuant to the agreements signed with Siemens in connection with the acquisition of Siemens Information Technology Services, which provided for the possibility for Siemens to submit an applicant as a Director of the Company, there are no arrangements, or any type of agreement with the shareholders, clients, service providers or others by which one of the members of the Board of Directors was selected as member of an administrative, managing or supervisory body or as a member of the general management of the Company.

To the best of the Company's knowledge, there are no parental relationships between any executive officers and Directors of the Company.

Finally, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their potential shareholding in the Company's share capital other than the provision of the Articles of Association under which each Director, save for the Employee Directors and the Directors representing the employee shareholders, must own at least 500 shares of the Company and the retention obligations defined by the Board of Directors for the Chief Executive Officer of the Company.

G.2.3.10 Internal Rules of the Board of Directors

The Board of Directors of Atos SE has approved Internal Rules which govern the works of the Board of Directors. The Board Internal Rules were last updated during the Board meetings held on December 16, 2019 and February 18, 2020 to adapt to the new governance structure of the Company. The Board Internal Rules include, as attachments, a Charter of the Atos Board of Directors and a Guide to the prevention of insider trading.

The Internal Rules specify the rules on composition, operation and role of the Board, compensation of Directors, assessment of the works of the Board, information of Directors, the role, competence, and operating rules of the Committees of the Board, missions and prerogatives of the Lead Independent Director, the specific missions which can be granted to a Director and the confidentiality obligations imposed on Directors. The Internal Rules also specify the terms and conditions of attendance by the Participative Committee employee representatives (set up pursuant to the agreement dated December 14, 2012 between the Company and the European Company Council – see supra) to the meetings with the Board representatives and the Board plenary meeting on the review of the Company's compliance practices with rules of corporate governance.

As soon as appointed, a copy of the Internal Rules as well as the Charter of the Atos Board of Directors and the Guide to the prevention of insider trading are provided to the Directors who acknowledge receipt of these documents.

Main provisions of the Board Internal Rules

The full version of the Board Internal Rules is available on the Company's website ("Investors" section). The provisions of the Internal Rules of the Board of Directors regarding such topics as (i) reserved matters of the Board of Directors, (ii) operation of the Board of Directors (iii) Lead Independent Director, (iv) Participative Committee representatives, (v) mission and operation of the Committees, (vi) assessment of the works of the Board of Directors, are summarized in the dedicated sections of this Universal Registration Document. The other main provisions of the Board Internal Rules are summarized below:

Information supplied to the Directors

The Company shall be required to provide its Directors with any information necessary for the efficient participation in the work of the Board of Directors in such a way as to enable it to carry out its mandate under appropriate conditions. The same shall apply at any time in the life of the Company where the importance or urgency of the information so requires. This permanent information shall include any relevant information, including critical information, concerning the Company and particularly articles in the press and financial analysis reports. The Board of Directors is informed about market developments, the competitive environment and the most important aspects facing the Company, including in the area of corporate social and environmental responsibility. A Director may request from the Chairman any complementary information that he or she deems necessary for the full accomplishment of his or her tasks, particularly in view of the agenda of the meetings.

Acceptance of new social mandates

The Chairman of the Board of Directors and the Chief Executive Officer, and the Chairman and Chief Executive Officer, as applicable, as well as any Deputy Chief Executive Officer, seek the Board of Directors' opinion before accepting a new directorship in a listed company, whether French or foreign, outside the Group.

Possibility to assign a task to a Director

Where the Board of Directors decides to entrust an assignment to one (or more) of its members or to a third party it shall establish the main features of such task. The Chairman shall initiate the drafting of a commissioning letter, which shall: (i) define the specific purpose of the assignment; (ii) determine the form that the report of the assignment shall take; (iii) determine the duration of the assignment; (iv) determine, where applicable, the remuneration due to the person carrying out the assignment as well as the methods of payment of the amounts due to the interested party; (v) provide for, where applicable, a maximum limit of reimbursement of travel expenses as well as expenses incurred by the interested party and those related to the carrying out of the assignment. The report of the assignment shall be communicated by the Chairman of the Board of Directors to the Directors of the Company.

Main provisions of the Charter of the Atos Board of Directors

The Charter of the Atos Board of Directors summarizes the mission and obligations of the members of the Board of Directors. This charter covers, in particular, the following points: prohibition to hold a corporate office and an employment contract, company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members.

The following paragraphs are extracted from the Charter of the Atos SE Board of Directors.

Appointment

Before accepting his or her function, each Director must fully acquaint himself or herself with his or her duties and obligations and must ensure that he or she is fully aware of the general obligations as well as those that are specific to his or her responsibilities. He or she must particularly acknowledge any legal and regulatory provisions, provisions of the Company's by-laws, the Board Internal Rules, and the charter and any amendments brought to it by the Board of Directors, as well as the recommendations of the AFEP-MEDEF Code of Corporate Governance for listed companies.

Executive office and employment contract – No overlap

When an employee becomes the main Executive Officer of the Company, he or she shall undertake to terminate his or her employment contract with the Company (if such employment contract existed), either by contractual termination or by resignation. This provision does not apply to an employee who is appointed for such office as Director representing the employee shareholders or the Employee Director.

Defending the interests of the Company

Each Director represents all shareholders and must act, in any circumstance, in the corporate interest of the Company. Each Director must inform the Board of Directors of any known issue which appears to be of such a nature as to affect the interests of the Company.

Conflicts of interest [GRI 102-25]

The Director undertakes to strictly avoid any conflict that may exist between his or her own moral and material interests and those of the Company. Directors must inform the Chairman of the Board of Directors of any conflict of interest, even a potential one, within which he or she may be directly or indirectly involved. In the case where he or she cannot avoid having a conflict of interest, he or she must abstain from participating in discussions and decisions on such matter, and the Chairman may request him or her not to attend the deliberations. A conflict of interest arises when a Director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the Director's judgment (particularly as a client, supplier, business banker, legal representative).

Attendance – Diligence

Each Director must devote the necessary time and attention to the preparation of the Board of Directors' meetings as well as, where applicable, the Committees of which he or she is a member. He or she must be diligent and must, unless prevented from doing so, participate in every Board of Directors' meetings and, where applicable, the meetings of all Board Committees of which he or she is a member, as well as the General Meetings. He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its management. He or she shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

The Director shall request any documents that he or she considers essential to be able to deliberate with full knowledge, on the issues on the agenda. If a Director considers that he or she does not have full knowledge of the facts, it is his or her duty to inform the Board and to demand any essential information.

Loyalty

Each Director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Atos Group and shall act in good faith in all circumstances. He or she shall not take on any responsibilities on a personal basis in any company or business practicing any activities in direct competition with those of the Company without prior approval of the Chairman of the Board of Directors and of the Chairman of the Nomination and Remuneration Committee.

Objectivity

Each Director undertakes to preserve in all circumstances his or her objectivity of analysis, judgment, decision and action. He or she does not tolerate being influenced by any factor outside of the corporate interest, which he or she undertakes to protect. He or she commits to inform the Board of any known issue which appears to be of such a nature as to affect the interest of the Company.

Confidentiality

The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for in the law, with respect to any information gathered during or outside of the Board of Directors' meetings.

Inside information and trading in the Company's securities

Directors shall strictly refrain from using any privileged information he or she has access to, to his or her personal advantage or to the advantage of anyone else. In particular, where a Director holds information that has not yet been rendered public, he or she shall refrain from using it to perform, or getting a third party to perform, any transaction involving the securities of the Company. He or she shall only perform transactions involving the Company's securities in compliance with the legal and regulatory provisions pertaining thereto. Each Director undertakes to observe and strictly comply with the provisions of the "Guide to the prevention of insider trading" approved by the Board of Directors.

Main provisions of the Guide to the prevention of insider trading

In order to ensure market transparency and integrity in the market of Atos SE securities, the Company aims at providing its investors and shareholders, under conditions that are equal for all, information on its activities and performance. The Company requires all senior managers or employees having access to critical information to follow the insider trading rules and regulations that can be found in a prevention guide.

Insider trading

The undue use or disclosure of inside information constitutes a stock market regulation or legal violation which are liable to, disciplinary, regulatory (*Autorité des Marchés Financiers*, the French Financial Market Authority) or judicial proceedings that could lead to a sanction from the stock exchange authority or from a criminal court. Accordingly, no employee may disclose any inside information to third parties or deal in Atos SE securities when he or she is in possession of any inside information.

Dealing during closed periods

Employees who are likely to have access on a regular or occasional basis to privileged information must not deal in Atos SE securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to the publication of Atos SE annual financial statements, 30 days preceding the publication of Atos SE half year financial statements, and four weeks prior to the publication of Atos SE financial information concerning the first, and third quarters.

Hedging of stock-options and performance shares

All staff members are prohibited to put in place, by means of derivatives or otherwise, hedging operations (right to purchase or sell at a certain price or any other terms and conditions) against Atos SE stock price changes from their exposure to the potential value of:

- stock-options they are entitled to until the beginning of such options' exercise period;
- performance shares they were awarded, during acquisition and holding periods.

In line with the commitments made on the occasion of previous share award plans, the former Chairman and Chief Executive Officer, and the former Deputy Chief Executive Officer, on the occasion of the awards of performance shares and stock-options on July 24, 2019 formally undertook to abide by the prohibition from engaging in any risk hedging transactions over the shares which are the subject of the award throughout the duration of their social mandate.

G.2.3.11 Board of Directors' Internal Charter on related-party and "free" agreements

As required by the PACTE law of May 22, 2019, the Board of Directors approved on December 16, 2019 an Internal Charter on related-party and "free" agreements.

Considering the organization of the Atos Group and, in particular, the principle of segregation of duties of its internal control system, the Internal Charter sets up a procedure involving both the Group Legal department and the Group Internal Control department whereby:

(i) the Group Legal department is in charge of qualifying the agreements either as related-party agreements or as "free" agreements, and of supervising the authorization procedure for related-party agreements; and

(ii) the Group Internal Control department is in charge of regularly assessing whether agreements relating to ordinary transactions entered into under normal conditions do indeed meet these conditions. It communicates the results of its work to the Audit Committee.

G.2.4 Operation of the Board of Directors and its Committees

G.2.4.1 Attendance to the meetings of the Board of Directors and its Committees in 2019

Global attendance

Global attendance on the Board of Directors	Global attendance on the Audit Committee	Global attendance on the Nominations and Remuneration Committee	Global attendance on the CSR Committee
85.12%	92.86%	86.67%	100.00%

Individual attendance

	Regular attendance on the Board of Directors	Regular attendance on the Audit Committee	Regular attendance on the Nominations and Remuneration Committee	Regular attendance on the CSR Committee
Badrinath Vivek *(Director)*	100%	N/A	N/A	N/A
Nicolas Bazire *(Director)*	80.00%	N/A	100%	N/A
Thierry Breton *(Former Chairman and Chief Executive Officer)*	100.00%	N/A	N/A	N/A
Valérie Bernis *(Director)*	80.00%	N/A	N/A	100%
Roland Busch *(Director)*	40.00%	85.71%	N/A	N/A
Jean Fleming *(Director representing the employee shareholders)*	70.00%	N/A	60%	N/A
Elie Girard *(Director/Chief Executive Officer)*	100%	N/A	N/A	N/A
Georgelin Jean-Louis *(Censor)*	60%	N/A	N/A	N/A
Marie-Christine Lebert *(Employee Director)*	100%	N/A	N/A	100%
Farès Louis *(Employee Director)*	100%	N/A	N/A	N/A
Bertrand Meunier *(Director)*	100%	100%	100%	N/A
Colette Neuville *(Director)*	80.00%	N/A	N/A	N/A
Aminata Niane *(Lead Independent Director)*	100%	N/A	N/A	N/A
Lynn Paine *(Director)*	90.00%	85.71%	N/A	100%
Vernon Sankey *(Director)*	100%	100%	N/A	100%

G.2.4.2 The Board of Directors' activity

Mission

The mission of the Board of Directors is to determine the strategy and trends of the Company's activity and to oversee their implementation. Moreover, the Board of Directors appoints senior executive officers and rules on the independence of Directors on a yearly basis, possibly imposes limitations on the powers of the Chief Executive Officer, issues the report on corporate governance, convenes the General Meetings and decides on the agenda, undertakes the controls and verifications which it deems opportune, the control and audit of the sincerity of the financial statements, the review and approval of the financial statements, the communication to the shareholders and reviews communications to the market of high quality information. The Board of Directors endeavors to promote long-term value creation by the Company by considering the social and environmental aspects of its activities. It regularly reviews, in relation to the strategy it has defined, the opportunity and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly.

Operating rules

As per the Board Internal Rules, the Board of Directors, convened by its Chairman, shall meet at least 5 times a year and as often as necessary in the interest of the Company. The Directors may attend Board of Directors' meetings by video-conference or conference call. The meetings of the Board of Directors shall follow the agenda determined by the Chairman and communicated to the Directors. Whenever possible, the necessary documents and elements are sent to the Directors with the agenda.

The Board of Directors shall elect a Chairman from among its members, who shall be a natural person, and, if the Board deems it appropriate, one or more Vice-Chairmen. It shall determine their functions, which shall not exceed those of their mandate as Director, and which may be terminated by the Board at any time. The Board of Directors shall appoint, determining his or her term of office, a secretary who may be chosen from among the Directors or from outside.

The Directors shall have the option of being represented at meetings of the Board of Directors by another Director. Each Director may only represent one of the other Directors during the same Board of Directors.

The Board of Directors may only deliberate validly if at least half of its members are present. Decisions shall be passed by a majority of members present or represented. If the votes are split, the Chairman of the session shall cast the deciding vote. If a Director is in a situation of a conflict of interest, he or she must abstain from participating in discussions and decisions on such matter, and the Chairman may request him or her not to attend the deliberations.

The Board of Directors meeting minutes shall be kept by the secretary of the Board of Directors. Excerpts of meeting minutes of the Board of Directors may be created and certified by the persons entitled to do so.

Activities in 2019

In accordance with the Articles of Association and the Board Internal Rules, the Board of Directors meets as often as necessary. During the 2019 financial year, the Board of Directors met 10 times.

Global attendance of Directors at these meetings was an average of 85.12%.

The Board of Directors met to discuss the following topics:

as far as financial statements, budget and financial commitments are concerned:

- review and approval of the 2020 budget,
- review of the financial information and quarterly reports and forecasts,
- review of and closure of consolidated half-year and yearly financial statements,
- review of financial presentations and press releases,
- approval of parental company guarantees and review of off-balance commitments;

as far as strategic projects and operations are concerned:

- approval of the Company's new 3-year strategic plan,
- distribution of Worldline shares to Atos SE shareholders approved by the 2019 Annual General Meeting, on the basis of the works of an ad hoc committee made up of the Company's independent directors,
- sale of Worldline shares for ca. € 0.8 billion in November 2019 through a private placement by way of accelerated book building offering,
- issue of € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%,
- transfer of £ 198 million of Worldline shares to Atos UK 2019 Pension Scheme,
- approval of several bolt-on acquisitions, including the acquisition of Maven Wave, a Cloud transformation leader based in North America;

as far as compensation is concerned:

- *Compensation policy*:
  - setting the compensation policy applicable to the former Deputy Chief Executive Officer, and then to the newly appointed Chief Executive Officer,
  - review of the conformity of the executive officers' compensation policy with the recommendations of the AFEP-MEDEF Code,
  - review of updates regarding a regulatory compensation ratio introduced by the PACTE law;
- *Variable compensation*:
  - confirming the results for the former Chairman and Chief Executive Officer's variable compensation for H2 2018,

- confirming the results for H1 2019 applicable to (i) the former Chairman and Chief Executive Officer's variable compensation and (ii) the former Deputy Chief Executive Officer's variable compensation,
- setting the targets of the variable part of the former Chairman and Chief Executive Officer's and the former Deputy Chief Executive Officer's compensation for H2 2019,
- setting the targets of the variable part of the newly appointed Chief Executive Officer's compensation for H1 2020;

● *Directors' compensation*:

- approving the modified structure of Directors' compensation;

● *Defined benefit pension scheme*:

- confirming the results of the performance conditions for 2018 applicable to the defined benefits pension scheme benefiting to the former Chairman and Chief Executive Officer,
- approving a defined benefit pension scheme undertaking in favor of the former Deputy Chief Executive Officer, and confirmation of this undertaking upon his appointment as Chief Executive Officer,
- setting the targets of the performance conditions for 2019 applicable to the defined benefits pension scheme benefiting the former Chairman and Chief Executive Officer,
- approving the termination of the defined benefits pension scheme with respect to the newly appointed Chief Executive Officer;

● *Long-term incentive plans*:

- setting up a performance share plan in favor of Group employees and the corporate officers, and a stock options plan in favor of the Executive Committee,
- confirming the achievement of performance conditions, including the achievement of the CSR performance conditions, and setting new annual targets for the same in connection with on-going performance share plans,
- review of a project of employee stock ownership plan;

● *Share buyback program*:

- deciding the implementation of a share buyback program in connection with the vesting of performance shares ;

● *Other:*

- review of the financial conditions relating to the departure of the former Chairman and Chief Executive Officer;

as far as corporate purpose and CSR topics are concerned:

● approving the Group's CSR initiatives and targets in the context of the Advance 2021 Strategic Plan,

● designing the Company's proposal for a sense of purpose, reviewing the Company's initiatives and defining orientations,

● taking note of CSR Committee's reports and after having deliberated providing guidelines with regard to notably environment, diversity and accessibility,

● reviewing the results of the Great Place to Work Survey;

as far as governance is concerned:

● *Annual General Meeting:*

- convening the Annual General Meeting,
- reviewing and approving the Board of Directors' report to the Annual General Meeting,
- reviewing the written questions raised by the shareholders in advance of the General Meeting,
- acknowledging the issuance price of the shares in connection with the option to receive the dividend in shares;

● *Company governance*:

- appointing a Deputy Chief Executive Officer,
- appointing a Chairman and Chief Executive Officer after the renewal of the former Chairman and Chief Executive Officer's term of office during the Annual General Meeting,
- modifying the governance structure by separating the offices of the Chairman of the Board and the Chief Executive Officer,
- appointing a non-Executive Chairman of the Board and a Chief Executive Officer,
- approving in principle the renewed composition of the Board of Directors,
- confirming the composition of the Committees after the renewal of Directors' terms of office decided by the Annual General Meeting and after the change of governance structure,
- reviewing proposals in connection with the process for the selection or renewal of a statutory auditor;

● *Governance-related documentation:*

- reviewing and approving the Board of Directors' report on corporate governance,
- amending the Board Internal Rules further to the modification of the governance structure and the entry into force of new pieces of legislation,
- approving a charter on related-party and "free" agreements,
- review of the 2018 Registration Document and of the 2018 compliance report,
- review of the 2018 Universal Registration Document filed with the Autorité des Marchés Financiers on July 30, 2019;

● *Operation of the corporate bodies*:

- renewal or approval of certain delegations of powers to senior executive officers,
- propositions in connection with the renewal of Directors' term of office or the appointment of new Board members,
- assessment of the Board's work,
- review of the independence of Board members,

- conformity review of the Company's practices with the AFEP-MEDEF Code,
- annual review of related parties' agreements authorized during previous financial years;
- *Risks*:
  - communication of the risk mapping exercise after its review by the Audit Committee.

The Board regularly heard the reports of the statutory auditors as well as those of the Audit Committee, the Nomination and Remuneration Committee and the CSR Committee.

These Committees are governed by the Board Internal Rules. The Committees only have an advisory role in preparing the works of the Board which is the only decision-making and liable body. They report to the Board of Directors. Their recommendations are discussed at length during the meetings, where applicable, on the basis of the documentation generated by the Committees.

G.2.4.3 The Audit Committee's activity

Mission

Within its relevant fields of competence pursuant to the provisions of the Board Internal Rules, the Audit Committee shall have the task of preparing and facilitating the work of the Board of Directors. For this purpose, it shall assist the Board of Directors in its analysis of the accuracy and sincerity of the Company's corporate and consolidated accounts. The missions of the Audit Committee are specified by the Board Internal Rules.

The Committee formulates all opinions or recommendations to the Board of Directors within the area described below. The Committee particularly receives from the Board of Directors the following assignments:

with respect to the accounts:

- to monitor the financial reporting process, and as the case may be, issue recommendations to guarantee integrity of the said process,
- to proceed with the prior examination of and give its opinion on the draft annual, half-yearly and, where applicable, quarterly company and consolidated accounts of the Company prepared by the financial management,
- to examine the relevance and the permanence of the accounting principles,
- to be presented with the evolution of the perimeter of consolidated companies,
- to meet, whenever it deems necessary, the auditors, the general management, the financial, treasury and accounting management, Internal Audit or any other member of the management; these hearings may take place, when appropriate, without members of the general management being present,
- to examine the financial documents distributed by the Company upon approval of the annual accounts as well as the important financial documents and press releases,
- to report on the results of the financial statements certification, on the way this mission contributed to the integrity of the financial information and about the role that the Committee played in the process;

with respect to the external control of the Company:

- to examine questions concerning either the appointment or renewal of the statutory auditors,
- to monitor the conduct of the assignment entrusted to the statutory auditors,
- to approve the provision of services by the statutory auditors or by their network members for the benefit of the Company or its subsidiaries, other than the certification of the accounts and the services required from the statutory auditors by the law. The Committee bases its recommendations on the analysis of the risk to the independence of the statutory auditor(s) and on the safeguard measures applied by them,
- to ensure the statutory auditors act in compliance with their duty of independence.

with respect to the internal control and risk-monitoring of the Company:

- to assess, along with the persons responsible at Group level, the efficiency and the quality of the systems and procedures for internal control of the Group, to examine the significant off-balance sheet risks and commitments, to meet with the person responsible for Internal Audit, to give its opinion on the organization of the department and to be informed of its work program. The Committee shall be provided with the Internal Auditor's reports or a periodic summary of these reports;
- to assess the reliability of the systems and procedures that are used for establishing the accounts, as well as the methods and procedures for reporting and handling accounting and financial information;
- to regularly make itself aware of the financial situation, the cash position and any significant commitments or risks, notably through a litigation review, and to examine the procedures adopted to assess and manage such risks;
- to monitor the effectiveness of the Internal Audit of the procedures relating to the preparation and processing of financial and extra-financial accounting information.

Composition

During the 2019 financial year, the Audit Committee was composed as follows[1]:

- Mr. Vernon Sankey* (Chairman of the Committee);
- Dr. Roland Busch[2];
- Ms. Lynn Paine*;
- Mr. Bertrand Meunier*.

i.e. four members, three of which are independent.

The Board of Directors appointed Mr. Vivek Badrinath as member of the Audit Committee during its meeting held on February 18, 2020.

Mr. Vernon Sankey, Chairman of the Audit Committee has financial and accounting skills acquired over the years by virtue of his mandates as Chief Executive Officer, Chairman and Board member of several companies located in Switzerland and the United Kingdom. Mr. Bertrand Meunier has extensive knowledge of accounting and corporate finance due to his long-standing experience as manager of private equity investment funds (PAI Partners and CVC Capital). Ms. Paine and Dr. Busch have the required expertise by virtue of their educational background and professional experience.

In addition, upon their appointment on the Audit Committee, Mr. Meunier and Ms. Paine were trained by the former Chairman and Chief Executive Officer, the Chairman of the Audit Committee, the Group Chief Financial Officer and the Group General Counsel on the Company's specific accounting, financial or operational features and the Company's governance. This training shall be implemented on the occasion of any new appointment on the Audit Committee.

Operating rules

Under the Board Internal Rules, the Audit Committee members should be provided, at the time of appointment, with information relating to the Company's specific accounting, financial and operational features.

The Audit Committee should interview the statutory auditors, and also the persons responsible for finance, accounting and treasury matters. The review of accounts by the Audit Committee should be accompanied by a presentation from the statutory auditors stressing the essential points not only of the results of the statutory audit, in particular the adjustments resulting from the audit and significant weaknesses in internal control identified during the auditor's works, but also of the accounting methods chosen. It should also be accompanied by the complementary report to the Audit Committee provided for by applicable law and a presentation from the chief financial officer describing the corporation's risk exposures including those of a social and environmental nature, and its material off-balance-sheet commitments.

As far as Internal Audit and risk control are concerned, the Committee must interview those responsible for the Internal Audit. It should be informed of the program for the Internal Audit and receive Internal Audit reports or a regular summary of those reports. The Committee may use external experts as needed.

In 2019, the Audit Committee, in its operation, benefited from Company's internal skills, in particular the Group Chief Financial Officer, the Group Deputy Chief Financial Officer, the Group General Secretary, the Group Head of Internal Audit, the Group Senior Vice-President Bid Control and Business risk management, the Senior Vice-President Group Controlling, Accounting & Consolidation, the Group Head of Investor Relations and Financial Communication, the Group Head of Accounting, Tax and Structuring, as well as the statutory auditors who attended, as applicable and upon request from the Committee Chairman, meetings of the Audit Committee.

All documentation presented to the Committee was communicated to the Committee by the Group Chief Financial Officer several days prior to the meetings.

Activities in 2019

During the 2019 financial year, the Audit Committee met 7 times. Attendance of members to the meetings was an average of 92.9%.

During the 2019 financial year, the Audit Committee reviewed the accounting and financial documents, including the statements related to off-balance sheet, before their presentation to the Board; the Committee also reviewed the main accounting items and methods. The Audit Committee examined the quarterly financial reports on the Group's performance, the consolidated accounts for 2018, the half yearly accounts 2019, and the draft financial press releases before their submission to the Board of Directors.

The Audit Committee was regularly informed of the conclusions of the main missions and reviewed the summary reports concerning the activities of the Internal Audit. The Committee was informed on a regular basis of the monitoring and management of risk of the significant contracts and reviewed the risk mapping exercise presented by the Head of Internal Audit and Internal Control. The Committee also reviewed the state of the declared claims and litigations and the provisions. The Committee reviewed relevant sections of the Registration Document. The Committee was regularly informed on the state of the Group's treasury and financing needs and reviewed the off-balance sheet commitments. The Committee heard the intermediate and final reports of the statutory auditors concerning the annual and half-yearly accounts, as well as the reports of their other works carried out in connection with their general audit mission.

The Committee was informed of the 2019-2021 three-year strategic plan. It was informed of progress of the project of separation with Worldline and followed-up the acquisition of Unify.

It approved the amendment of the Audit Committee's Charter relating to the approval of non-audit services provided by the statutory auditors after Worldline's exit from the Atos Group, and reviewed the Internal Charter on related-party and "free" agreements.

The Audit Committee reviewed proposals in connection with the process for the selection or renewal of a statutory auditor.

It also examined the fees and the independence of the statutory auditors.

*1 Independent Directors are identified by this symbol: *.*
2 Dr. Roland Busch resigned from the Board and therefore from the Audit Committee with effect on January 17, 2020. All three remaining members are considered independent by the Board of Directors.

G.2.4.4 The Nomination and Remuneration Committee's activity [GRI 102-36] [G 102-37]

Mission

Within its relevant fields of competence, the Nomination and Remuneration Committee shall have the task of preparing and facilitating the decisions of the Board of Directors.

With respect to nominations, the general field of competence of the Nomination and Remuneration Committee is to seek and examine any application for an appointment to the position of member of the Board of Directors or to a position of manager who holds a corporate mandate of the Company and to formulate an opinion on these applications and/or a recommendation to the Board of Directors.

The Nomination and Remuneration Committee examines major operations involving a risk of a conflict of interest between the Company and the members of the Board of Directors. The qualification of an independent Director shall be discussed by the Nomination and Remuneration Committee and reviewed and discussed each year by the Board of Directors before the publication of the Universal Registration Document.

With respect to compensation, the Nomination and Remuneration Committee's task is to formulate proposals regarding the compensation of the Chairman of the Board of Directors and the Chief Executive Officer (amount of the fixed compensation and definition of the rules governing the variable compensation, ensuring the consistency of these rules with the annual assessment of the performances and with the medium-term strategy of the Company, as well as checking the annual application of such rules) and of the Directors.

The Nomination and Remuneration Committee also contributes to the preparation of the profit-sharing policy of the staff of the Company and its subsidiaries. In particular, the Committee's task is to formulate proposals regarding the decisions to grant options for the subscription and/or purchase of Company shares, or Company performance shares to the benefit of corporate officers and any or all employees of the Company and its subsidiaries.

The rules relating to the compensation of senior executives are described in the "Executive Compensation and Stock Ownership" section of the Universal Registration Document.

Concerning the members of the Board of Directors, the Committee is responsible for proposing to the Boards of Directors to rule each year on the total amount of compensation which is submitted to the approval of the General Meeting and the way in which such compensation shall be distributed among the Directors, particularly taking into account the attendance of the members at the Board of Directors meetings and the Committees of which they are members, the level of liability incurred by the Directors and the time dedicated to their functions.

The Committee also makes observations and/or recommendations related to the pension and insurance plans, payments in kind, various financial rights granted to corporate officers of the Company and their subsidiaries.

Composition

During the 2019 financial year, the Nomination and Remuneration Committee was composed as follows[1]:

- Mr. Nicolas Bazire (Chairman)*;
- Mr. Bertrand Meunier*;
- Ms. Jean Fleming, Director representing the Employee shareholders.

67% of its members were independent, in perfect conformity with the recommendations of the AFEP-MEDEF Code.

The AFEP-MEDEF Code recommends that one of the members of the Remuneration Committee should be an employee Director (either a Director representing the employees or a Director representing the employee shareholders). The Board of Directors decided in 2018 to appoint Ms. Jean Fleming, Director representing the Employee shareholders, on the Nomination and Remuneration Committee due to Ms. Fleming experience as a member of the Board of Directors and her HR qualifications and expertise. The composition of the Nomination and Remuneration Committee was confirmed after the renewal of terms of office decided by the 2019 Annual General Meeting and the change of governance structure of the Company in November 2019.

Operating rules

The Nomination and Remuneration Committee meets without the Company Officer's presence for the setting of the Chairman of the Board and the Chief Executive Officer's compensation policy and the Chief Executive Officer's related objectives as well as the assessment of this latter's performance on the occasion of the allocation of his variable compensation. The Nomination and Remuneration Committee delivers an opinion to the Board of Directors on the performance of the Chief Executive Officer.

The Chief Executive Officer is associated to the works of the Committee relating to appointments and to the long-term incentive policy related proposals.

The Committee may use external experts as needed.

Activities in 2019

During the 2019 financial year, the Nomination and Remuneration Committee met 5 times. Attendance of members to the meetings was 86.7%.

The Nomination and Remuneration Committee met in 2019 in order to deal in particular with the following subjects so as to formulate opinions and recommendations to the Board of Directors:

as far as compensation is concerned:

- *Compensation policy*:
  - proposals in connection with the setting of the compensation policy applicable to the former Chairman and Chief Executive Officer, the former Deputy Chief Executive Officer, and then the newly appointed Chief Executive Officer,

1 *Independent Directors are identified by this symbol: *.*

- proposals in connection with the review of the conformity of the newly appointed non-Executive Chairman's and of the newly appointed Chief Executive Officer's compensation with the recommendations of the AFEP-MEDEF Code,
- review of updates and proposals in connection with the regulatory compensation ratio introduced by the PACTE law;

- *Variable compensation*:
  - proposals in connection with the confirmation of the results for the former Chairman and Chief Executive Officer's variable compensation for H2 2018,
  - proposals in connection with the confirmation of the results for H1 2019 applicable to (i) the former Chairman and Chief Executive Officer's variable compensation and (ii) the former Deputy Chief Executive Officer's variable compensation,
  - proposals in connection with the setting of targets of the variable part of the former Chairman and Chief Executive Officer's and the former Deputy Chief Executive Officer's compensation for H2 2019,
  - proposals in connection with the setting of targets of the variable part of the newly appointed Chief Executive Officer's compensation for H1 2020;
- *Directors' compensation*:
  - proposal for the modification of the structure of Directors' compensation;
- *Defined benefit pension scheme*:
  - proposals in connection with the confirmation of the results of the performance conditions for 2018 applicable to the defined benefits pension scheme benefiting the former Chairman and Chief Executive Officer,
  - proposals in connection with the approval of a defined benefit pension scheme undertaking in favor of the former Deputy Chief Executive Officer, and with the confirmation of this undertaking in favor of the newly appointed Chief Executive Officer,
  - proposals in connection with the setting of targets of performance conditions for 2019 applicable to the defined benefits pension scheme benefiting to the former Chairman and Chief Executive Officer and the former Deputy Chief Executive Officer,
  - proposals in connection with the approval of the termination of the defined benefits pension scheme in favor of the newly appointed Chief Executive Officer;
- *Long-term incentive plans*:
  - proposals in connection with the setting up of a performance share plan in favor of Group employees and the corporate officers, and of a stock options plan in favor of the Executive Committee,
  - proposals in connection with the confirmation of the achievement of performance conditions, including the achievement of the CSR performance conditions, and the setting of new annual targets for the same in connection with on-going performance share plans,
  - proposals in connection with a project of employee stock ownership plan;
- *Share buyback program*:
  - proposals in connection with the implementation of a share buyback program in the context of the vesting of performance shares;
- *Other*:
  - review of the financial conditions relating to the departure of the former Chairman and Chief Executive Officer;

as far as appointments are concerned:

- proposals in connection with the appointment of a Deputy Chief Executive Officer,
- proposals in connection with the appointment of a Chairman and Chief Executive Officer after the renewal of the former Chairman and Chief Executive Officer's term of office during the Annual General Meeting,
- proposals in connection with the modification of the governance structure by separating the offices of the Chairman of the Board and the Chief Executive Officer,
- proposals in connection with the appointment of a non-Executive Chairman of the Board and a Chief Executive Officer,
- proposals in connection with the design of a plan for a renewed composition of the Board of Directors in accordance with the review of balanced blend of non-executive profiles and the defined diversity policy of the Board,
- proposals in connection with the confirmation of the composition of the Committees after the renewal of terms of office decided by the Annual General Meeting and the change of governance structure,
- proposals in connection with the review of the independence of Board members.

G.2.4.5 The CSR Committee's activity

In order to strengthen the consideration of Corporate Social Responsibility, the Board decided to create a Committee dedicated to corporate social and environmental responsibility issues, in place since January 2019.

Mission

Within its relevant fields of competence, the CSR Committee shall have the task of preparing and facilitating the work of the Board of Directors. The Committee shall formulate all opinions and recommendations to the Board of Directors within the areas described here below. The Committee shall particularly receive from the Board of Directors the following assignments:

- to review the Group's corporate social and environmental responsibility strategy and the rollout of the related initiatives;
- to review the Group's corporate social and environmental responsibility commitments in light of the challenges specific to the Group's business and objectives, in particular in such areas as well being at work, diversity and environment;
- to evaluate the risks and opportunities with regard to social and environmental performance;
- to review the social and environmental policies taking into account their impact in terms of economic performance;
- to review the annual statement on extra-financial performance; and
- to review the summary of ratings awarded to the Group by rating agencies and in extra-financial analysis.

Composition

The CSR Committee is composed as follows[1]:

- Ms. Valérie Bernis (Chairman)*;
- Ms. Marie-Christine Lebert (Vice-Chairman), up until April 25, 2019, date of her resignation as Employee Director;
- Ms. Lynn Paine*;
- Mr. Vernon Sankey*.

Operating rules

The CSR Committee is subject to the same general operating rules as those applicable to the other Board Committees. The CSR Committee meets as often as the Company's interest so requires. The Committee may, in carrying out its responsibilities, contact leading managers of the Company after notifying the Chairman of the Board of Directors or the Board of Directors itself and under the condition that it reports back to the Board of Directors.

The Committee may use external experts as needed.

Activities in 2019

During the 2019 financial year, the CSR Committee met 3 times. Attendance of members to the meetings was 100%.

The CSR Committee met in 2019 in order to deal in particular with the following subjects so as to formulate opinions and recommendations to the Board of Directors:

- presentation of the Group's CSR initiatives and objectives in the context of the Advance 2021 Strategic Plan;
- design of the proposal for the Company's sense of purpose;
- three expertise sessions with Group experts on the following topics: (i) Environment at Atos, (ii) Diversity at Atos and (iii) Accessibility at Atos.

*(1) Independent Directors are identified by this symbol: *.*

G.2.5 Assessment of the works of the Board of Directors

[GRI 102-28]

As mentioned in the Board Internal Rules, the Board of Directors must assess its capacity to meet the expectations of the shareholders by periodically analyzing its composition, organization and its operation, as well as the composition, organization and operation of its Committees.

The evaluation has three objectives:

(i) to assess the way in which the Board operates;

(ii) to check that the important issues are suitably prepared and discussed;

(iii) to measure the actual contribution of each Director to the Board's work.

The Board Internal Rules provide that for this purpose, once a year, the Board of Directors shall devote one item on its agenda to the discussion of its operation and inform the shareholders each year, in the Universal Registration Document, of the conduct of these assessments and the subsequent follow-up.

In accordance with the AFEP-MEDEF Code, the Board of Directors has undertaken since 2009 a formalized annual assessment under the supervision of its Lead Independent Director. For the 2019 financial year, the Board decided during its meeting held on October 23, 2019, to further improve the formalized assessment by retaining an external consultant to assist in this process.

The formalized assessment carried out on the works of the Board and its Committees during the 2019 financial year, allowed to deepen the appreciation of the works achieved at the Board level as well as in the Committees, as to the conditions in which these meetings are prepared and in particular at the Committees' level (the latter also being subject to an assessment).

Under the close supervision of the Lead Independent Director, the assessment was carried out pursuant to the following procedure, in association with the external consultant:

- each Director answered a questionnaire which he was individually provided, with the possibility of individual interviews with external consultant. The questionnaire addresses such topics as:
  - the suitability of the Board and Committees composition,
  - the suitability of the agenda and information provided in that respect, of the time devoted to specific subjects,
  - the suitability of the means provided to the Committees to carry out their mission,
  - the quality of the recommendation from both Committees,
  - the quality of the minutes of meetings,
  - the documents/information the Directors wish to be addressed/provided,
  - the satisfactory nature of the actual contribution of each Director to the works of the Board,
  - the improvements to be made, and
  - the suitability of the Board's work in 2019 concerning the Company's sense of purpose;
- the external consultant collected and analyzed the answers to a questionnaire sent to all Board members, interviewed certain Board members, consolidated the data and prepared, under the supervision of the Lead Independent Director, a report for the Board;
- at the end of these works, an item was put on the agenda of the Board of Directors' meeting of December 16, 2019 in order for the Lead Independent Director to report on the outcome of this assessment and consider the improvements to retain;
- the tone of the assessment is very positive, as for the previous years. The following points emerged from the analysis and, were shared with all the Directors:
  - **composition of the Board of Directors:** the Directors were fully satisfied with the diversity of the composition of the Board of Directors, with a very satisfactory proportion of women (5/13 Board members[1] and of Directors of foreign nationality (5/13 Board members[1]). They also mentioned that the diversity of skills was appropriate at the Board level,
  - **annual strategic seminar:** The organization of an annual strategic seminar to take advantage of presentations by the Chief Executive Officer and the Group management on the Group's strategy would be beneficial,
  - **CSR topics:** The Directors were pleased with the creation of the CSR Committee and wish to deal more regularly more CSR-related topics, which they perceive as strategic to the Group,
  - **risks:** The Directors thought beneficial to deepen the discussions on the risks the Group is facing, with dedicated Board meetings.

In addition to being addressed through the questionnaire (in particular with the assessment of the actual contribution of each Director), the assessment of the performance of the former Chairman and Chief Executive Officer took place twice in 2019 during the Board of Directors' meetings that ruled in February and July, respectively for the second semester 2018 and the first semester 2019, on the achievement of the performance criteria of the former Chairman and Chief Executive Officer's variable compensation.

1 *Including the Directors representing the employee shareholders, the Employee Director and the Censor. Jean-Louis Georgelin resigned from his duties as censor on January 18, 2020.*

G.2.6 Board of Directors' reports

G.2.6.1 Board of Directors' report on corporate governance

Dear shareholders,

Pursuant to the provisions of article L. 225-37 of the French Commercial Code, the Board of Directors of Atos SE hereby presents its report on corporate governance, approved during its meeting held on February 18, 2020.

The 2019 Universal Registration Document includes all corporate governance-related items required under articles L. 225-37 et seq of the French Commercial Code to be included in the Board of Directors' report on corporate governance. Consequently, the following table allows identifying in the 2019 Universal Registration Document the required information.

Information required under art. L. 225-37 et seq of the French Commercial Code	Section of the 2019 Universal Registration Document
Governance *(L. 225-37-4 of the French Commercial Code)*	
List of mandates and functions in any company exercised by each corporate officer during the financial year	G.2.3.1
Agreements entered into between a subsidiary and a corporate officer or a shareholder holding more than 10% of the voting rights	N/A
Table of on-going delegations to proceed to share capital increases	G.4.7.7
Choice of terms and conditions to exercise the general management of the Company	G.2.2
Composition of the Board of Directors and conditions of organization of the works of the Board of Directors	G.2.3, G.2.4
Diversity policy at Board of Directors and Executive Committee levels and results in terms of gender diversity for the 10% highest responsibility positions within the Company	G.2.3.1, D.2.4.3; D.2.7
Limitations of powers on the Chief Executive Officer	G.2.2
Recommendations of Corporate Governance Code which are not followed and place where Code may be consulted	G.2.1
Specific terms and conditions of participation in General Meetings	G.1.3.2
The description of the procedure related to related-party and free agreements set up by the Company and of its implementation	G.2.3.11
Executive Compensation *(L. 225-37-2 and L. 225-37-3 of the French Commercial Code)*	
Presentation of the corporate officers' compensation policy to be submitted to the General Meeting in the context of the ex ante vote	G.3.1
Corporate officers' compensation paid during the closed financial year or awarded in relation thereto	G.3.2
Proportion between the fixed and variable compensation	G.3.1; G.3.2.3, G.3.2.4
The use of the possibility to ask for the restitution of the paid compensation	N/A
Undertakings in favor of corporate officers in case of taking up, ending or change of functions.	G.3.1
Compensation paid or awarded by a consolidated company	G.3.1; G.3.2
Ratios between the Company officers' compensation and the employees' average compensation	G.3.2.2, G.3.2.3, G.3.2.4
The annual evolution of the compensation, the Company's performance, the employees' average compensation, and the hereabove mentioned ratios over the last five years in a way that allows a comparison.	G.3.2.2, G.3.2.3, G.3.2.4
An explanation on the way the total compensation complies with the adopted compensation policy, including the way it contributes to the Company's long-term performance and the way the performance criteria were applied	G.3.1, G.3.2
The way the vote during the last Ordinary General Meeting provided for in article L. 225-100 II was taken into account	G.3.1
Any discrepancy with the compensation policy and any exception applied in accordance with the second paragraph of article L. 225-37-2, including the explanation on the nature of the exceptional circumstances and the indication of the specific elements to which an exception is made	G.3.2.2
The implementation of the legal provisions regarding the discontinued payment of the Directors' compensation, if applicable	N/A
Elements likely to have an impact in case of public offer *(L. 225-37-5 of the French Commercial Code.)*	
Structure of share capital of the Company	G.4.1.2, G.4.2, G.4.7.3
Limitations on the exercise of voting rights and share transfers as per the Articles of Association	G.1.3.2, G.4.7.4, G.4.7.5
Direct or indirect shareholdings in the share capital of the Company	G.4.1.2, G.4.2, G.4.7.3
List of holders of any securities with special control rights	N/A
Control mechanisms in employee shareholding systems	G.4.7.5

Information required under art. L. 225-37 et seq of the French Commercial Code	Section of the 2019 Universal Registration Document
Agreements between shareholders which may result in restrictions to share transfers and the exercise of voting rights	G.4.7.5
Rules applicable to the appointment and replacement of Board of Directors members and the amendment of the Articles of Association of the Company	G.1.3.1., G.1.3.2.
Powers of the Board of Directors' (in particular for the issuance or buyback of shares)	G.1.3.1, G.2.2, G.2.4.2, G.4.7.6, G.4.7.7
Agreements entered into by the Company which are modified or terminated in case of change of control of the Company	G.4.7.5
Agreements providing for indemnities to Board of Directors members or employees upon termination of their employment contract, by resignation or termination without real and serious cause, or pursuant to a purchase or exchange public offer	G.3.1, G.4.7.5

In addition to the legally required items under articles L. 225-37 et seq of the French Commercial Code (as above mentioned), and pursuant to the "Comply or Explain rule", the 2019 Universal Registration Document also includes the following additional corporate governance-related items recommended under the AFEP-MEDEF Code of Corporate Governance to be included in the Board of Directors' report on Corporate Governance.

Consequently, the following table allows to identify the recommended information in the 2019 Universal Registration Document. The items recommended by the AFEP-MEDEF Code which also fall within the list of legally required items under articles L. 225-37 *et seq* of the French Commercial Code (as above mentioned) are not included in the below table.

Information recommended under the AFEP-MEDEF Code of Corporate Governance	Section of the AFEP-MEDEF Code	Section of the 2019 Universal Registration Document
Board of Directors' activity	1.8	G.2.4.2
Board Internal rules	2.2	G.2.3.10
Quantitative and qualitative criteria that led to the evaluation of the significance or otherwise of the relationship with the Company or its Group	9.5.3	G.2.3.2
Assessment of the works of the Board of Directors	10.3	G.2.5
Number of meetings of Board of Directors and of Board Committees held in the past financial year and information relating to Directors' individual attendance at such meetings	11.1	G.2.4
Start and end dates of Directors' term of office, Directors' nationality, age and principal position, list of names of the members of each Board's Committees	14.3	G.2.3.1, G.2.4
Description of the Committees activities in the past financial year	15.2	G.2.4
Number of shares held by the Directors	20	G.2.3.1
Rules for allocation of Directors compensation and individual amounts of payments made in this regard to the Directors	21.4	G.3
Minimum number of registered shares that the Company officers must retain	23	G.3.1
Recommendation of the High Committee and reasons why the Company decided not to comply with it	27.1	N/A

The Board of Directors of Atos SE

G.2.6.2 Summary of the transaction on Company shares performed by senior executives

The following transactions on the Company's shares were carried out in 2019 by the persons referred to in article L. 621-18-2 of the French Monetary and Financial Code:

Name	Number of shares purchased	Number of shares sold	Date	Purchase Price/sale price *(in €)*
Vivek Badrinath	500		05/08/2019	67.3643
Thierry Breton	71,620		07/26/2019	0.0000[1]
Jean Fleming	459		07/26/2019	0.0000[1]
		193	07/31/2019	73.3020[3]
		160	12/09/2019	76.2000
Elie Girard	426		05/28/2019	62.0200[2]
	18,957		07/26/2019	0.0000[1]
Éric Grall	17,022		07/26/2019	0.0000[1]
		2,115	07/31/2019	73.3020[3]
		14,907	08/30/2019	68.3173
Bertrand Meunier	3,000		11/19/2019	72.7200
Vernon Sankey	296		12/17/2019	75.7400

1 *Vesting of performance shares pursuant to a plan set up by the Company (Plan of July 26, 2016).*
2 *Dividend paid in shares.*
3 *Shares sold by the Company pursuant to the performance share plan of July 26, 2016 to finance the taxes owed by the beneficiary upon vesting of the shares.*

G.3 Compensation and stock ownership of Company officers

G.3.1 Compensation policy for the company officers

G.3.1.1 General principles of the Company officers' compensation

1. Setting, amending and implementing the compensation policy

The Company officers' compensation policy is proposed by the Nomination and Remuneration Committee, approved by the Board of Directors and submitted to the vote of the General Meeting.

The role and missions of the Nomination and Remuneration Committee in the context of setting, amending and implementing the compensation policy are stated in the internal rules of the Board of Directors (refer to para. G.2.4.4).

Setting the compensation policy

The compensation of the Board Chair, the Chief Executive Officer and the Directors is set by the Board of Directors, upon the proposal of the Nomination and Remuneration Committee, and submitted to the vote of the General Meeting.

The Board of Directors defines the elements of analysis that it wishes the Nomination and Remuneration Committee to provide in support of its recommendations and determines the time horizon to be considered to set the Company executives' compensation.

The principles governing the determination of the compensation of the Company executive officers are established in the framework of the AFEP-MEDEF Code to which the Company refers.

In particular, the compensation must aim to promote the performance and competitiveness of the Company, to ensure its growth and the sustainable value creation for its shareholders, its employees and all its stakeholders.

Thus, the Nomination and Remuneration Committee ensures the competitiveness of the Company executive officers' compensation, through regular compensation surveys, and recommends a compensation structure that respects the corporate interest, by ensuring that no element represents a disproportionate share of the global compensation. The compensation elements thus defined are justified and assessed in a consistent way with the compensation components for the managers and employees of the Group.

In compliance with the corporate interest, the Company executive officers' global compensation structure is designed according to a "pay-for-performance" approach, focusing on a significant variable part over annual and multiannual terms.

The variable compensation is subject to the achievement of precise, demanding and measurable objectives which are closely linked to the Group's strategic plan ambitions, as regularly disclosed to the shareholders and linked to the Company's social and environmental strategy. No minimum payment is guaranteed and, in the event of outperformance, the variable compensation due or awarded is capped.

The approach adopted in terms of compensation structure provides the Company executive officer with a transparent, competitive and motivating framework for achieving the Group's ambitions, and allows the Company to be committed only to a limited part of the overall compensation if the Company's performance, in the short or medium term, turns out to be unsatisfactory.

The compensation policy thus contributes to the strategy and sustainability of the Company while respecting the corporate interest.

Amending the compensation policy

The compensation policy is reviewed at least every three years, at the end of the Company's strategic plans, especially to assess its effectiveness.

During this review, the Nomination and Remuneration Committee shall consider changes in the Company employees' employment and wages conditions prior to formulating its recommendations and proposals to the Board of Directors.

The compensation policy for Company's officers can also be reassessed each year by the Board of Directors. To this end, it regularly uses studies from comparable companies and legal opinions possibly prepared by third parties, in accordance with the Board's internal regulations which authorize it. This practice helps preventing conflicts of interest that could possibly arise in the context of the preparation of meetings of the Nomination and Remuneration Committee and of the Board of Directors.

The last reassessment of the compensation policy for Company executive officers was carried out in December 2019, upon the proposal of the Nomination and Remuneration Committee, which took note of the consequences resulting from the ordinance No. 2019-697 of July 3, 2019 leading to the freezing and closure of the supplementary defined benefit pension plan.

Implementing the compensation policy

The compensation policy is implemented by the Board of Directors in accordance with the resolutions adopted by the General Meeting. Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors sets, at the beginning of each semester, the objectives of each performance indicator on which the variable compensation of the Company executive officers is based and defines the elasticity curves accelerating the amount of the variable compensation due upwards and downwards depending on the progress of the strategic plan. In addition, the Board of Directors sets, upon recommendation of the Nomination and Remuneration Committee, the multiannual equity-based compensation in accordance with the Company's performance and the Group's ambitions.

2. Methodology for assessing performance criteria

The performance criteria set for the annual variable compensation in cash and for the multiannual equity-based compensation are all measurable. Thus, no criterion requires a subjective assessment by the Board of Directors. Indeed, the variable compensation is based on financial or CSR criteria the achievement of which is externally audited in the context of the publication of the Universal Registration Document or in the context of publications by external organizations.

3. Handling conflicts of interest

The Company complies with the conditions set out in the AFEP-MEDEF Code relating to the management of conflicts of interest. In that respect, the Company's Directors' Charter sets out the duties and obligations of Directors, which also aim to prevent any conflict of interest in the performance of their duties (see paragraph G.2.3.10). In particular, it provides that the corporate officer or Director must make every effort to avoid any conflict that may exist between his moral and material interests and those of the Company. Without prejudice to the prior authorization and control formalities required by law and the Articles of Association, he or she must inform the Chairman of any conflict of interest, even potential, in which he may be directly or indirectly involved. In cases where he or she cannot avoid finding himself/herself in a conflict of interest, he or she shall abstain from participating in discussions and any decision on the matters concerned. The Chairman may ask him/her not to attend the deliberations. The Chairman of the Board of Directors, pursuant to the Board's internal rules, shall arbitrate any conflict of interest that may concern a Director.

In the event of a governance or ethical issue concerning the executive corporate officer, which could concern, in particular, his compensation, which deserves an in-depth examination, the Company may seek the opinion of a College of Ethics (*Collège de Déontologues*) with members from outside the Company. This college is composed of two honorary judges and a law professor acting independently, and may be consulted, in accordance with its charter, by the Chairman of the Board of Directors, the Lead Independent Director or the General Secretary on governance, compliance and ethics issues. A report from the College of Ethics is then presented to the Company's Board of Directors.

In addition, the Company's Board of Directors ensures that the number of independent Directors on its Board of Directors is sufficient, in particular with regard to the AFEP-MEDEF Code.

4. Distribution rules for the annual amount allocated to the members of the Board of Directors

In accordance with the resolution voted by the shareholders at the Combined General Meeting of April 30, 2019, the annual envelope of Directors' compensation was set at € 800,000 for the members of the Board of Directors for financial year 2019 and for subsequent financial years until further decision of the General Meeting.

The rules for allocating Directors' compensation are set by the Board of Directors, based on a proposal from the Nomination and Remuneration Committee. In addition to the increase of the envelope, the Board, during its meeting held on March 18, 2019, decided to modify the principles for allocating the envelope of Director's fees according to the following objectives:

(i) increase in the variable portion of the compensation, the payment of which depends on the attendance rate of Directors at meetings;

(ii) increased compensation for the chairs of the various Committees, in particular the Chair of the Audit Committee.

In accordance with the allocation rules that were decided, for the year 2019, and for subsequent years until modification of the compensation policy on this matter, the allocation of the total amount of Directors' compensation shall be based on the following principles:

- for the Board of Directors:
  - a fixed annual compensation of € 20,000 per Director, as well as a variable compensation of € 2,500 per meeting attended by the Director,
  - the Lead Independent Director receives an additional fixed compensation of € 20,000 per year,
  - the Censor receives a fixed annual compensation of € 10,000 and a variable compensation of € 2,500 per attended meeting;
- for the Committees, the compensation depends on the attendance to the meetings:
  - € 3,000 per meeting attended by the Chair of the Audit Committee,
  - € 2,000 per meeting attended by the Chairs of the other Committees (Nomination and Remuneration Committee, CSR Committee),
  - for other members of the Committees, € 1,000 per meeting attended by each member;
- the Board may decide that successive meetings held on the same day shall be equivalent to one meeting for the calculation of Directors' compensation;
- for the purpose of calculating the Directors' compensation, the Board may consider the existence of a single meeting, in the event that several meetings held on different days but within a short period of time are related;
- the Employee Director(s) do(es) not receive any compensation for the exercise of that mandate.

Directors are reimbursed of expenses incurred as part of their mandate, in particular, travel and accommodation.

5. Modification of the compensation policy

The compensation policy voted by the General Meeting for the year 2019 must be modified in order to take into account a certain number of events which have occurred since the last vote of the General Meeting:

- the resignation of Mr. Thierry Breton, Chairman and Chief Executive Officer, effective October 31, 2019;
- the appointment of Mr. Bertrand Meunier as Chairman of the Board of Directors;
- the appointment of Mr. Elie Girard as Chief Executive Officer and Director;

- the publication of the ordinance and decree of November 27, 2019 relating to the compensation of Company officers and Directors of listed companies;
- the publication of the PACTE law of May 22, 2019 and of the ordinance of July 3, 2019, relating to supplementary pension plans.

Following from the resignation of Mr. Thierry Breton, the functions of non-Executive Chairman of the Board of Directors and Chief Executive Officer were separated, as from November 1, 2019, and assigned respectively to Mr. Bertrand Meunier and Mr. Elie Girard.

As the separation of the functions of Chairman and Chief Executive Officer was not covered by the compensation policy, upon the proposal of the Nomination and Compensation Committee, the Board of Directors, in the interest of the Company and having considered the exceptional nature of the situation, set a fixed compensation to the non-Executive Chairman of the Board of Directors.

In addition, the Board of Directors proposes to the General Meeting to amend the compensation policy by increasing the compensation of the Chief Executive Officer due to the removal of the supplementary defined benefit pension plan and the loss of related pension rights as from January 1, 2020.

The modification of the compensation policy took into account the most recent votes of the shareholders on the compensation policy since, subject to the aforementioned modification, the overall structure of the components of the compensation is comparable to that which was approved by shareholders at more than 91% under the 17th and 26th resolutions at the Annual General Meeting held on April 30, 2019.

6. Compensation policy for the newly-appointed Company officers

If a Chairman of the Board of Directors is appointed, the compensation policy applicable to the current non-Executive Chairman of the Board of Directors will be applied taking into account the additional tasks that the Board of Directors could entrust to him, in particular under the internal rules of the Board of Directors.

If a CEO is appointed, the compensation policy for the current CEO will be applied.

If a new Director is appointed, the compensation policy for current Directors will be applied.

However, the Board of Directors, on the proposal of the Nomination and Remuneration Committee, may take into account specific situations and responsibilities with respect to each Company officer.

For any other appointment, the Board of Directors, on the proposal of the Nomination and Compensation Committee, will take into account the particular situation of the person concerned and the responsibilities attached to his or her function.

In the event of external hiring of a new executive officer and in particular a Deputy Chief Executive Officer, the Board of Directors may decide to grant an amount (in cash or in equity instruments) in order to compensate for the loss to the new hire related to the departure from his/her former position. In all cases, the payment or allocation of such compensation will be subject to prior approval by the General Meeting or subject to a reimbursement clause, notably in the event of early departure.

G.3.1.2 Compensation policy for the Directors

1. General principles and term of office

Directors' term of office is three years, subject to the statutory provisions concerning age limit and implementation of the renewal by thirds each year of the Directors which can justify terms of office of one or two years. Directors' term of office may be renewed subject to the same provisions.

Employee Directors' term of office is three years, renewable once. The term of office of the Directors representing the employee shareholders is three years.

Directors may be dismissed at any time by the General Meeting. However, Employee Directors may be dismissed in case of willful misconduct while performing their mandate. The term of office of the Employee Director ends automatically by anticipation in case of termination of his/her employment agreement or in case his/her employer ceases to be an Atos affiliate.

The employment agreements of certain Directors may be terminated in accordance with applicable provisions of French labor law (resignation, contractual termination or dismissal or any other equivalent measure) by complying with notice periods and indemnification rules set by the French Labor Code and the collective agreements.

2. Compensation for the financial year 2020

For the financial year 2020, the Board members shall receive:

- a fixed annual compensation of € 20,000 par Director;
- a variable compensation of € 2,500 par attended meeting.

The Lead Independent Director receives an additional fixed compensation of € 20,000 per year.

The Censor receives a fixed annual compensation of € 10,000 and a variable compensation of € 2,500 per attended meeting.

As far as Committees are concerned, compensation depends on attendance to the meetings:

- € 3,000 per meeting attended by the Chair of the Audit Committee;
- € 2,000 per meeting attended by the Chairs of the other Committees (Nomination and Remuneration Committee, CSR Committee),
- for other members of the Committees, € 1,000 per meeting attended by each member.

The Employee Director(s) do(es) not receive any compensation for the exercise of that mandate.

Directors are reimbursed of expenses incurred as part of their mandate, notably travel and accommodation.

No Director receives any compensation for any mandate held in Group companies other than Atos SE, save for the Employee Director or the Director representing the employee shareholders. The Employee Directors and the Directors representing the employee shareholders receive a salary from the relevant Company subsidiary by virtue of their employment agreement, which is not related to the performance of their mandate as Directors of the Company.

G.3.1.3 Compensation policy for the Chairman of the Board of Directors

1. General principles and mandate of the non-Executive Chairman of the Board

Mr. Bertrand Meunier was appointed Chairman of the Board of Directors with effect as of November 1, 2019, following the Board's decision to separate the offices of Chairman of the Board and Chief Executive Officer.

The term of office of the Chairman of the Board is two years and will expire at the Annual General Meeting which will meet in 2021 to decide on the accounts for the financial year 2020.

The mandate of the Chairman of the Board of Directors may be terminated at any moment by the Board of Directors.

Mr. Bertrand Meunier is not bound by any employment agreement with the Company or any other Group company.

The Board of Directors had not taken any decision regarding the setting of the compensation of the Chairman of the Board of Directors upon his appointment in the absence of a policy concerning his office.

The Board of Directors, met on December 16, 2019 and February 18, 2020, and on the recommendations of the Nomination and Remuneration Committee, approved the compensation policy for the non-Executive Chairman of the Board of Directors, which is submitted to the approval of the Annual General Meeting in 2020. The Board of Directors has taken into account the additional missions, which it has entrusted to the Chairman of the Board of Directors under its internal rules after having obtained the opinion of an Ad hoc Committee of the Board of Directors.

The objective of the compensation policy for the non-Executive Chairman of the Board of Directors is to offer a transparent, competitive and motivating global compensation consistent with market practices. To preserve the independence of his judgment on the action of the executive management of the Company, the compensation of the non-Executive Chairman of the Board of Directors does not include any variable component depending on long- and short-term performance.

After examination of similar mandates among other CAC 40 companies, the Board of Directors took the following into account in order to set the structure and the amount of the non-Executive Chairman's compensation:

- the absence of a pre-existing executive corporate officer mandate;
- the specific missions entrusted to the Chairman of the Board in addition to his legal missions.

In accordance with the objectives of the compensation policy, the following principles were adopted by the Board of Directors on the recommendation of the Nomination and Remuneration Committee:

What we do	What we do not do
• A single fixed annual compensation based on the comparable market practices • Provision of a secretariat and an office • Reimbursement of expenses incurred in connection with his missions	• No additional Director's compensation. • No exceptional compensation • No severance payment, i.e. indemnities or rights due or likely to be due as a result of the termination or change in function of Company executive officers • No commitment corresponding to indemnities in return for a non-competition clause • No attendance fees for functions and mandates held in Group companies • No additional pension scheme beyond the basic and supplementary mandatory schemes.

2. Compensation of the non-Executive Chairman of the Board for the year 2020

In compliance with the general principles of the compensation policy for the Chairman of the Board of Directors, the Board of Directors, held on February 18, 2020, on the recommendation of the Nomination and Remuneration Committee, set the compensation of the non-Executive Chairman of the Board of Directors applicable to the financial year 2020 which will be paid with retroactive effect upon the approval of the compensation policy for the Chairman of the Board by the Annual General Meeting to be held in 2020.

Fixed compensation

A gross annual fixed compensation of € 400,000, paid in twelve monthly installments.

Variable compensation

The non-Executive Chairman of the Board shall not receive any variable compensation.

Long-term compensation

The non-Executive Chairman of the Board shall not receive any long-term compensation

Benefits

The non-Executive Chairman of the Board shall be provided with a secretariat and an office and be reimbursed for the fees incurred in connection with his mandate.

Directors' compensation

The non-Executive Chairman of the Board shall not receive any compensation in connection with his mandate as Director.

Other compensation elements

The non-Executive Chairman of the Board shall not enjoy any supplementary social protection scheme applied within Atos.

Severance payment

The non-Executive Chairman of the Board shall not receive any severance payment.

Non-competition severance payment

The non-Executive Chairman of the Board shall not receive any non-competition severance payment.

G.3.1.4 Compensation policy for the Chief Executive Officer

The compensation policy for the Chief Executive Officer applies to the current Chief Executive Officer, Mr. Elie Girard, as well as to any newly appointed Company executive officer (as Chief Executive Officer or Deputy Chief Executive Officer).

1. General principles and mandate of the CEO:

Mr. Elie Girard was appointed Chief Executive Officer on November 1, 2019 and Director on December 16, 2019. His mandate as Director will be subject to ratification by Annual General Meeting to be held in 2020 and his mandate will expire at the end of the Annual General Meeting to be held in 2022. The duration of his mandate as Chief Executive Officer will be aligned with the duration of his mandate as Director. The Chief Executive Officer may be removed from office at any time by the Board of Directors. Mr. Elie Girard is not bound by any employment contract with the Company or any other entities within the Group.

The Chief Executive Officer's compensation policy aims to support the Company's strategy and to align Chief Executive Officer's long-term interests with those of the shareholders by:

- offering a transparent, competitive and motivating global compensation consistent with market practices;
- establishing a close link between performance and short-term and long-term compensation;
- including CSR criteria in long-term variable compensation, that directly participate in the Company's social and environmental strategy;
- retaining and involving employees in the long-term performance of the Company.

The global compensation structure is thus designed according to a "pay-for-performance" approach, focusing on the variable part over annual and multiannual terms.

In accordance with the objectives of the compensation policy, the following principles were adopted by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee:

What we do	What we do not do
• Preponderance of the variable components in the short and long term. • Nature and weighting of performance criteria according to strategic priorities. • Precise, simple, and measurable objectives closely linked to Company's objectives as disclosed to the shareholders. • No variable compensation when the minimum achievement thresholds are not reached. • Cap on variable compensation in the event of outperformance. • Balance between cash and equity-based compensation • Participation of first managerial lines, key employees and expert in Long-Term Incentive plans benefiting Company executive officers. • Rule regarding the holding of a portion of Atos SE shares for the whole duration of the mandate, defined for each grant of equity-based compensation. • Prohibition to conclude any financial hedging transaction on the equity instruments granted, throughout the tenure.	• No exceptional compensation. • No severance payment, i.e. indemnities or rights due or likely to be due as a result of the termination or change in function of Company executive officers. • No commitment corresponding to indemnities in return for a non-competition clause. • No supplementary compensation related to mandates or functions held in Group subsidiaries. • No pension benefits on top of the mandatory basic and complementary pension schemes. • No combination of a Company office and an employment contract.

Thus, the global compensation of the Chief Executive Officer exclusively includes compensation in cash, with a fixed part and a variable part, multi-year variable equity-based compensation and fringe benefits.

To set the on-target global compensation structure and the level of its components, the recommendations of the Nomination and Remuneration Committee are based on market positioning studies for similar functions in CAC 40 companies and also take into account the Group's main competitors practices in France and abroad as well as the internal practices applicable to senior executives and managers. Market positioning studies are carried out by international firms specializing in executive compensation.

Fixed compensation

The objective of fixed compensation is to recognize the importance and complexity of the duties as well as the experience and the career path of the Chief Executive Officer.

Variable compensation

The objective of annual variable compensation is to encourage the Chief Executive Officer to reach the annual performance objectives set by the Board of Directors in close connection with the Group's ambitions as regularly disclosed to the shareholders. The variable compensation is conditional, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives.

The target level is set as a percentage of fixed compensation. In order to monitor the Company's performance more closely and establish a proactive way to support its strategic plan, the selection and the weighting of the performance criteria may be reviewed each year. The objectives related to selected performance criteria are set, and then subject to review, on a half-year basis. Thus, objectives for the first-half of the year are set on the basis of the Company's budget approved by the Board of Directors in December and objectives for the second-half of the year on the basis of the updated budget "Full Year Forecast 2" approved in July.

For each performance indicator, the Board of Directors sets:

- a target objective, in line with the strategic plan (budget), the achievement of which results in a 100% achievement rate, entitling to the on-target variable compensation linked to this indicator;
- a floor which defines the threshold below which no variable compensation in relation to this indicator is due;
- a cap which defines the threshold above which the variable compensation in relation to this indicator is capped at 130% of the on-target amount;
- an elasticity curve accelerating the amount of the variable compensation due upwards and downwards depending on the achievement of the strategic plan.

The underlying objectives are determined by the Board of Directors in order to carry out the achievement of the financial objectives announced to the market.

Pursuant to article L. 225-37-2 of the French Commercial Code, the payment of the variable compensation due for the first and the second semesters is subject to the vote of the Annual General Meeting approving the financial statements for the previous year.

Multiannual equity-based compensation

Atos is strongly committed to associating its employees with the long-term performance and results of the Group, notably through long-term incentive plans. Beneficiaries of such plans are mostly Atos' first managerial lines and experts, including the Chief Executive Officer.

The total equity-based compensation of the Chief Executive Officer is limited, based on the fair value set by reference to IFRS 2 recognized in the consolidated financial statements, to circa 50% of the global compensation.

The equity-based compensation takes the form of performance share plans and/or stock-option plans. The instruments used do not guarantee minimum allocation or minimum gain to beneficiaries.

The vesting of shares under performance share plans is fully subject to the achievement of performance conditions, which must be fulfilled over a period of at least three years, based on key success factors of the Group's strategy through clear and measurable criteria. The selected performance criteria include the corporate social and environmental responsibility.

The vesting of stock-options under stock-option plans is fully subject to the achievement of external stock market performance conditions to meet over a period of at least three years.

In addition, the vesting of equity instruments (shares or stock-options) is subject to a continuous tenure of the beneficiary as Company officer during the vesting period, except in the event of death, disability or retirement. In the event of retirement, the acquisition of equity instruments remains subject to the achievement of performance conditions.

Holding obligation

In the context of the grant decision, the Board of Directors sets the percentage of acquired equity instruments that Company executive officers must retain up to the end of their mandates. This percentage may not be lower than 15% of the grant. The Board also sets a general rule for the holding of Atos SE shares applicable to the Chief Executive Officer of 15% of the shares awarded to him since the beginning of his mandates, aside from the specific rules usually set at the time of each award.

Financial hedging instruments

At the time of each award, the Chief Executive Officer is asked to acknowledge the prohibition to conclude any financial hedging instruments over the equity instruments being the subject of the award throughout his mandate, and to undertake to abide by it. The financial transactions in question are, in particular, forward sales, short sales, the purchase of put options or the sale of call options.

Fringe benefits

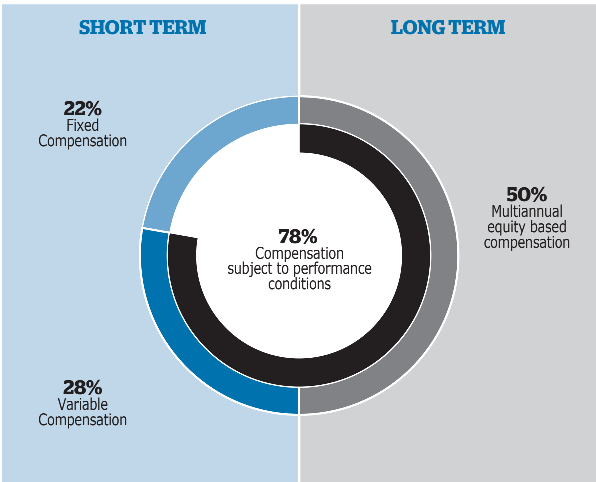
The Chief Executive Officer benefits from the use of a company car with driver. In addition, Company executive officers benefit from the collective life, disability and health insurance schemes applicable in the Company on the same terms as the employees.

Other compensation elements

The Chief Executive Officer does not receive any exceptional compensation nor compensation elements or fringe benefits related to his mandates from Atos SE's subsidiaries. He does not have any employment contract and will not receive any severance payment nor any compensation for non-compete clause in the event of termination of his mandate. The Chief Executive Officer does not benefit from any supplementary pension plan and is personally responsible to build up a pension supplement beyond the compulsory basic and complementary pension schemes.

2. Compensation of the Chief Executive Officer for the 2020 financial year

In accordance with the general principles of the compensation policy, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, set the Chief Executive Officer's compensation for the 2020 financial year.



Fixed compensation

A gross annual fixed compensation of € 950,000, paid in twelve monthly installments.

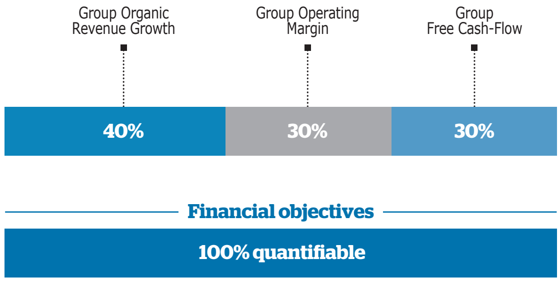
This compensation takes into account the fact that Mr. Elie Girard no longer benefits from the supplementary pension plan with effect from January 1, 2020.

Variable compensation

An annual variable compensation, depending on objectives, with a target set at 125% of the fixed compensation (i.e. a target variable compensation of € 1,187,500), with a maximum payment capped at 130% of the target variable compensation in case of over-performance and no minimum payment.

For the 2020 financial year, the Board of Directors decided to maintain the three key success factors of the strategic plan for determining the variable compensation of the Chief Executive Officer: Group organic revenue growth; Group operating margin; Group Free Cash Flow before acquisition/disposal and variation of equity and dividends.

The Board of Directors has decided to change the weighting of the performance indicators in order to raise at 40% the weight of the Group organic revenue growth in the variable compensation:



The objectives for each semester underlying the variable compensation are determined by the Board of Directors in order to drive successfully the achievement of the financial objectives announced to the market (please refer to the section E.2. of the Universal Registration Document).

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, set at the beginning of each semester, the elasticity curves accelerating the amount of the variable compensation due upwards and downwards depending on the achievement level of each performance indicator.

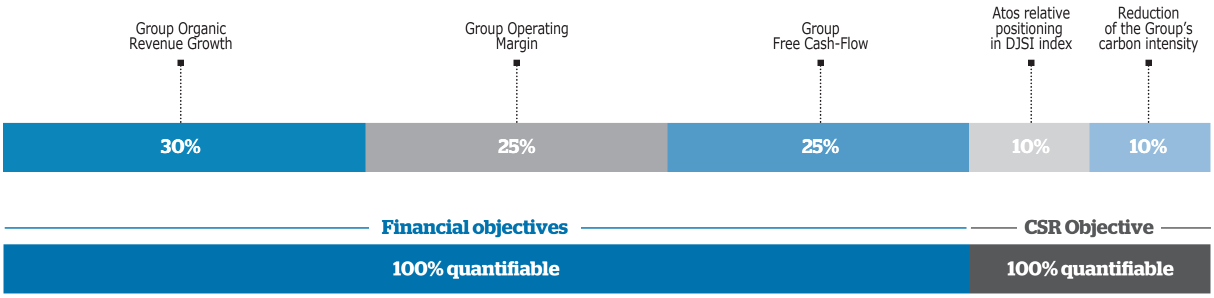
Multiannual equity-based compensation

The total equity-based compensation is limited, based on the fair value set by reference to IFRS 2 recognized in the consolidated financial statements, to circa 50% of the global compensation.

After having consulted with the Nomination and Remuneration Committee, the Board of Directors plans to grant performance shares to the Chief Executive Officer and selected employees representing approximately 1.2% of the Group total headcount, as part of the objectives of growth and sustainable value creation for the shareholders, the employees and all the stakeholders, on the same basis as those approved by the Annual General Meeting held on April 30, 2019 subject to the inclusion of a new internal environmental indicator. Specifically, the 2020 grant of performance shares scheduled for July 2020 would be governed by the following features and conditions:

- a vesting period maintained at three years from the grant date;
- three internal financial performance indicators and two performance conditions, one external and one internal, related to the corporate social and environmental responsibility of the Company, the achievement of which, measured over the 3-year period, conditions the vesting in whole or in part of the performance shares;
- a continuous tenure of the beneficiary as Company officer during the vesting period, except in the event of death, disability or retirement.

The performance indicators would be in line with the key success factors for the Group's strategy:



The financial indicators would be calculated on a consolidated basis, taking into account potential scope variations and changes in the foreign exchange rates.

The CSR external indicator would be based on the Atos relative positioning in the DJSI index over the performance period and the CSR internal indicator would measure the reduction of the carbon intensity of the Group's activities per million euros of revenue, at the end of the performance period.

An elasticity curve for each performance indicator according to its level of achievement at the end of the three-year period would increase or decrease (i.e., acceleration) the percentage of definitive allocation of performance shares.

The final number of vested performance shares may in no circumstances exceed the number originally granted.

Indicators' measurement	Elasticity curves	% granted
External Revenue Organic Growth:	Floor	30%
Average of the External Revenue Organic growth rates over 3 years (2020-2022) ("A")	Target	100%
	Cap	150%
Operating Margin rate:	Floor	50%
Average rate of Operating Margin over 3 years (2020-2022) ("B")	Target	100%
	Cap	130%
Cumulated Free Cash Flow ("FCF"):	Floor	50%
Cumulated FCF at the end of the 3-year period (in 2022) ("C")	Target	100%
	Cap	130%
Index DJSI (World or Europe):	Floor	50%
Average of the yearly DJSI scores (World or Europe) of Atos compared to the average of the other companies over the 3-year period ("D")	Target	100%
	Cap	150%
Reduction of the Group's carbon intensity	Floor	50%
Change in percentage of tons of CO_2 emission per million euros of revenue at the end of the 3-year period (in 2022) ("E")	Target	100%
	Cap	150%
A * 30% + B * 25% + C * 25% + D * 10% + E * 10% = Average acquisition rate		
(The average acquisition rate may not exceed 100%)		

At the time of grant decision, the Board of Directors will set the percentage (at least 15%) of acquired shares that the Chief Executive Officer must retain up to the end of his mandate. The Chief Executive Officer will be asked to acknowledge the prohibition to conclude any financial hedging instruments over the equity instruments being the subject of the award throughout his mandate, and to undertake to abide by it.

Fringe benefits

The Chief Executive Officer benefits from the use of a company car with driver and he benefits from the collective life, disability and health insurance schemes on the same terms as the employees. He is no longer eligible to the supplementary pension plan reserved for members of the Group's Executive Committee since the decision made by the Board of Directors on December 16, 2019.

For information purposes, the amount of fringe benefits for the year 2020 is estimated at around € 25,000.

G.3.2 Elements of the compensation due or awarded for the financial year 2019 to the Company executive officers, and submitted to the shareholders' vote

Pursuant to article L. 225-100 of the French Commercial Code, the amounts and elements presented below, resulting from the implementation of the compensation policies approved by the Annual General Meeting on April 30, 2019, are subject to the approval of the shareholders during the General Meeting approving the accounts for the financial year 2019. They form an integral part of the report of the Board of Directors on corporate governance.

G.3.2.1 Elements of compensation due or awarded for the financial year 2019 to the members of the Board of Directors

Directors' elements of compensation due for the financial year 2019 and these paid during financial year 2019 for the financial year 2018 are presented below.

	2019	
(in €)	**Paid[a]**	**Owed[b]**
Vivek Badrinath	N/A	25,979
Nicolas Bazire	45,500	47,500
Valérie Bernis	36,500	43,500
Thierry Breton	-	-
Roland Busch	32,000	36,000
Jean Fleming[1]	35,000	38,000
Jean-Louis Georgelin	N/A	14,240
Elie Girard	N/A	-
Marie Christine Lebert[2]	N/A	N/A
Farès Louis[3]	N/A	N/A
Bertrand Meunier	49,250	98,333[4]
Colette Neuville	39,500	37,500
Aminata Niane	41,000	62,500
Lynn Paine	41,750	49,000
Pasquale Pistorio	59,000	-
Vernon Sankey	48,500	66,500
TOTAL	**428,000**	**519,052**

N/A Non applicable.
a Compensation paid in 2019 for the year 2018.
b Compensation owed for the year 2019.
1 Ms. Jean Fleming, Director representing the employee shareholders is employed by the Atos Group.
2 Ms. Marie-Christine Lebert, Employee Director up until April 25, 2019, was employed by the Atos Group. The Employee Director does not receive Directors' compensation.
3 Mr. Farès Louis, Employee Director as from April 25, 2019, is employed by the Atos Group. The Employee Director does not receive Directors' compensation.
4 The amount allocated to Mr. Meunier takes into account his mandate as Director, member of the Audit Committee, Member of the Nomination and Remuneration Committee and his mandate as non-Executive Chairman of the Board of Directors.

Mr. Thierry Breton and Mr. Elie Girard declined to receive any Directors' compensation for the year 2019.

The amount of Directors' compensation allocated to Mr. Bertrand Meunier takes into account:

(i) the Directors' compensation received in respect of his duties as Director, member of the Audit Committee and member of the Nomination and Remuneration Committee; and

(ii) the exceptional compensation amounting to € 43,833, deducted from the envelope of Directors' compensation and paid to Mr. Bertrand Meunier as compensation for the additional work relating to his duties as non-Executive Chairman of the Board of Directors for the last two months of 2019.

The variable portion of Directors' compensation represents in 2019 the majority of the total amount of Directors' compensation (53.6%), which is in accordance with Article 21.1 of the AFEP-MEDEF Code.

In 2019, the members of the Board of Directors did not receive any other compensation from Atos SE or its subsidiaries, except for:

(i) Mr. Thierry Breton, Chairman and Chief Executive Officer until October 31, 2019;

(ii) Mr. Elie Girard, Chief Executive Officer since November 1, 2019;

(iii) Ms. Jean Fleming, Director representing the employee shareholders, Ms. Marie-Christine Lebert and Mr. Farès Louis, having successively held the position as Employee Director in 2019, all of them having receiving a compensation in connection with their employment contract.

G.3.2.2 Elements of compensation due or awarded for the financial year 2019 to Mr. Bertrand Meunier, Chairman of the Board of Directors as from November 1, 2019

Mr. Bertrand Meunier was appointed Chairman of the Board of Directors with effect from November 1, 2019, following the Board's decision to separate the offices of Chairman of the Board and Chief Executive Officer.

The Board of Directors had not taken any decision regarding the setting of the compensation of the Chairman of the Board of Directors upon his appointment in the absence of a policy concerning his office, although article L. 225-37-2 of the French Commercial Code provides that in the event of exceptional circumstances, the Board of Directors may derogate from the implementation of the compensation policy provided this position remains temporary, in line with the Company's interests and necessary to ensure the Company's continuity or viability.

On that basis, the Board of Directors held on December 16, 2019, decided to grant Mr. Bertrand Meunier an exceptional compensation, deducted from the 2019 envelope of the Directors' compensation, amounting to € 43,833 as compensation for the additional work relating to his duties as non-Executive Chairman of the Board of Directors for the last two months of 2019.

Mr. Bertrand Meunier did not receive any variable annual or pluriannual compensation for the year 2019 and did not receive any fringe benefits nor any other element of compensation.

Mr. Bertrand Meunier received the amount of € 54,500 for his duties as Director.

Pay ratio and other indicators

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, wished to report information regarding the comparison and evolution of the compensation of Company executive officers by using a broader scope than just the company Atos SE, which does not employ any employee.

Given Atos's status as a European company, its deep European roots (more than half of its workforce in Europe, present in 26 European countries), and its two headquarters in Bezons (France) and Munich (Germany), Europe constitutes a coherent and legitimate representative perimeter for Atos SE. In addition, the Group employs a large number of highly qualified engineers and digital technologists. Given the heterogeneity of this population in terms of compensation among the different geographical areas where the Group operates, it is appropriate to limit the scope to Europe.

The scope used to calculate the ratio corresponds to of all Atos International companies, which comprise the global functions of the Atos Group in Europe. They are based in France, Germany, the Netherlands, the United Kingdom and Switzerland. They employ around 800 people with half of them in France. Insofar as the Group employs a majority of managers who are high level university or college graduates, this scope is considered to be representative for Europe.

The compensation ratio is based on the target total annual compensation in cash, and equity-based compensation valued, at the grant date, in accordance with IFRS 2 recognized in the consolidated financial statements.

The Company's performance is measured using two indicators:

- a profitability indicator measured by the Group's operating margin as a percentage of its revenue;
- a value creation indicator measured from the annual change in the 3-year moving average of the enterprise value.

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	Compensation of the Chairman	Average compensation of the employees	Pay ratio on average compensation	Pay ratio on median compensation	Company's performance: Profitability	Company's performance: Value Creation*
2019	€290,000	€149,913	1.9	2.8	10.3%	6.6%

* *For 2019, the enterprise value includes the distribution in kind of part of Worldline share capital to Atos' shareholders for an amount of de € 2.3 billion.*

G.3.2.3 Elements of compensation due or awarded for the financial year 2019 to Mr. Thierry Breton, Chairman and Chief Executive Officer until October 31, 2019

Mr. Thierry Breton was appointed Chairman of the Management Board on November 16, 2008 and was Chairman and Chief Executive Officer from February 10, 2009 to October 31, 2019, when he resigned from his mandates (to claim his mandatory retirement benefits) within the Company as noted by the Board of Directors.

The Board of Directors acknowledged, during its meeting on October 31, 2019, upon recommendation of the Nomination and Remuneration Committee, the consequences of his departure according to the compensation policy approved by the Annual General Meeting on April 30, 2019 under the 17th resolution as stated in the table below:

(in €)	**2019**
Fixed compensation	1,166,667
Variable compensation	0
Fringe benefits	11,773
Value of options granted during the year	0
Value of performance shares granted during the year	0
TOTAL	**1,178,440**
Fixed component	*100%*
*Variable component**	-
Other compensation elements and indemnities or benefits due as a result of termination or change of functions	n/a

* *Mr. Thierry Breton has waived all of his potential or due variable compensation.*

Fixed compensation

The fixed compensation paid to the Chairman and Chief Executive Officer covers the period from January 1, 2019 to October 31, 2019 and corresponds to ten twelfths of the fixed compensation as approved by the Annual General Meeting on April 30, 2019 under the 17th resolution.

Variable compensation

Mr. Thierry Breton stated to the Board of Directors that he wished to waive any due or potential variable compensation for the year 2019.

Fringe benefits

In accordance with the compensation policy adopted by the Annual General Meeting, Mr. Thierry Breton benefited from the use of a company car with driver from January 1, 2019 to October 31, 2019.

Multiannual equity-based compensation

The Board of Directors decided, during its meeting held on July 24, 2019, and upon the recommendation of the Nomination and Remuneration Committee, to proceed to the allocation of 40,300 performance shares and 40,300 stock-options in favor of the Chairman and Chief Executive Officer pursuant to the authorizations granted by the Annual General Meeting held on April 30, 2019 under the 21st and 22nd resolutions.

As a reminder, the vesting of all or part of the shares and stock-options is subject to the achievement of performance conditions over a three-year period as well as to a continuous tenure of the beneficiary as Company officer, except in the event of retirement, death or disability.

As Mr. Thierry Breton claimed his compulsory pension entitlements with effect from November 1, 2019, the resignation of his mandates did not imply the loss of the share and option rights granted under these plans, whose vesting remained subject to the achievement of the performance conditions.

Mr. Thierry Breton nevertheless informed the Board of Directors that he wished to waive these rights as well as those granted under previous plans and still subject to vesting. The Board of Directors therefore took note of its waiver of share rights under the performance share plans dated July 24, 2017 (for which vesting date was set for July 31, 2020) and dated July 24, 2019 (for which vesting date was set for July 25, 2022) as well as his waiver of the stock-option rights under the plan dated July 24, 2019 (for which vesting date was fixed for July 25, 2022), from his effective appointment to the European Commission.

Other compensation elements

As a reminder, the Chairman and Chief Executive Officer did not receive exceptional compensation nor compensation elements or fringe benefits related to his mandate from Atos SE's subsidiaries. He did not have an employment contract and was not entitled to any severance payment nor any compensation for non-compete clause in the event of termination of his mandate. Moreover, the Chairman and Chief Executive Officer had declined to receive any Director's fees.

Supplementary Pension Plan

The Chairman and Chief Executive Officer benefits from the supplementary pension plan reserved for members of the Group Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code.

This commitment, which had already been confirmed by the General Meetings held on May 28, 2015 and December 30, 2016, was again approved by the General Meeting on April 30, 2019, under the 14th resolution, in the context of the renewal of his mandate.

As a reminder, the acquisition of rights under the supplementary pension scheme is subject to performance conditions set annually. Moreover, for the award of the additional pension it was expected that the performance conditions be validated with respect to at least two-thirds of the years corresponding to Mr. Thierry Breton's membership in the Executive Committee while performing his successive terms of office.

On October 31, 2019, the Board of Directors noted that these aforementioned performance conditions had been largely fulfilled and decided not to include the year 2019 that was not yet completed, in determining the pension supplement. The pension supplement was therefore calculated on the basis of the rights acquired up until December 31, 2018, according to the terms approved by the Annual General Meeting on April 30, 2019 and stated below:

Terms and conditions for determining the amount of the Executive Director's pension supplement

The annual amount of the pension supplement is 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of the last sixty monthly compensation, multiplied by twelve.

For the assessment of this reference compensation, only the following is taken into account:

- the fixed compensation of the Executive Director;
- the annual on-target bonus actually paid to the Company executive officer excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the fixed compensation.

Cap on the Company officer's pension supplement

The annual amount of the pension supplement paid under the present scheme to the Chairman and Chief Executive Officer may not exceed the difference between:

- 33% of the reference compensation above mentioned; and
- the annual amount of the basic, complementary and supplementary pensions.

Other rules

The membership requirement at the Executive Committee level is extended to five years minimum. The minimum age to benefit from the scheme is aligned on the statutory retirement age set by article L. 161-17-2 of the French Social Security Code (i.e. between 60 to 62 years depending on the year of birth according to the current legislation) and the age for liquidation of the pension supplement is aligned on the age at which the person may liquidate his full pension under the general scheme. This age cannot in any case be less than the one referred to in article L. 161-17-2 of the French Social Security Code, it being specified that a survivor's pension is provided in case of death occurring before or after the age for the liquidation.

The gross amount of the pension supplement, with the surviving spouse's annuity reducing to 60% upon his death, amounts to € 627,586. The pension supplement is subject to the following social contributions payable exclusively by the beneficiary: CSG/CRDS (8.8%), Health Contribution (1%), CASA (0.3%) and a special contribution around 14%. In addition, the pension supplement is subject to income tax. The employer pays an annual contribution at the rate of 32 on the pension amount paid. Pensions are paid by an insurer and Atos shall fund its commitments each time a beneficiary retires.

As Mr. Thierry Breton waived his entitlements to a pension supplement during the period of his mandate on the European Commission, which runs until end of 2024 – except in the event of early termination –, no pension supplement is currently paid and due annuities during this period will be definitively lost by Mr. Breton.

Pay ratio and other indicators

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, wished to report information regarding the comparison and evolution of the compensation of Company executive officers by using a broader scope than just the company Atos SE, which does not employ any employee.

Given Atos status as a European company, its deep European roots (more than half of its workforce in Europe, present in 26 European countries), and its two headquarters in Bezons (France) and Munich (Germany), Europe constitutes a coherent and legitimate representative perimeter for Atos SE. In addition, the Group employs a large number of highly qualified engineers and digital technologists. Given the heterogeneity of this population in terms of compensation among the different geographical areas where the Group operates, it is appropriate to limit the scope to Europe.

The scope used to calculate the ratio corresponds to of all Atos International companies, which comprise the global functions of the Atos Group in Europe. They are based in France, Germany, the Netherlands, the United Kingdom and Switzerland. They employ around 800 people with half of them in France. Insofar as the Group employs a majority of managers who are high level university or college graduates, this scope is considered to be representative for Europe.

The compensation ratio is based on the target total annual compensation in cash, and equity-based compensation valued, at the grant date, in accordance with IFRS 2 recognized in the consolidated financial statements.

The Company's performance is measured using two indicators:

- a profitability indicator measured by the Group's operating margin as a percentage of its revenue;
- a value creation indicator measured from the annual change in the 3-year moving average of the enterprise value.

	Compensation of the Chairman and CEO *(in €)*	Average compensation of the employees *(in €)*	Pay ratio on average compensation	Pay ratio on median compensation	Company's performance Profitability	Value Creation*
2019	3,064,127	149,913	20.4	29.2	10.3%	6.6%
2018	3,068,500	157,601	19.5	29.1	10.3%	10.3%
2017	3,056,354	149,569	20.4	30.3	10.2%	29.1%
2016	5,163,183	144,319	35.8	50.6	9.4%	22.8%
2015	4,849,002	144,816	33.5	48.5	8.3%	11.0%

* *For 2019, the enterprise value includes the distribution in kind of part of Worldline share capital to Atos' shareholders for an amount of de € 2.3 billion.*

The compensation of the Chairman and Chief Executive Officer shown in the table above takes into account the waiver by the person concerned of his rights to shares or stock options in the process of vesting (for 2019 and 2017) as well as the loss of share rights for the year 2018.

G.3.2.4 Elements of compensation due or awarded for the financial year 2019 to Mr. Elie Girard, Deputy Chief Executive Officer, and then Chief Executive Officer

Mr. Elie Girard was appointed Deputy Chief Executive Officer as from April 2, 2019, and then Chief Executive Officer as from November 1, 2019 as a result of the implementation of the Company executive officer's succession plan.

1. Elements of compensation due or awarded for the financial 2019 to Mr. Elie Girard, as Deputy Chief Executive Officer

Mr. Elie Girard served as Deputy Chief Executive Officer from April 2 to October 31, 2019. The compensation policy for the Deputy Chief Executive Officer was approved by the Annual General Meeting held on April 30, 2019 under the 26th resolution. The elements making up the total compensation and fringe benefits of all kinds paid or allocated to Mr. Elie Girard comply with this policy.

(in €)	2019*
Fixed compensation	347,727
Variable compensation	316,230
Fringe benefits	3,479
Value of options granted during the year	106,101
Value of performance shares granted during the year	751,180
TOTAL	**1,524,717**
Fixed component	*23.0%*
Variable component	*77.0%*
Other compensation elements and indemnities or benefits due as a result of termination or change of functions	n/a

* *Amounts corresponding to the period from April 2 to October 31, 2019. These amounts do not include the compensation paid to Mr. Elie Girard by virtue of his employment contract within the Atos Group for the period from January 1 to April 1, 2019. For information purposes, Mr. Elie Girard received over this period, in respect of the year 2019, a fixed compensation of € 102,478, a variable compensation of € 70,000 and an amount of fringe benefits of € 1,612. In addition, he received when he resigned from his employment contract, an amount of € 37,016 to compensate the loss of accrued annual leave for 2019 and previous years.*

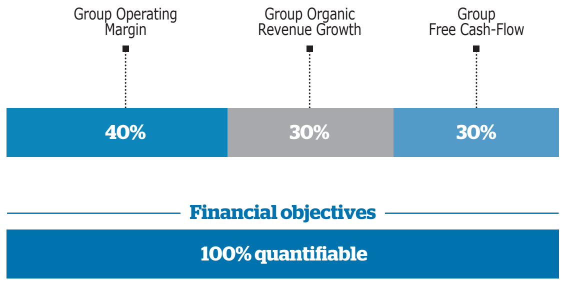
Fixed compensation

The fixed compensation paid to Mr. Elie Girard as Deputy CEO corresponds to the annual fixed compensation (€ 600,000), as approved by the Annual General Meeting on April 30, 2019 under the 26th resolution, on a prorata temporis basis for the period from April 2, 2019 to October 31, 2019.

Variable compensation

The variable compensation due for the period amounts to € 316,230 and corresponds to the application of an achievement rate of 90.4% to the target variable compensation amount on a prorata temporis basis (€ 350,000, i.e. seven twelfths of the target annual variable compensation of € 600,000).

As a reminder, the nature and weighting of each of the indicators making up the 2019 variable compensation of the Deputy CEO are as follows:



Achievement of the performance criteria and the resulting variable compensation amount have been validated by the Board during the meetings held on July 24, 2019 and February 18, 2020. The variable compensation of the Deputy CEO stood for the first semester of 2019 at € 117,570 (78.4% of the on-target bonus on a prorata temporis basis, i.e. € 150,000), and at € 198,660 (99.3% of the on-target bonus on a prorata temporis basis, i.e. € 200,000) for the period from April 2 to October 31,2019.

	First-half of 2019		Second-half of 2019	
Indicators	**Weight**	**Payout[1]**	**Weight**	**Payout[1]**
Group Operating Margin	40%	>100%	40%	<100%
Group Free Cash Flow[2]	30%	<100%	30%	>100%
Group Organic Revenue Growth	30%	>100%	30%	<100%
Payout in % of the semester on-target bonus		**78.4%**		**99.3%**

1 On the basis of the elasticity curve capped at 130%.
2 Before acquisitions/disposal and variation of equity and dividends.

Budget achievements are as follows:

Budget	**2019**
Group Operating Margin	98.1%
Group Free Cash Flow*	100.7%
Group Organic Revenue Growth	99.9%

** Before acquisitions/disposal and variation of equity and dividends.*

Objectives which are set every semester on the basis of the Company's budget are in line with the financial guidance announced to the market at the beginning of the year.

Fringe benefits

For the period from April 2 to October 31, 2019, Mr. Elie Girard benefited from the use of a company car without driver.

Multiannual equity-based compensation

The Board of Directors decided, during its meeting held on July 24, 2019, and upon the recommendation of the Nomination and Remuneration Committee, to proceed to the allocation of 15,900 performance shares and 15,900 stock-options in favor of the Deputy Chief Executive Officer.

These grants were decided in accordance with the approval given by the Annual General Meeting held on April 30, 2019 under the 26th resolution ("Say on Pay ex ante"), in the context of the authorizations granted by the same Shareholder's Meeting under the 21st and 22nd resolutions.

As a reminder, the vesting of all or part of the shares and stock-options granted on July 25, 2022 is subject to the achievement of performance conditions over a three-year period as well as to a continuous tenure of the beneficiary as Company officer, except in the event of retirement, death or disability.

The number of performance shares definitively vested by each beneficiary will depend on the "average acquisition rate" calculated according to the weighting of the performance indicators and their respective achievement levels, as shown in the table below:

Indicators' measurement	Weight	Elasticity curves	% granted
External Revenue Organic Growth:	**30%**	Floor: +1.75%	30%
Average of the External Revenue Organic growth rates over 3 years (2019-2021) ("A")		Target: +2.5%	100%
		Cap: +3.0%	150%
Operating Margin rate:	**25%**	Floor: +10.5%	50%
Average rate of Operating Margin over 3 years (2019-2021) ("B")		Target: +10.8%	100%
		Cap: +11.1%	130%
Cumulated Free Cash Flow ("FCF"):	**25%**	Floor: 2Mds	50%
Cumulated FCF at the end of the 3-year period (in 2021) ("C")		Target: 2.25Mds	100%
		Cap: 2.4Mds	130%
Index DJSI (World or Europe):	**20%**	Floor: 70th percentile	50%
Average of the yearly DJSI scores (World or Europe) of Atos compared to the average of the other companies over the 3-year period ("D")		Target: 80th percentile	100%
		Cap: 90th percentile	150%
A * 30% + B * 25% + C * 25% + D * 20% = Average acquisition rate			
(The average acquisition rate may not exceed 100%.)			

The strike price of the stock-options granted equals to € 79.86 (average of the opening Atos share price during the twenty trading days before the grant date, increased by five percent).

The ability to exercise options in whole or in part is subject to the achievement of a stock market performance measured over the 2019-2021 period.

This indicator will be assessed on the basis of the relative performance comparing the performance of the Atos SE share with a basket including stock reference indexes (40%) and comparable companies in the same business sector (60%):

- CAC 40 index: 20% – STOXX Europe 600 Technology index: 20%;
- IBM: 10% – DXC: 10% – Capgemini: 10% – Accenture: 10% – Sopra Steria: 10% – CGI Group: 10%.

The performance of the Atos SE share and the shares or indexes of the basket will be calculated on the basis of the average of the opening share price (dividends reinvested) as noticed during the trading days of the calendar quarter preceding the grant and vesting dates, respectively.

- No stock-option will vest if the relative performance of the Atos SE share is less than 100% of the average performance of the basket over the three-year period;
- 80% of stock-options will vest if the relative performance of the Atos SE shares is equal to 100%;
- 100% of stock-options will vest if the relative performance of the Atos SE shares is equal to 115%.

For relative performance between these points: the percentage of vested stock-options will be determined based on linear interpolation.

The fair value of performance shares and stock-options granted is determined, on the grant date, pursuant to IFRS 2 standard retained for the consolidated financial statements. This value of the performance shares and stock-options corresponds to a historical value on the date of grant calculated for accounting purposes. This value does not represent a current market value nor the actual amounts that may be paid to the beneficiary if and when the performance shares and the stock-options are finally vested.

Other compensation elements

As a reminder, Mr. Elie Girard does not receive exceptional compensation nor compensation elements or fringe benefits related to his mandate from any Atos SE's subsidiaries. He does not have any employment contract and he is not entitled to severance payment nor any compensation for non-compete clause in the event of termination of his mandate. He does not receive Director's fees.

Collective healthcare and welfare schemes

Mr. Elie Girard benefited from the collective life, disability and health insurance schemes applicable in the Company.

The annual amount of the employer's contribution under the life and disability scheme amounts to € 2,444. The annual amount of the employer's contribution under the healthcare scheme amounts to € 2,968.

Supplementary Pension Plan

Mr. Elie Girard benefited in 2019 from the supplementary pension plan reserved for members of the Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. This pension commitment was authorized by the Board of Directors on March 18, 2019 and approved by the Annual General Meeting on April 30, 2019 under the 25th resolution. Terms and conditions for this pension commitment are the same as those described in the above section G.3.2.3. Mr. Elie Girard is no longer eligible to this supplementary pension plan since the decision made by the Board of Directors on December 16, 2019.

Pay ratio and other indicators

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, wished to report information regarding the comparison and evolution of the compensation of Company executive officers by using a broader scope than just the company Atos SE, which does not employ any employee.

Given Atos's status as a European company, its deep European roots (more than half of its workforce in Europe, present in 26 European countries), and its two headquarters in Bezons (France) and Munich (Germany), Europe constitutes a coherent and legitimate representative perimeter for Atos SE. In addition, the Group employs a large number of highly qualified engineers and digital technologists. Given the heterogeneity of this population in terms of compensation among the different geographical areas where the Group operates, it is appropriate to limit the scope to Europe.

The scope used to calculate the ratio corresponds to of all Atos International companies, which comprise the global functions of the Atos Group in Europe. They are based in France, Germany, the Netherlands, the United Kingdom and Switzerland. They employ around 800 people with half of them in France. Insofar as the Group employs a majority of managers who are high level university or college graduates, this scope is considered to be representative for Europe.

The compensation ratio is based on the target total annual compensation in cash, and equity-based compensation valued, at the grant date, in accordance with IFRS 2 recognized in the consolidated financial statements.

The Company's performance is measured using two indicators:

- a profitability indicator measured by the Group's operating margin as a percentage of its revenue;
- a value creation indicator measured from the annual change in the 3-year moving average of the enterprise value.

					Company's performance	
	Compensation of the Deputy CEO *(in €)*	Average compensation of the employees *(in €)*	Pay ratio on average compensation	Pay ratio on median compensation	Profitability	Value Creation*
2019	2,120,920	149,913	14.1	20.2	10.3%	6.6%

* *For 2019, the enterprise value includes the distribution in kind of part of Worldline share capital to Atos' shareholders for an amount of de € 2.3 billion.*

2. Elements of compensation due or awarded for the financial year 2019 to Mr. Elie Girard, as Chief Executive Officer

Mr. Elie Girard was appointed Chief Executive Officer as from November 1, 2019. On October 31, 2019, the Board of Directors set, upon the proposal of the Nomination and Remuneration Committee, the 2019 compensation terms for Mr. Elie Girard as Chief Executive Officer in compliance with the compensation policy approved by the Annual General Meeting on April 30, 2019 under the 17th resolution.

As part of its recommendations regarding compensation terms, the Nomination and Remuneration Committee relied on a market positioning study for similar positions in CAC 40 companies, carried out by an independent specialized firm. It took into account several other factors, including the career path and the profile of the new Chief Executive Officer, the complexity and the span of control of the position in relation to the Group's strategic ambitions and the internal transformation projects to lead. On this basis and in accordance with the compensation policy, the Nomination and Remuneration Committee proposed to align the global compensation of the Chief Executive Officer with the market median, with a fixed part aligned with the first quartile, thus placing emphasis on the variable compensation in the compensation package. The maximum share of equity-based compensation at around 50% of the global compensation has been kept unchanged in order to maintain the balance between short-term and long-term incentives.

(in €)	**2019***
Fixed compensation	150,000
Variable compensation	183,430
Fringe benefits	994
Value of options granted during the year	0
Value of performance shares granted during the year	0
TOTAL	**334,424**
Fixed component	*45.2%*
Variable component	*54.8%*
Other compensation elements and indemnities or benefits due as a result of termination or change of functions	n/a

* *Amounts corresponding to the period from November 1 to December 31, 2019.*

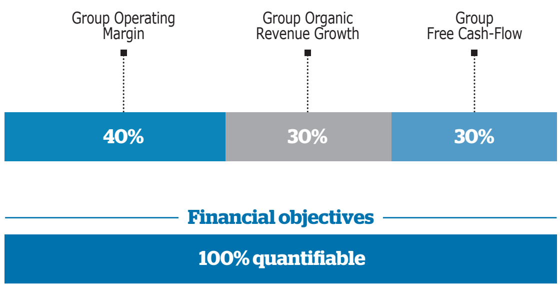
Fixed compensation

The fixed compensation paid to Mr. Elie Girard as CEO corresponds to the annual fixed compensation (€ 900,000) set by the Board of Directors, on a prorata temporis basis for the period from November 1 to December 31, 2019.

Variable compensation

The variable compensation due for the period amounts to € 183,430 and corresponds to the application of an achievement rate of 99.3% to the target variable compensation amount on a prorata temporis basis (€ 184,667, i.e. two twelfths of the target annual variable compensation of € 1,108,000).

As a reminder, the nature and weighting of each of the indicators making up the 2019 variable compensation of the CEO are as follows:



Achievement of the performance criteria and the resulting variable compensation amount have been validated by the Board during the meeting held on February 18, 2020.

	Second-half of 2019	
Indicators	**Weight**	**Payout[1]**
Group Operating Margin	40%	<100%
Group Free Cash Flow[2]	30%	>100%
Group Organic Revenue Growth	30%	<100%
Payout in% of the on-target bonus		**99.3%**

1 *On the basis of the elasticity curve capped at 130%.*
2 *Before acquisitions/disposal and variation of equity and dividends.*

Budget achievements are as follows:

Budget	**2019**
Group Operating Margin	98.1%
Group Free Cash Flow*	100.7%
Group Organic Revenue Growth	99.9%

* *Before acquisitions/disposal and variation of equity and dividends.*

Objectives which are set every semester on the basis of the Company's budget are in line with the financial guidance announced to the market at the beginning of the year.

Fringe benefits

For the period from November 1 to December 31, 2019, Mr. Elie Girard benefited from the use of a company car without driver.

Multiannual equity-based compensation

Mr. Elie Girard was not granted any equity-based compensation (performance shares or stock-options) from November 1, 2019.

Other compensation elements

Mr. Elie Girard does not receive any exceptional compensation nor compensation elements or fringe benefits related to his mandate from Atos SE's subsidiaries. He does not have any employment contract and he is not entitled to severance payment nor any compensation for non-compete clause in the event of termination of his mandate. Moreover, he does not receive Director's fees.

Collective healthcare and welfare schemes

Mr. Elie Girard benefited from the collective life, disability and health insurance schemes applicable in the Company.

The annual amount of the employer's contribution under the life and disability scheme amounts to € 2,444. The annual amount of the employer's contribution under the healthcare scheme amounts to € 2,968.

Supplementary Pension Plan

Mr. Elie Girard benefited in 2019 from the supplementary pension plan reserved for members of the Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code.

Assuming the Chief Executive Officer was entitled to the pension supplement as from the day after the closing of the financial year, the gross amount of the pension supplement, without any surviving spouse's benefits, would be estimated at € 276,000 per annum. The pension supplement will be subject to the following social contributions payable exclusively by the beneficiary: CSG/CRDS (8.8%), Health Contribution (1%), CASA (0.3%) and a special contribution of around 14%. In addition, the pension supplement will be subject to income tax. The employer will pay an annual contribution at the rate of 32% on the pension amount paid.

Following the appointment of Mr. Elie Girard as Chief Executive Officer, the Board of Directors of Atos SE, held on October 31, 2019, decided that the Chief Executive Officer would continue to benefit from the supplementary pension scheme governed by article L. 137-11 of the French Social Security Code and applicable to the members of the Group Executive Committee ending their career at Atos SE or Atos International SAS, as approved by the General Meeting.

At its meeting held on December 16, 2019, the Board of Directors of Atos SE, upon the proposal of the Nomination and Remuneration Committee, took note of the consequences for this scheme resulting from the ordinance No. 2019-697 of July 3, 2019 leading to the freezing of the pension benefits and the closure to new entrants.

After having received the opinion of the Nomination and Compensation Committee, the Board of Directors intends to remove, effective January 1, 2020, the benefit of this additional defined benefit pension plan with respect to the Chief Executive Officer, who will therefore lose all pension rights under the scheme. Mr. Elie Girard no longer benefits from this pension plan as a result of this decision of the Board of Directors on December 16, 2019.

Having considered the economic effects of this removal and in particular the fact that the Chief Executive Officer will now be personally responsible to build up a pension supplement beyond the compulsory basic and complementary pension schemes, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, intends to adjust the elements of the compensation of the Chief Executive Officer as from January 1, 2020 compared to the elements set on October 31, 2019 and to propose in this context the above-mentioned new compensation policy for Company executive officers.

Pay ratio and other indicators

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, wished to report information regarding the comparison and evolution of the compensation of Company executive officers by using a broader scope than just the company Atos SE, which does not employ any employee.

Given Atos's status as a European company, its deep European roots (more than half of its workforce in Europe, present in 26 European countries), and its two headquarters in Bezons (France) and Munich (Germany), Europe constitutes a coherent and legitimate representative perimeter for Atos SE. In addition, the Group employs a large number of highly qualified engineers and digital technologists. Given the heterogeneity of this population in terms of compensation among the different geographical areas where the Group operates, it is appropriate to limit the scope to Europe.

The scope used to calculate the ratio corresponds to of all Atos International companies, which comprise the global functions of the Atos Group in Europe. They are based in France, Germany, the Netherlands, the United Kingdom and Switzerland. They employ around 800 people with half of them in France. Insofar as the Group employs a majority of managers who are high level university or college graduates, this scope is considered to be representative for Europe.

The compensation ratio is based on the target total annual compensation in cash, and equity-based compensation valued, at the grant date, in accordance with IFRS 2 recognized in the consolidated financial statements.

It should be noted that as the Chief Executive Officer was appointed on November 1, 2019, he did not benefit from any allocation of shares in 2019 under this mandate.

The Company's performance is measured using two indicators:

- a profitability indicator measured by the Group's operating margin as a percentage of its revenue;
- a value creation indicator measured from the annual change in the 3-year moving average of the enterprise value.

					Company's performance	
	Compensation of the CEO *(in €)*	Average compensation of the employees *(in €)*	Pay ratio on average compensation	Pay ratio on median compensation	Profitability	Value Creation*
2019	2,008,000	149,913	13.4	19.1	10.3%	6.6%

* *For 2019, the enterprise value includes the distribution in kind of part of Worldline share capital to Atos' shareholders for an amount of de € 2.3 billion.*

The Chief Executive Officer was not granted any equity-based compensation (performance shares or stock-options) since November 1, 2019 (his appointment date). Therefore, the annualized compensation stated in the table above does not include any amount in respect of this compensation component.

G.3.2.5 Compliance of total compensation of Company executive officers with the AFEP-MEDEF Code recommendations

The Company committed in 2008 to implement the recommendations of the AFEP-MEDEF Code of Corporate Governance for listed companies, relating, in particular, to the conditions of compensation of Company executive Directors, and to regularly report thereon. The Board of Directors met on December 16, 2019 to perform the annual review of the implementation by the Company of these governance principles. Following this meeting, also attended by some employee representatives of the Company's council, the Board of Directors considered that the Company's governance practices, including on the Company executive officer's compensation, are compliant with the recommendations of the AFEP-MEDEF Code. The complete and detailed document which supported this Board assessment, as reviewed and updated by the Board, is made available in its entirety on Atos' website.

G.3.2.6 Summary of compensation, due or paid to the Company officers by the Company and its subsidiaries – AMF Tables 1 and 2

AMF Table 1 *(in €)*	2019	2018
Thierry Breton, Chairman and CEO until October 31, 2019		
Due remuneration for the relevant year	1,178,440	2,723,321
Value of options granted during the year	0	-
Value of performance shares granted during the year	0	0
TOTAL	**1,178,440**	**2,723,321**
Bertrand Meunier, Chairman of the Board of Directors as from November 1, 2019		
Due remuneration for the relevant year	98,333	
Value of options granted during the year	-	
Value of performance shares granted during the year	-	
TOTAL	**98,333**	
Elie Girard, CEO as from November 1, 2019 **Deputy CEO from April 2 to October 31, 2019***		
Due remuneration for the relevant year	1,001,860	
Value of options granted during the year	106,101	
Value of performance shares granted during the year	751,180	
TOTAL	**1,859,141**	

* *Amounts corresponding to the period from April 2 to December 31, 2019. These amounts do not include the compensation paid to Mr. Elie Girard by virtue of his employment contract within the Atos Group for the period from January 1 to April 1, 2019. For information purposes, Mr. Elie Girard received during this period, in relation to the financial year 2019, a fixed compensation of € 102,478, a variable compensation of € 70,000 and an amount of fringe benefits of € 1,612. In addition, he received when he resigned from his employment contract, an amount of € 37,016 to compensate the loss of accrued annual leave for 2019 and previous years.*

On each date of grant, the fair value of performance shares and/or stock-options granted is determined pursuant to IFRS 2 standard retained for the consolidated financial statements. The value of the performance shares and stock-options granted are valued based on this fair value. Thus, the value of performance shares or stock-options granted correspond to a historical value on the grant date calculated for accounting purposes. This value does not represent a current market value nor the actual amounts that may be paid to the beneficiary if and when the performance shares or the stock-options are finally vested.

	2019		2018	
AMF Table 2 *(in €)*	**Due**	**Paid**	**Due**	**Paid**
Thierry Breton, Chairman and CEO until October 31, 2019				
Fixed remuneration	1,166,667	1,166,667	1,400,000	1,400,000
Variable remuneration	0	1,304,821	1,304,821	815,430
Exceptional remuneration	-	-	-	-
Atos SE Director's fees	-	-	-	-
Fringe benefits	11,773	11,773	18,500	18,500
TOTAL	**1,178,440**	**2,483,261**	**2,723,321**	**2,233,930**
Bertrand Meunier, Chairman of the Board of Directors as from November 1, 2019				
Fixed remuneration	-	-		
Variable remuneration	-	-		
Exceptional remuneration	43,833	-		
Atos SE Director's fees	54,500	49,250		
Fringe benefits	-	-		
TOTAL	**98,333**	**49,250**		
Elie Girard, CEO as from November 1, 2019 – Deputy CEO from April 2 to October 31, 2019				
Fixed remuneration	497,727	497,727		
Variable remuneration	499,660	0		
Exceptional remuneration	-	-		
Atos SE Director's fees	-	-		
Fringe benefits	4,473	4,473		
TOTAL	**1,001,860**	**502,200**		

G.3.2.7 AMF Table 11

Company officers	Employment contract	Supplementary pension plan	Payments or benefits effectively or potentially due in the event of termination or change of position	Non-compete clause payment
Thierry Breton Chairman of the Management Board from November 16, 2008 to February 10, 2009 Chief Executive Officer from February 10, 2009 to October 31, 2019	NO	YES	NO	NO
Bertrand Meunier Chairman as from November 1, 2019	NO	NO	NO	NO
Elie Girard CEO as from November 1, 2019 – Deputy CEO from April 2 to October 31, 2019	NO	NO*	NO	NO

* *Mr. Elie Girard no longer benefits from any supplementary pension commitment from the Company since the decision of the Board of Directors on December 16, 2019.*

G.3.3 Performance share plans and stock subscription or purchase option plans

[GRI 102-35]

G.3.3.1 Past grants of Performance Shares – AMF Table 10

The outstanding 2,857,280 rights to performance shares represented 2.6% of Atos SE's share capital as of December 31, 2019. They are reported in two separate sections below due to the significant modification of their terms in 2019.

PERFORMANCE SHARE PLANS PRIOR TO 2019

	Plan dated 07/28/2015	Plan dated 07/26/2016	Plan dated 07/24/2017	Plan dated 07/25/2017	Plan dated 03/27/2018	Plan dated 07/22/2018
General Meeting authorization date	05/27/2014	05/26/2016	05/26/2016	07/24/2017	07/24/2017	05/24/2018
Board of Directors meeting date	07/28/2015	07/26/2016	07/24/2017	07/25/2017	03/27/2018	07/22/2018
Number of beneficiaries	**851**	**983**	**1**	**1,088**	**1**	**1,231**
France Plan	241					
International Plan	610					
Total number of granted perf. shares	**868,000**	**947,885**	**43,000**	**777,910**	**8,500**	**891,175**
Of which to the executive officer	***55,000***	***56,500***	***43,000***	***-***	***-***	***51,350***
Chairman and CEO	55,000	56,500	43,000	-	-	51,350
France Plan	393,400					
International Plan	474,600					
Vesting date						
France Plan	01/02/2018	07/26/2019	07/31/2020	07/31/2020	03/27/2021	07/31/2021
International Plan	01/02/2020					
End of holding period	01/02/2020	07/26/2019	07/31/2020	07/31/2020	03/27/2021	07/31/2021
Performance conditions	Yes	Yes	Yes	Yes	Yes	Yes
Achievement of performance conditions	Yes	Yes	Yes			
Share rights adjustment[1]	131,428	254,254	13,301	163,587	1,972	207,703
Number of vested shares as at 12/31/2019	**322,310**	**1,066,285**	**-**	**-**	**-**	**-**
France Plan	322,060					
International Plan	250[2]					
Number of shares cancelled as at 12/31/2019	**137,007**	**135,854**	**56,301**	**276,922**	**2,125**	**323,944**
France Plan	28,840					
International Plan	108,167					
International Mobility movements	**-**					
France Plan	-42,500					
International Plan	42,500					
Outstanding performance shares as at 12/31/2019	**540,111**	**-**	**-**	**664,575**	**8,347**	**774,934**
France Plan	-					
International Plan	540,111					

1 Share rights adjustment following the exceptional distribution in kind of Worldline shares effective on May 7, 2019.
2 Early-vested shares following the death/disability of a grantee.

Terms for both France and International plans decided in each year starting from the plan dated 07/26/2016 are in all respects identical (same acquisition period).

Performance conditions	Plan dated 07/28/2015	Plan dated 07/26/2016	Plan dated 07/24/2017[2]
Group free cash flow before dividend and acquisition/sales results of the year in question is at least equal to:	(i) 85% of the amount of the Group free cash flow, before dividends and acquisition/sales results, as mentioned in the Company's budget of the year in question; or (ii) the amount of the Group free cash flow before dividends and acquisition/sales results for the previous year with a 10% increase.		
And			
Group operating margin of the year in question is at least equal to:	(i) 85% of the amount of the Group's operating margin as mentioned in the Company's budget of the year in question; or (ii) the amount of the Group operating margin for the previous year with a 10% increase.		
And			
Revenue growth of the year in question is at least equal to:	(i) Revenue growth rate as mentioned in the Company's budget minus a percentage decided by the Board of Directors; or (ii) Yearly growth rate per reference to the Group growth targets.		85% of the revenue growth rate set by the Board of Directors at the beginning of the year, in line with the Company's budget for the year.
And			
External condition linked to the social and environmental performance.	For each year in question, Atos Group must at least achieve the qualification "GRI standards comprehensive" or be a member of the Dow Jones Sustainability Index (Europe or World).		
Years in question	2015, 2016 and 2017[1]	2016, 2017 and 2018	2017, 2018 and 2019

1 First semester for the internal performance conditions and full year for the external condition in case this condition would not be met for the year 2015 or the year 2016.

2 Conditions enabling the acquisition of 70% of the performance shares. Assuming the achievement of these conditions, the additional 30% are subject to:

- *the effective performance of the Group over the 3-year period as measured based on the average of annual achievement rates underlying the variable compensation of Group Managers (the "Average Group Multiplier"), including that due to the Chairman and Chief Executive Office; the "Average Group Multiplier" must be higher than 85%;*
- *at the average over the 3-year period of the scores obtained in the DJSI index (Europe or World); the average score must be greater than or equal to 75 out of 100.*

Performance conditions	Plan dated 07/25/2017[1]	Plan dated 03/27/2018[1]	Plan dated 07/22/2018
Earnings per share of the year in question is at least:	In line with the annual financial objectives communicated by the Company at the beginning of the year, and for the year 2018 rising by at least 10% in the second half of the year (excluding costs related to the acquisition of Syntel Inc.), after a 7% increase achieved in the first semester.		
And			
Operating margin of the year in question is at least:	In line with the annual financial objectives communicated by the Company at the beginning of the year.		
And			
Revenue organic growth rate of the year in question is at least:	In line with the annual financial objectives communicated by the Company at the beginning of the year, and for the year 2018 but only for 75% of the performance shares granted to each beneficiary, in line with the revised annual financial target for 2018[2]		
And			
External condition linked to the environmental and social performance.	Atos must be a member of the Dow Jones Sustainability Index (Europe or World) or be granted at least Ecovadis Silver rating.		
Years in question	2017, 2018 and 2019	2018, 2019 and 2020	2018, 2019 and 2020

1 *In the context of significant acquisitions decided in 2018, in particular the signature of the Syntel Inc. acquisition on July 20, 2018, the Board of Directors of Atos SE, during its meeting on July 22, 2018, decided to replace for those two plans, as from 2018, the performance condition related to the operating margin conversion rate into free cash flow with a new performance condition tied to the earnings per share assuming the completion of the Syntel Inc. acquisition. In particular, the Syntel Inc. acquisition was financed through bank indebtedness and bonds' issuance for an overall amount greater than € 3 billion. As a result of this acquisition, Atos expects an increase of the net EPS to reach a double-digit in 2019. Following the general management recommendations, the Board found essential to obtain from the leading executives of the Group benefiting from the plan (1,230 persons including Syntel key people) a strong commitment in order to ensure that the shareholders benefit from this positive effect on EPS. That is the reason why the Financial Performance Indicator EPS replaced the operating margin conversion rate to free cash flow from October 9, 2018 on, upon completion of the Syntel Inc. acquisition. Nevertheless, it must be noted that for 2018 the Group reported an operating margin conversion rate to free cash flow above 57%, in line with the "2019 Ambition" three-year strategic plan target. For the year 2017, the performance share plan dated July 25, 2017 remains subject to the initial performance condition related to the operating margin conversion rate into free cash flow; the achievement of this performance condition for the year 2017 was verified by the Board of Directors, on February 20, 2018.*

2 *In order to take into account the downward revision of the annual financial revenue objective, as indicated in the press release relating to the performance of the third quarter of 2018, the Board of Directors, during its meeting on October 22, 2018, decided to modify, for the year 2018, but only for 75% of the total number of performance shares granted to each beneficiary, the wording of the achievement rate of this internal performance indicator. This amendment is not applicable to the Chairman and Chief Executive Officer for whom the grant of performance shares decided on July 22, 2018 remained subject to the achievement of the annual target announced at the beginning of the year.*

% of the grant if the employment condition is met at the vesting date	
Plan dated 07/28/2015	100% if for each year, at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2015 would become compulsory for the following year, and the external performance condition is validated at least two years over the 3-year period. 0% otherwise.
Plan dated 07/26/2016	100% if for each year, the external performance condition is reached and at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2016 or 2017 would become compulsory for the following year. 0% otherwise.
Plan dated 07/24/2017	Between 70% and 100% if at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2017 or 2018 would become compulsory for the following year, and the external performance condition is validated at least two years over the 3-year period. 0% otherwise. Assuming the achievement of the performance conditions stated above, the final vesting percentage depends on the achievement of the two additional conditions: 70% + 15% if the average score obtained in the DJSI World or Europe index is at least 75 out of 100 (0% otherwise) + 15% if the "Average Group Multiplier" is at least equal to 100% (0% if it is less than or equal to 85% and linear progression between 0% and 15% if it is between 85% and 100%).
Plan dated 07/25/2017	75%* if all performance conditions are achieved for the last year. 0% otherwise.
Plan dated 03/27/2018	75%* if all performance conditions are achieved for the last two years. 0% otherwise.
Plan dated 07/22/2018	

* *Due to the verification of the Board of Directors on February 20, 2019 of the failure to reach the initial organic revenue growth rate target for the year 2018, applying to 25% of the performance shares granted, the maximum number of shares that can be acquired at the end of the vesting period is reduced at 75% (except for the Chairman and CEO whose performance shares granted on July 22, 2018 are null and void).*

PERFORMANCE SHARE PLANS DECIDED IN 2019

	Plan dated 07/24/2019	Plan dated 10/23/2019
General Meeting authorization date	04/30/2019	04/30/2019
Board of Directors meeting date	07/24/2019	10/23/2019
Number of beneficiaries	**1,249**	**1**
Total number of granted perf. shares	**907,500**	**12,000**
Of which to the executive officers	***56,200***	
Chairman and CEO	*40,300*	
Deputy CEO	*15,900*	
Vesting date	**07/25/2022**	**10/23/2022**
End of holding period	07/25/2022	10/23/2022
Performance conditions	Yes	Yes
Achievement of performance conditions		
Number of vested shares as at 12/31/2019	**1,000***	**-**
Number of shares cancelled as at 12/31/2019	**49,187**	**-**
Outstanding performance shares as at 12/31/2019	**857,313**	**12,000**

* *Early-vested shares following the death/disability of a grantee.*

Performance conditions and acquisition percentages for 2019 plans are summarized hereafter:

Indicators' measurement	Weight	Elasticity curves	% granted
External Revenue Organic Growth:	**30%**	Floor: +1.75%	30%
Average of the External Revenue Organic growth rates over 3 years (2019-2021) ("A")		Target: +2.5%	100%
		Cap: +3.0%	150%
Operating Margin rate:	**25%**	Floor: +10.5%	50%
Average rate of Operating Margin over 3 years (2019-2021) ("B")		Target: +10.8%	100%
		Cap: +11.1%	130%
Cumulated Free Cash Flow ("FCF"):	**25%**	Floor: 2Mds	50%
Cumulated FCF at the end of the 3-year period (in 2021) ("C")		Target: 2.25Mds	100%
		Cap: 2.4Mds	130%
Index DJSI (World or Europe):	**20%**	Floor: 70th percentile	50%
Average of the yearly DJSI scores (World or Europe) of Atos compared to the average of the other companies over the 3-year period ("D")		Target: 80th percentile	100%
		Cap: 90th percentile	150%
A * 30% + B * 25% + C * 25% + D * 20% = Average acquisition rate			
(The average acquisition rate may not exceed 100%)			

G.3.3.2 Achievement of the performance conditions related to the performance share plans in the course of vesting or acquired during the year

As a reminder, the performance conditions related to the performance share plan dated July 26, 2016 were achieved for each of the years 2016, 2017 and for 2018 with at least two of three internal performance indicators achieved. The acquisition of the performance shares in respect of this plan remained subject to the completion of the presence condition on the vesting date, July 26, 2019.

Group free cash flow	2018	2017	2016
Objective achievement *(%)*	**94.4%**	**103.6%**	**104.8%**
Criterion completion	YES	YES	YES
Group operating margin	**2018**	**2017**	**2016**
Objective achievement *(%)*	**92.7%**	**102.8%**	**102.4%**
Criterion completion	YES	YES	YES
Group revenue growth	**2018**	**2017**	**2016**
Objective achievement *(%)*	**52.8%**	**100.9%**	**100.5%**
Criterion completion	NO	YES	YES
External performance condition linked to the social and environmental performance	**2018**	**2017**	**2016**
Criterion completion*	YES	YES	YES
Achievement of performance conditions	**YES**		

* *In 2018, Atos has been ranked n°1 in the digital industry in the Dow Jones Sustainability Index (DJSI) World and Europe (Gold level).*

Following Mr. Thierry Breton's request to waive his share rights under the performance share plan dated July 24, 2017, the Board of Directors rendered all these rights null and void.

The performance conditions related to the performance share plan dated July 25, 2017 were achieved for the year 2017, for the year 2018 based on the revised organic growth rate and for the year 2019. The acquisition of 75% of the performance shares granted in respect of this plan remains subject to the completion of the presence condition on July 31, 2020.

Group free cash flow	2019	2018	2017
Objective achievement *(%)*	**n/a**	**n/a**	**103.6%**
Criterion completion	n/a	n/a	YES
Earnings per share	**2019**	**2018**	**2017**
Objective achievement *(%)*	**101.9%**	**105.5%**	**n/a**
Criterion completion	YES	YES	n/a
Group operating margin	**2019**	**2018**	**2017**
Objective achievement *(%)*	**102.6%**	**100.5%**	**102.8%**
Criterion completion	YES	YES	YES
Group revenue growth	**2019**	**2018**	**2017**
Objective achievement *(%)*	**100.6%**	**118.7%**	**100.9%**
Criterion completion	YES	YES	YES
External performance condition linked to the social and environmental performance	**2019**	**2018**	**2017**
Criterion completion*	YES	YES	YES
Achievement of performance conditions	**YES**		

* *In 2019, Atos is ranked Number 1 in the IT services and software sector by the Dow Jones Sustainability Indexes (DJSI) World and Europe and is rewarded a "Gold" by EcoVadis for its annual assessment of performance in Corporate Social Responsibility (CSR).*

The performance conditions related to the performance share plans dated March 27, 2018 and July 22, 2018 were achieved for the year 2018 based on the revised organic growth rate and for the year 2019. The acquisition of 75% of the performance shares granted in respect of this plan remains subject to the achievement of the performance conditions for the year 2020 as well as the completion of the presence condition on March 27, 2021 and July 30, 2021 respectively.

Group free cash flow	2019	2018
Objective achievement *(%)*	**n/a**	**n/a**
Criterion completion	n/a	n/a
Earnings per share	**2019**	**2018**
Objective achievement *(%)*	**101.9%**	**105.5%**
Criterion completion	YES	YES
Group operating margin	**2019**	**2018**
Objective achievement *(%)*	**102.6%**	**100.5%**
Criterion completion	YES	YES
Group revenue growth	**2019**	**2018**
Objective achievement *(%)*	**100.6%**	**118.7%**
Criterion completion	YES	YES
External performance condition linked to the social and environmental performance	**2019**	**2018**
Criterion completion*	YES	YES
Achievement of performance conditions	**Subject to achievement of 2020 performance**	

* *In 2019, Atos is ranked Number 1 in the IT services and software sector by the Dow Jones Sustainability Indexes (DJSI) World and Europe and is rewarded a "Gold" by EcoVadis for its annual assessment of performance in Corporate Social Responsibility (CSR).*

The performance conditions related to the performance share plans dated July 24, 2019 and October 23, 2019 are based on indicators measured over a 3-year period. Achievement rates of these indicators as well as final acquisition percentage will be disclosed in the Universal Registration Document for the financial year 2021.

G.3.3.3 Performance shares granted to or became available for Company officers during the year – AMF Tables 6 and 7

The below table shows the performance shares granted during the year to the Chairman and CEO as well as to the Deputy CEO and the performance shares finally vested during the year. Performance conditions related to the various plans stated hereafter are summarized in the "Past grants of performance shares" section.

AMF TABLE 6

	Plan date	Number of shares	Vesting date	Availability date	Share valuation *(in €)*[3]
Chairman and CEO	July 26, 2016	71,620[1]	July 26, 2019	July 26, 2019	2,456,445
	July 24, 2019	40,300[2]	July 25, 2022	July 25, 2022	0
Deputy CEO	July 24, 2019	15,900	July 25, 2022	July 25, 2022	751,180

1 *After adjustment for preservation of share rights following the exceptional distribution in kind of Worldline shares as approved by the Annual General Meeting on April 30, 2019.*
2 *Following the resignation of his mandates, the Chairman and CEO indicated to the Board of Directors that he wished to waive of all his unvested share rights. Thus, the share rights granted under the performance share plan dated July 24, 2019 became null and void.*
3 *Valuation of the shares at their grant date, pursuant to the application of the IFRS 2, after taking account of any discount related to performance criteria and the probability of presence in the Company after the vesting period, but before amortization of the expense pursuant to IFRS 2 throughout the vesting period.*

During the year 2019, the performance shares granted on July 28, 2015 also became available for possible sale.

AMF TABLE 7

	Plan Date	Number of shares available during the financial year	Vesting date	Availability date*
Chairman and CEO	July 28, 2015	55,000	January 2, 2018	October 31, 2019

* *The initial availability date (January 2, 2020) was brought forward to October 31, 2019 by the Board of Directors upon recommendation of the Nomination and Remuneration Committee.*

G.3.3.4 Past awards of subscription or purchase options – AMF Table 8

The table below shows the past grants over the last ten years.

	Plan dated 12/31/2010			Plan dated 07/24/2019
General Meeting authorization date		05/26/2009		04/30/2019
Board of Directors meeting date		12/31/2010		07/24/2019
Number of beneficiaries		**18**		**23**
Total number of granted options	**124,842**	**124,830**	**124,828**	**209,200**
Of which to the executive officers				***56,200***
Chairman and CEO				*40,300*
Deputy CEO				*15,900*
Start date of exercise period	07/01/2011	07/01/2012	07/01/2013	07/25/2022
End date of exercise period	06/30/2019	06/30/2019	06/30/2019	07/24/2029
Strike price	€40.41	€48.11	€57.74	€79.86
Number of options exercised as at 12/31/2019	**124,842**	**121,497**	**118,162**	**-**
Number of options cancelled or expired as at 12/31/2019	**-**	**3,333**	**6,666**	**40,300**
Outstanding options as at 12/31/2019	**0**	**0**	**0**	**168,900**

Performance conditions and acquisition rules in respect of the plan dated July 24, 2019 are summarized hereafter:

Indicator
Relative performance of the Atos SE share compared to the performance of a basket* consisting of indexes and shares, measured on the basis of the average of the opening share price (dividends reinvested) during the trading days of the calendar quarter preceding the grant and vesting dates, respectively.
% of the grant if the employment condition is met on the vesting date
• No stock-option will vest if the relative performance of the Atos SE share is less than 100% of the average performance of the basket over a three-year period; • 80% of stock-options will vest if the relative performance of the Atos SE shares is equal to 100%; • 100% of stock-options will vest if the relative performance of the Atos SE shares is equal to 115%. For relative performance between these points: the percentage of vested stock-options will be determined based on linear interpolation.

* *Basket: 20% CAC 40 index + 20% STOXX Europe 600 Technology index + 10% IBM + 10% DXC + 10% Capgemini + 10% Accenture + 10% Sopra Steria + 10% CGI Group.*

G.3.3.5 Stock options granted to, or exercised by, the Company executive officers during the year – AMF Tables 4 and 5

The table below shows the option rights to purchase shares of the Company that have been granted to the Chairman and CEO and the Deputy CEO in 2019:

AMF TABLE 4

	Plan date	Number of options granted	Strike price	Exercise period	Options Valuation *(in €)*[2]
Chairman and CEO	July 24, 2019	40,300[1]	€ 79.86	From July 25, 2022 to July 24, 2029	0
Deputy CEO	July 24, 2019	15,900	€ 79.86	Du 25 juillet 2022 au 24 juillet 2029	106,101

1 *Following the resignation of his mandates, the Chairman and CEO indicated to the Board of Directors that he wished to waive of all his unvested option rights. Thus, the option rights granted under the stock option plan dated July 24, 2019 became null and void.*
2 *Value of the options on the grant date, pursuant to the implementation of IFRS 2.*

The Chairman and CEO as well as the Deputy CEO did not hold any exercisable options in 2019.

G.3.3.6 Stock options granted to the top ten employees who are not Company officers, and stock options exercised by them, during the year 2019 – AMF Table 9

AMF TABLE 9

	Total number of granted or exercised options	Average price	Plans
Options granted during the year by the issuer to the ten employees having the highest number of options granted (global information)	89,000	€ 79.86	July 24, 2019
Options held on the issuer exercised during the financial year by the ten employees of the issuer having the highest number of options purchased or subscribed (global information)	25,467	€ 52.22	December 31, 2010

G.4 Common stock evolution and performance

[GRI 102-16]

G.4.1 Basic data

G.4.1.1 Information on stock trading

The Company's shares have been admitted to trading on the Euronext Paris regulated market (Compartment A) since 1995, under ISIN code FR0000051732. Atos SE shares are eligible for SRD and PEA. The Company's shares have been included in the CAC 40, the main share index published by Euronext Paris, since March 20, 2017.

The main tickers are:

Source	Tickers
Euronext	ATO
AFP	ATO
Bloomberg	ATO FP
Reuters	ATOS PA
Thomson	ATO FR

The Euronext sector classification is as follows:

Euronext: ICB sectorial classifications

Industry	9000, Technology
Supersector	9500, Technology
Sector	9530, Software and Computer Services
Subsector	9533, Computer Services

G.4.1.2 Free Float

The free float of the Group shares excludes the stake held by the reference shareholder, Siemens Pension-Trust e.V., representing 11.4% of the share capital, which it committed to keep until September 30, 2020 as explained in section ***G.4.7.5 Shareholders' agreements***.

Stakes owned by the employees and the management as well as treasury shares, are also excluded from the free float.

As of December 31, 2019	Shares	% of share capital	% of voting rights
Siemens Pension-Trust e.V.[1]	12,483,153	11.4%	11.5%
Employees	1,520,828	1.4%	1.4%
Board of Directors	54,493	0.1%	0.1%
Treasury stock	582,204[2]	0.5%	-
Free float	94,574,236	86.6%	87.0%
TOTAL	**109,214,914**	**100.0%**	**100.0%**

[1] *Siemens Pension-Trust e.V. is controlled by Siemens A.G.*
[2] *Including 540,266 shares to be effectively delivered to LTI beneficiaries on January 2, 2020.*

G.4.2 Stock ownership

Principal changes in the ownership of the Company's shares in the past three years have been as follows:

	December 31, 2019		December 31, 2018		December 31, 2017	
	Shares	%	Shares	%	Shares	%
Siemens	-	-	-	-	12,483,153	11.8%
Siemens Pension-Trust e.V.[3]	12,483,153	11.4%	12,483,153	11.7%	-	-
BlackRock Inc.	-	-	-	-	5,339,057[2]	5.1%
Employees	1,520,828	1.4%	1,156,732	1.1%	1,182,158	1.1%
Board of Directors	54,493	0.1%	517,054	0.5%	546,630	0.5%
Treasury Stock	582,204[1]	0.5%	54,842	0.1%	332,478	0.3%
Others	94,574,236[4]	86.6%	92,674,438	86.7%	85,561,883	81.1%
TOTAL	**109,214,914**	**100.0%**	**106,886,219**	**100.0%**	**105,445,349**	**100.0%**

1 *Including 540,266 shares to be effectively delivered to LTI beneficiaries on January 2, 2020.*
2 *On the basis of the threshold crossing statement made on December 15, 2017.*
3 *Siemens Pension-Trust e.V. is controled by Siemens A.G.*
4 *Includes all shareholders holding less than 5% of the share capital.*

The Company's shares which are owned by employees are managed by Group mutual funds (FCPE) or held in direct shareholding.

The Supervisory Boards of the Group mutual funds exercise the voting rights attached to the securities held within the funds. As at December 31, 2019, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.4% of the share capital.

As at December 31, 2019, save for Siemens Pension-Trust eV., no other shareholder had disclosed a shareholding of more than 5% of the Company's share capital.

The treasury stock evolution is described below in section ***G.4.7.6 Treasury stock and liquidity contract***.

The threshold crossings which were disclosed in 2019 are described in section ***G.4.7.3 Threshold crossings***.

G.4.3 Dividend policy

[GRI 201-1]

The Group intends to pursue its current policy in line with the pay-out ratio between 25% and 30% of Net income Group share.

During its meeting held on February 18, 2020, the Board of Directors decided to propose to the next Annual General Meeting of Shareholders a dividend in 2020 on the 2019 results of € 1.40 per share with the option for each shareholder to receive the dividend in Atos shares. The ordinary dividend would be paid in June 2020.

During the past four fiscal periods, Atos SE paid the following dividends:

Fiscal period	Amount of the dividend
Dividend 2018 (paid in 2019)	€1.70
Dividend 2017 (paid in 2018)	€1.70
Dividend 2016 (paid in 2017)	€1.60
Dividend 2015 (paid in 2016)	€1.10

G.4.4 Shareholder documentation.

In addition to the Universal Registration Document, which is published in English and French, the following information is available to shareholders:

- a half-year report;
- quarterly revenue and operational reviews;
- regular press releases, regulated information and general Group's information, available through the Atos website at atos.net.

G.4.5 Financial calendar

April 22, 2020	First quarter 2020 revenue
May 14, 2020	Annual General Meeting
July 22, 2020	First half 2020 results
October 22, 2020	Third quarter 2020 revenue

G.4.6 Contacts

[GRI 102-53]

Institutional investors, financial analysts as well as individual shareholders can contact:

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G.4.7 Common stock

G.4.7.1 At December 31, 2019

As at December 31, 2019, the Company's issued common stock amounted to € 109.2 million, divided into 109,214,914 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2018, the share capital was increased by the issuance of 2,328,695 new shares, split as follows:

- 263,518 new shares resulting from a capital increase reserved to employees;
- 25,467 new shares resulting from the exercise of stock options;
- 2,039,710 new shares resulting from the payment of the 2018 dividend in shares.

G.4.7.2 Over the 5 last five years

Year	Change in common stock	Date	New shares	Total number of shares	Common stock	Additional paid in capital	New common stock
						(in € million)	
2015	Exercise of stock options	04/02/2015	762,408	102,094,935	0.8	25.7	102.1
	Payment of the dividend in shares	06/23/2015	787,232	102,882,167	0.8	49.1	102.9
	Exercise of stock options	07/03/2015	236,908	103,119,075	0.2	10.7	103.1
	Exercise of stock options	09/30/2015	107,787	103,226,862	0.1	5	103.2
	Exercice of stock options	12/31/2015	292,380	103,519,242	0.3	14	103.5
2016	Exercise of stock options	04/08/2016	240,301	103,759,543	0.3	12.9	103.8
	Payment of the dividend in shares	06/22/2016	892,830	104,652,373	0.9	65.6	104.7
	Exercise of stock options	06/30/2016	107,260	104,759,633	0.1	3.8	104.8
	Exercise of stock options	10/07/2016	115,904	104,875,537	0.1	3.7	104.9
	Exercise of stock options	12/31/2016	33,142	104,908,679	0.0	1.1	104.9
2017	Capital increase reserved to employees[1]	02/17/2017	294,965	105,203,644	0.3	22.1	105.2
	Exercise of stock options	04/01/2017	107,922	105,311,566	0.1	3.4	105.3
	Exercise of stock options	06/30/2017	57,402	105,368,968	0.0	1.8	105.3
	Exercise of stock options	09/30/2017	14,876	105,383,844	0.0	0.4	105.3
	Exercise of stock options	12/31/2017	61,505	105,445,349	0.1	1.8	105.4
2018	Exercise of stock options	03/31/2018	153,130	105,598,479	0.2	4.9	105.6
	Payment of the dividend in shares	06/21/2018	1,063,666	106,662,145	1.1	110.7	106.7
	Exercise of stock options	06/30/2018	222,074	106,884,219	0.2	6.5	106.9
	Exercise of stock options	12/31/2018	2,000	106,886,219	0.0	0.1	106.9
2019	Capital increase reserved to employees[2]	02/28/2019	263,518	107,149,737	0.3	15.4	107.2
	Exercise of stock options	03/31/2019	5,667	107,155,404	0.0	0.3	107.2
	Payment of the dividend in shares	05/27/2019	2,039,710	109,195,114	2.0	124.5	109.2
	Exercise of stock options	06/30/2019	19,800	109,214,914	0.0	0.8	109.2

1 Under the 19th resolution of the Annual General Meeting of May 26, 2016.
2 Under the 20th resolution of the Annual General Meeting of May 24, 2018.

A total of 25,467 stock options were exercised during 2019, representing 100% of the outstanding number of stock options as at December 31, 2018.

G.4.7.3 Threshold crossings

Since January 1, 2019, the Group has been informed of the following statutory thresholds crossings:

(i) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on February 4, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the receipt of Atos SE shares held as collateral). BlackRock, Inc. declared holding 5.03% of the share capital and voting rights of the Company;

(ii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on February 6, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following a decrease in the number of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.80% of the share capital and voting rights of the Company;

(iii) Société Générale, declared having crossed, upwards, on April 12, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following an acquisition of Atos SE shares off market). Société Générale declared holding 5.02% of the share capital and voting rights of the Company;

(iv) Société Générale, declared having crossed, downwards, on May 17, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following a disposal of Atos SE shares off market). Société Générale declared not holding any shares of the Company anymore;

(v) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards, on May 30, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the receipt of Atos SE shares held as collateral). BlackRock, Inc. declared holding 5.02% of the share capital and voting rights of the Company;

(vi) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on May 31, 2019, the thresholds of 5% of the share capital and voting rights of the Company (following the return of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.65% of the share capital and voting rights of the Company.

Name of entity notifying the threshold crossing	Date of reporting	Date of threshold crossing	Direction (↗↘)	Shares	% of share capital[1]	% of voting rights[2]	Reference of AMF publication
BlackRock Inc.	02/05/2019	02/04/2019	↗	5,376,200	5.03%	5.03%	219C0217
BlackRock Inc.	02/07/2019	02/06/2019	↘	5,135,433	4.80%	4.80%	219C0234
Société Générale	04/17/2019	04/12/2019	↗	5,380,642	5.02%	5.02%	219C0670
Société Générale	05/22/2019	05/17/2019	↘	0	0%	0%	219C0840
BlackRock Inc.	05/31/2019	05/30/2019	↗	5,375,555	5.02%	5.02%	219C0901
BlackRock Inc.	06/04/2019	05/31/2019	↘	4,980,888	4.65%	4.65%	219C0916

1 *On the date of threshold crossing.*
2 *Including treasury shares on that date pursuant to article 223-11 I. al. 2 of the Réglement Général de l'Autorité des Marchés Financiers (French Financial Market Authority General Regulations).*

The Company was not informed of any other statutory threshold crossing, in accordance with article L. 233-7 of the French Commercial Code, in 2019.

G.4.7.4 Voting rights

Voting rights are in the same proportion as shares held except for treasury shares which do not carry any voting right. No shares carry double voting rights.

G.4.7.5 Shareholders' agreements

On the occasion of the acquisition by the Company from Siemens of Siemens' former subsidiary SIS, the Siemens group committed to keep its shareholding in the Company, amounting to 12,483,153 shares, until June 30, 2016. This lock-up commitment was extended to September 30, 2020, pursuant to an amendment to the lock-up agreement entered into on October 30, 2015 between Siemens AG, the Company and Siemens Beteiligungen Inland GmbH, in the context of the strengthening of the alliance between both Siemens and Atos.

Under this agreement, Siemens nevertheless retained the possibility, as from July 1, 2016, to transfer its shareholding in the Company to two Siemens employees pension funds named Siemens Pension Trust e.V. and BSAV-Trust e.V., provided that such pension trust agree to abide by the terms and conditions of the lock-up agreement, and that when exercising the right to suggest a representative to be elected to the Atos Board of Directors, it shall always suggest an active member of the Management Board of Siemens.

On March 27, 2018, in connection with the financing by Siemens AG of a pension plan, Siemens AG transferred, off the market, the entirety of its shareholding in the Company, i.e. 12,483,153 Atos SE shares, to Siemens Pension-Trust e.V., which Siemens AG controls. The corresponding thresholds crossings were notified to the AMF by Siemens AG and Siemens Pension-Trust e.V. On this occasion, Siemens AG and Siemens Pension Trust e.V. declared, inter alia, (i) not to act in concert together nor with a third party, (ii) not to consider further acquisition of Atos SE shares, nor to acquire control of the Company; (iii) not to modify their strategy towards the Company. In connection with the above-mentioned transfer of shares, Siemens Pension Trust e.V. executed a Joinder Agreement on March 23, 2018 under which Siemens Pension Trust e.V. agreed to be bound by the terms and conditions of the lock-up agreement, as mentioned hereabove.

The Company has not received notice of any other shareholder agreements for filing with the stock exchange authorities and, to the best knowledge of the Company, no "action de concert" or similar agreements exists.

The Group's shares which are owned by employees are mainly managed by Group mutual funds (FCPE). The Supervisory Boards of the group mutual funds exercise the voting rights attached to the securities held within the funds. As per the rules of the Group mutual fund (FCPE), Atos Stock Plan, the Supervisory Board decides on the contribution of shares in case of public offer (purchase or exchange). The Supervisory Board decides on any merger, spin-off and liquidation of any compartment of the fund and approves certain modifications to the rules of the fund. As at December 31, 2019, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.4% of the share capital.

To the Company's knowledge, there is no other agreement capable of having a material effect, in case of public offer on the share capital of the Company.

G.4.7.6 Treasury stock and liquidity contract

Treasury Stock

As at December 31, 2019, the Company owned 582,204 Atos SE shares which amounted to 0.5% of the share capital with a portfolio value of € 43,269,401.28, based on December 31, 2019 market price, and with book value of € 39,912,877.50. These shares were purchased in the context of a share buyback program and were assigned to the allocation of shares to employees or corporate officers of the Company or its group and correspond to the hedging of its undertakings under the performance shares plans or share purchase plans.

The Company proceeded to the purchase of:

(i) 1,100,000 shares from May 9, 2019 to June 19, 2019 as part of a mandate given to a financial intermediary as announced by the Group on May 8, 2019;

(ii) 540,000 shares from August 5, 2019 to September 4, 2019, as part of a mandate given to a financial intermediary as announced by the Group on August 2, 2019.

From January 1, 2019 to December 31, 2019 the Company transferred 1,087,638 shares of the Company to beneficiaries of LTI (Long Term Incentives) plans.

Liquidity Contract

Atos and Rothschild Martin Maurel entered into a new liquidity contract on February 14, 2019, effective as from January 1, 2019.

This new contract has been concluded following changes to the regulation applicable to liquidity contracts and is compliant with the AMF decision n° 2018-01 dated July 2, 2018 (the "AMF Decision"), effective since January 1, 2019.

The trading platform on which trades under the liquidity contract are made is Euronext Paris.

Pursuant to its provisions, situations or conditions leading to the suspension or termination of the liquidity contract are the following:

- the performance of the liquidity contract is suspended in the conditions set forth in article 5 of the AMF Decision;
- it can be suspended at Atos' request for technical reasons, such as the counting of shares benefiting from voting rights before a General Meeting or the counting of shares benefiting from a dividend before the ex-dividend date, and for a period of time specified by Atos.

The liquidity contract may be terminated at any time and without notice by Atos or by Rothschild Martin Maurel, subject to a one-month prior notice.

The transactions carried out in 2019 under the liquidity contract are as follows:

Cumulated gross flows as at December 31, 2019	Cumulative purchases	Cumulated sales
Number of shares	1,520,346	1,545,346
Average Sale/Purchase price	75.1274	75.2202
Total Amount of Purchases/Sales	114,219,592.66	116,241,260.37

Legal Framework

The 18th resolution of the Annual General Meeting of April 30, 2019, renewed in favor of the Board of Directors, the authorization to purchase Company shares, in connection with the implementation of a share buyback program.

These purchases could be carried out:

- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently in the context of a liquidity contract, in accordance with the Professional Conduct Charter accepted by the AMF;
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 *et seq.* of the French Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 *et seq.* of the French Commercial Code and (iv) French and foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of the rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to keep them and subsequently use them in payment or exchange or other in the context of potential external growth operations; or
- to cancel them as a whole or in part through a reduction of the share capital authorized pursuant to the 19th resolution of the Annual General Meeting held on April 30, 2019.

The authorization may be used at any time, except during public offers on the shares of the Company.

The purchase of shares shall not exceed, a maximum number of shares representing 10% of the share capital of the Company, at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequently to the General Meeting, it being specified that where the shares are repurchased in the context of a liquidity contract, the number of shares taken into account in calculating the 10% limit shall be the number of shares purchased minus the number of shares resold during the period of the authorization.

Acquisitions, sales and transfers or exchange of shares may be made by any means, subject to the limits authorized by the laws and regulations in force, on one or several occasions, on a regulated market or via a multilateral trading facility or a systematic internalizer or over the counter, including by public tender offering or by block purchases or sales (with no limit on the portion of the share repurchase program), and where required, by derivative financial instrument (traded on a regulated market or a multilateral trading facility via a systematic internalizer or over the counter) or by warrants or securities giving access to Company shares, or the implementation of optional strategies such as purchases or sales of purchase or sale options, or by the issuance of securities giving access to the Company's capital by conversion, exchange, redemption, exercise of a warrant or any other means to Company shares held by this latter party, and when the Board of Directors or the person acting on the Board of Directors authority, under conditions laid down in the law, decides in compliance with the relevant legal and regulatory provisions

The maximum purchase price per share may not exceed € 120 (fees excluded).

The Board of Directors shall adjust the aforementioned maximum purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and the free allocation of shares, and in case of division of the nominal value of the share or share consolidation or any other transaction on equity, so as to take account of the impact of such transactions on the value of the shares.

The maximum amount of funds assigned to the buyback program shall thus be € 1,285,894,848 as calculated on the basis of the share capital as at April 30, 2019.

This authorization was granted for a period of 18 months as from April 30, 2019, expiring on October 30, 2020.

Description of the share buyback program submitted to approval of the Annual General Meeting to be held on May 14, 2020

In connection with the share buyback program (and within the limit of 10% of the share capital), it is expected to propose, during the Annual General Meeting to be held on May 14, 2020, the renewal of the authorization to purchase shares which was granted during the Annual General Meeting held on April 30, 2019, for 18 months, and will expire on October 30, 2020.

In accordance with the AMF General Regulations (articles 241-1 *et seq.*), this description of the program is aimed at detailing the objectives and the terms and conditions of the new Company's share buyback program by the Company which will be subject to the authorization of the Annual General Meeting to be held on May 14, 2020.

The aims of this program are:

- to ensure liquidity and an active market of the Company's share through an investment services provider acting independently in the context of a liquidity contract, in accordance with the Professional Conduct Charter accepted by the AMF;
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 *et seq* of the French Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 *et seq.* of the French Commercial Code and (iv) French or foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to keep the shares and subsequently use them in payment or exchange or other in the context of potential external growth operations; or
- to cancel these shares as a whole or in part through a reduction of the share capital.

This authorization may be used at any time, except during public offers on the shares of the Company.

The purchase of shares shall not exceed, a maximum number of shares representing 10% of the share capital of the Company, at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequently to the General Meeting, it being specified that where the shares are repurchased in the context of a liquidity contract, the number of shares taken into account in calculating the 10% limit shall be the number of shares purchased minus the number of shares resold during the period of the authorization.

Acquisitions, sales, and transfers or exchange of shares may be made by any means, subject to the limits authorized by the laws and regulations in force, on one or several occasion, on a regulated market or via a multilateral trading facility or a systematic internalizer or over the counter, including by public tender offering or by block purchases or sales (with no limit on the portion of the share buyback program), and where required, by derivative financial instrument (traded on a regulated market or a multilateral trading facility via a systematic internalizer or over the counter) or by warrants or securities giving access to Company shares, or the implementation of optional strategies such as purchases or sales of purchase or sale options, or by the issuance of securities giving access to the Company's capital by conversion, exchange, redemption, exercise of a warrant or any other means to Company shares held by this latter party, and when the Board of Directors or the person acting on the Board of Directors' authority, under conditions laid down in the law, decides in compliance with the relevant legal and regulatory provisions.

The maximum purchase price is set at € 120 (excluding taxes) per share and the number of shares which may be acquired is 10% of the share capital of the Company, at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequently to the General Meeting, theoretically 10,921,491 shares as calculated on the basis of the share capital as at December 31, 2019. The maximum amount of the funds assigned to the share buyback program is € 1,310,578,920, as calculated on the basis of the share capital on December 31, 2019. This maximum amount may be adjusted to take into account the share capital amount on the day of the General Meeting.

As from its authorization by the Annual General Meeting to be held on May 14, 2020, this program will be in force for a maximum duration of 18 months, i.e. until November 14, 2021.

G.4.7.7 Potential common stock

Potential dilution

Based on 109,214,914 outstanding shares as of December 31, 2019, the common stock of the Group could be increased by 3,026,180 new shares, representing 2.77% of the common stock before dilution. This dilution could come from the exercise of stock subscription options granted to employees or from the acquisition of performance shares, as follows:

(in shares)	December 31, 2019	December 31, 2018	Change	% dilution
Number of shares outstanding	**109,214,914**	**106,886,219**	**2,328,695**	
From stock subscription options	168,900	25,467	143,433	0.15%
From performance shares	2,857,280	2,594,916	262,364	2.62%
Potential dilution	**3,026,180**	**2,620,383**	**405,797**	**2.77%**
TOTAL POTENTIAL COMMON STOCK	**112,241,094**	**109,506,602**	**2,734,492**	

On the total of 168,900 of stock options, no option had a price of exercise lower than € 74.78 (opening stock price as of December 31, 2019).

Stock options evolution

Number of stock subscription options at December 31, 2018	25,467
Stock subscription options granted in 2019	168,900
Stock subscription options exercised in 2019	25,467
Stock subscription canceled or forfeited in 2019	0
Number of stock subscription options at December 31, 2019	**168,900**

As of December 31, 2019, no stock option granted by the Group is exercisable. All stock options are vesting and will be exercisable as from July 24, 2022. No stock option has an exercise price lower than € 74.78 (opening stock price as of December 31, 2019).

Current authorizations to issue shares and other securities

Pursuant to the resolutions adopted by the Annual General Meetings held on May 24, 2018, and April 30, 2019, the following authorizations to modify the share capital and to issue shares and other securities granted by the General Meeting to the Board of Directors are in force as of December 31, 2019:

Authorization	Authorization amount (value)	Use of the authorizations (par value)	Unused balance (par value)	Authorization expiration date
EGM April 30, 2019 18th resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	1,640,000	8.49%	10/30/2020 (18 months)
EGM April 30, 2019 19th resolution Share capital decrease	10% of the share capital adjusted as at the day of the decrease	0	10% of the share capital adjusted as at the day of the decrease	06/30/2021 (26 months)
EGM April 30, 2019 20th resolution Capital increase reserved to employees[1]	2,143,158	0	2,143,158	06/30/2021 (26 months)
EGM April 30, 2019 21st resolution Authorization to allot free shares to employees and executive officers	964,421	870,313 [4]	94,108	06/30/2022 (38 months)
EGM April 30, 2019 22nd resolution Authorization to grant stock options to employees and executive officers	214,315	209,200	5,115	06/30/2021 (26 months)
EGM May 24, 2018 14th resolution Share capital increase with preferential subscription right	31,700,186	0	31,700,186	07/24/2020 (26 months)
EGM May 24, 2018 15th resolution Share capital increase without preferential subscription right by public offer[1 2]	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 16th resolution Share capital increase without preferential subscription right by private placement[1 2]	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 17th resolution Share capital increase without preferential subscription right to remunerate contribution in kind[1 2]	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 18th resolution Increase in the number of securities in case of share capital increase with or without preferential subscription right[1 2 3]	Extension by 15% maximum of the initial issuance	0	Extension by 15% maximum of the initial issuance	07/24/2020 (26 months)
EGM May 24, 2018 19th resolution Share capital increase through incorporation of premiums, reserves, benefits or other	3,865 million	0	3,865 million	07/24/2020 (26 months)

1 *Any share capital increase pursuant to the 15th, 16th, 17th, 18th resolutions of the Combined General Meeting of May 24, 2018 and the 20th resolution of the Combined General Meeting of April 30, 2019 shall be deducted from the cap set by the 14th resolution of the Combined General Meeting of May 24, 2018.*

2 *The share capital increases without preferential subscription right carried out pursuant to the 15th, 16th, 17th and 18th resolutions of the Combined General Meeting of May 24, 2018 are subject to an aggregate sub-cap corresponding to 10% of the share capital of the Company on the day of the Combined General Meeting of May 24, 2018 (i.e. € 10,566,728). Any share capital increase pursuant to these resolutions shall be deducted from this aggregate sub-cap.*

3 *The additional issuance shall be deducted from (i) the cap of the resolution pursuant to which the initial issuance was decided, (ii) the aggregate cap set by the 14th resolution of the Combined General Meeting of May 24, 2018, and (iii) in case of share capital increase without preferential subscription rights, the amount of the sub-cap mentioned at 2 here above.*

4 *Initial grant of 907,500 performance shares on July 24, 2019, among which 49,187 were cancelled. Moreover, 12,000 performance shares were granted pursuant to the plan dated October 23, 2019.*

The number of new authorized shares that may be issued pursuant to the above-mentioned delegations of authority (the 18th and 19th resolutions of the Annual General Meeting held on May 24, 2018 being set aside) amounts to 32,878,923, representing 30.10% of the share capital on December 31, 2019.

G.4.8 Share trading performance

G.4.8.1 Stock market overview

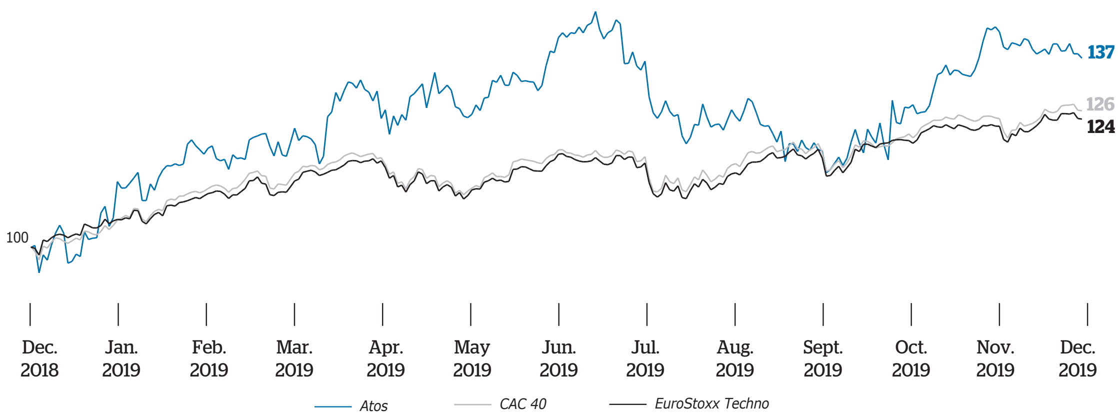
In a year driven by macroeconomic tensions, Atos overperformed the European technology stocks and the CAC 40 index, positively impacted by:

- the recovery of Infrastructure & Data Management in H2, in particular in North America;
- the strong business trend with double digit growth in Big Data & Cybersecurity;
- the distribution of 23.5% of Worldline share capital to Atos shareholders in May 2019, followed by the sale and the transfer in November of 19 million Worldline shares (10% Of Worldline share capital). This led to the focus of the Group as a pure Digital player.

Atos' stock price ended 2019 up +36.7% at € 74.32, compared to the French reference Index CAC 40 at +26.4%.

Atos market capitalization reached € 8,117 million at the end of 2019.

Atos' share performance in comparison with indices (base 100 at December 31, 2019)



G.4.8.2 Key figures

	2019	2018	2017	2016
Highest *(in €)*	79.24	130.30	135.40	101.30
Lowest *(in €)*	51.71	66.14	97.94	62.32
Closing as of 30/12 *(in €)*	74.32[2]	71.48	121.35	100.25
Average daily volume processed on Euronext platform *(in number of shares)*	475,750	403,600	276,651	326,349
Free-float	86.60%	86.70%	86.20%	85.86%
Market capitalization as of 31/12 *(in € million)*	8,117	7,640	12,796	10,517
Enterprise Value as of 31/12[1] *(in € million)*	9,853	10,512	12,488	10,036
EV/revenue	0.9	0.9	1.0	0.9
EV/OMDA	5	7	8	7
EV/OM	8	8	10	9
P/E (year-end stock price ÷ normalized basic EPS)	9.6	9.3	14.7	13.3

1 Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization).
2 The distribution of 23.5% of Worldline share capital on May 2019 for € 2,344 million , represented € 21.88 per Atos share.

G.4.8.3 Market capitalization

Based on a closing share price of € 74.32 on December 31, 2019 and 109,214,914 shares in issue, the market capitalization of the Group at December 31, 2019 was € 8,117 million compared to € 7,640 million at the end of December 2018.

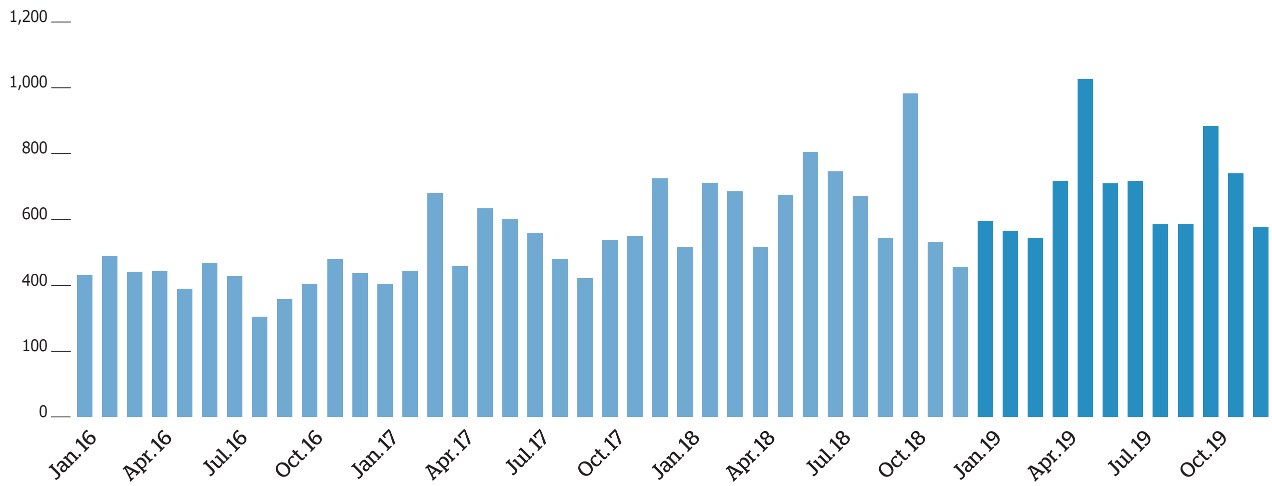
As of December 31, 2019, Atos was ranked 37th within the CAC 40 index, which includes the largest companies by market capitalization on the Paris stock exchange.

G.4.8.4 Traded volumes

	Trading Volume (Euronext)	
	(in thousands of shares)	*(in € million)*
1st quarter 2019	28,053	1,684,149
2nd quarter 2019	35,204	2,456,009
3rd quarter 2019	26,964	1,890,620
4th quarter 2019	31,095	2,201,379
TOTAL	**121,316**	**8,232,158**

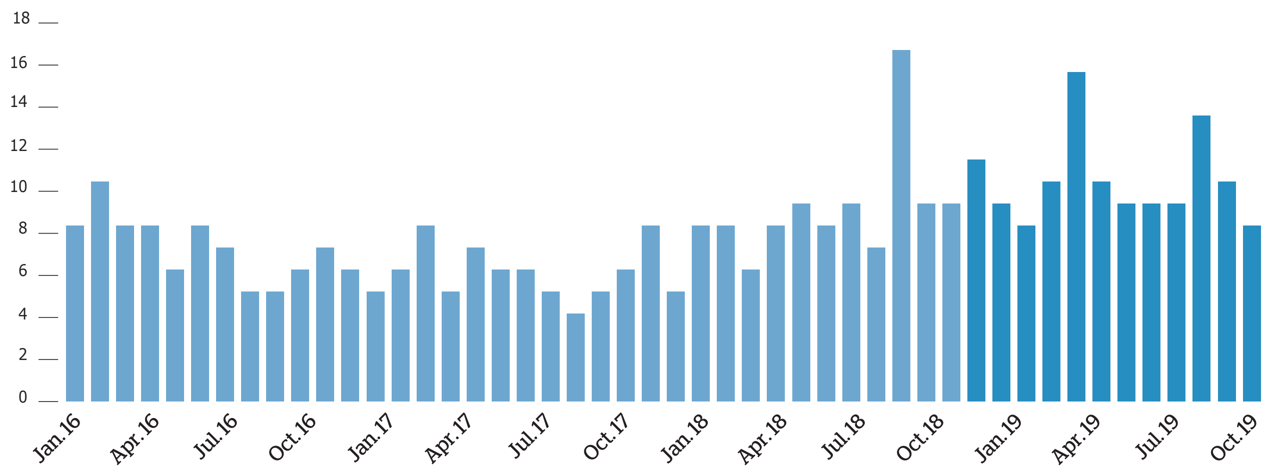
In 2019, the average daily number of shares traded reached 476 thousand on Euronext platforms, compared to 404 thousand in 2018. Regarding trading volumes on Atos SE shares, Euronext platform represented 29% of the total 2019 volumes, compared to 32% in 2018.

MONTHLY TRADING VOLUME[1] *(in € million)*



1 *Volumes prior to May 3, 2019 (ex-date) adjusted of the distribution in kind of 2 Worldline shares for 5 Atos shares owned.*

MONTHLY TRADING VOLUME[1] *(in million of shares)*



G.4.8.5 2019 and subsequent key trading dates

January

On **January 30**, Atos announced its project to distribute 23.5% of Worldline's share capital to Atos' shareholders, leading to the creation of two listed global pure play leaders. As a consequence, while continuing their industrial and commercial partnership, Atos reinforced its focus as a leading digital pure player and Worldline benefited from a strengthened equity profile and enhanced ability to pursue consolidation opportunities. During 2018, the Group had completed two transforming acquisitions, Syntel, a € 0.9 billion revenue company in the digital services market, and SIX Payment Services, a € 0.5 billion revenue company in electronic payments. The change in size and business mix led the Group to build a 3-year plan to the horizon of 2021 taking into account its new structure. At the occasion of an Investor Day held the same day in its headquarters in Bezons (France) the Group launched Advance 2021, its new three-year plan, building on its reinforced global profile in digital services.

February

On **February 21**, Atos announced its Full Year 2018 results. **Revenue** was **€ 12,258 million**, **+4.2% at constant exchange rates**, and **+1.2% organically**, particularly led by the Atos Digital Transformation Factory which represented 30% of 2018 revenue (vs. 23% in 2017) benefitting from the strong demand of large organizations implementing their digital transformation. **Operating margin** was **€ 1,260 million**, representing **10.3% of revenue**, compared to 10.8% in 2017 at constant scope and exchange rates. In 2018, the Group did not record one off related to pension schemes optimization plan in operating margin while in 2017 it had a positive effect of € 28 million representing 20 basis points on operating margin. The commercial dynamism of the Group was particularly high in 2018 with **order entry** reaching **€ 13.7 billion**, representing a **book to bill ratio** of **112%** in 2018 compared to 109% in 2017 at constant rate. During the fourth quarter, the book to bill reached 124%. **Net income** was **€ 703 million**, **+5.8%** compared to 2017 and **net income Group** share reached **€ 630 million**, +5.0% compared to 2017. Therefore, **basic and diluted EPS** reached respectively **€ 5.95** (€ 5.72 in 2017) **and € 5.95** (€ 5.70 in 2017). **Normalized basic and diluted EPS** reached respectively **€ 8.56** (€ 8.24 in 2017) **and € 8.56** (€ 8.21 in 2017). **Free cash flow** reached **€ 720 million** in 2018, excluding 62 million of acquisition costs on Syntel and SIX Payment Services and upfront financing fees on Syntel, representing a cash conversion of 57.1%. **Net debt** was **€-2.9 billion** at the end of 2018 reflecting the amount paid for the acquisition of Syntel during the year, the cash component and the contingent consideration related to the acquisition of SIX Payment Services.

April

On **April 25**, Atos announced the **revenue** of its first quarter of 2019 was **€ 2,818 million**, up **+0.4% organically**. The Group strategy focused on digital projects and on Data Management and security drove organic growth in Business & Platform Solutions at +3.5% and in Big Data & Cybersecurity at +11.4%. Alongside, Infrastructure & Data Management showed signs of improvement thanks to North America starting its recovery. The Group pursued its good commercial dynamism with **order entry** at **€ 2,428 million** leading to a **book to bill ratio** of **86%**.

1 *Volumes prior to May 3, 2019 (ex-date) adjusted of the distribution in kind of 2 Worldline shares for 5 Atos shares owned.*

On **April 30**, Atos held its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer. The shareholders widely approved the renewal of the terms of office of Mr. Thierry Breton, Chairman and Chief Executive Officer for a period of three years as well as they approved the three-year strategic plan. Exceptional distribution in kind of 23.5% of the share capital of Worldline and the Company's sense of purpose were also overwhelmingly approved by the shareholders.

May

Following the approval of the transaction by Atos shareholders at the Annual General Meeting held on April 30, 2019, Atos announced that the distribution in kind of Worldline shares to Atos shareholders was effective as from **May 7**, the payment date.

July

On, **July 25**, Atos announced its financial results for the first half of 2019. **Revenue** was **€ 5,744 million**, up **+0.8% organically**, thanks to a strong performance recorded in Big Data & Cybersecurity, and growth in Business & Platform Solutions. The decrease of Infrastructure & Data Management reduced from Q1 at -3.0% to Q2 at -0.6% further to the improvement of the situation in North America. **Operating margin** was **€ 529 million**, representing **9.2% of revenue,** an improvement by **+20 basis points** mainly fueled by the good performance in Business & Platform Solutions (+80 basis points), while Infrastructure & Data Management achieved stabilization. Operating profitability of Big Data & Cybersecurity reflected specific R&D and offering investments in both Cybersecurity and Big Data solutions. **Order entry** reached **€ 5,742 million,** representing a book to bill ratio of 100%, of which **113% in the second quarter. Free cash flow** was at **€ 23 million** at the end of June 2019.

October

On **October 1**, Atos announced that it had completed the acquisition of IDnomic, European leader in digital identity management infrastructure. With this acquisition, Atos reinforced its global leadership in cybersecurity and expanded its offering in the field of digital identity management and PKI (Public Key Infrastructure) solutions.

On **October 24**, Atos announced its revenue for the third quarter of 2019. **Revenue** was **€ 2,770 million**, up **+1.8% organically**. The improvement compared to the previous quarters (Q1 at +0.4%, Q2 at +1.1%) mainly came from the recovery of Infrastructure & Data Management, which returned to growth as anticipated notably in North America. Business & Platform Solutions revenue decelerated in Q3 due to Financial Services in North America, while sales synergies with Syntel continued to materialize as planned. Big Data & Cybersecurity performed a particularly strong quarter led by cybersecurity services and High-Performance Computing (HPC). The Group **order entry** reached **€ 2,775 million**, representing a **book to bill ratio** of **100%**.

On **October 24**, Atos announced that it had signed an agreement to acquire X-PERION Consulting AG in Germany to combine it with Atos' fully-owned subsidiary ENERGY4U GmbH, part of its Worldgrid activities. The business combination of both companies created a leading IT service provider for energy and utility companies in Germany and strengthened Atos' global vertical strategy for the energy and utilities market.

On **October 30**, Atos completed the sale of c. 14.7 million Worldline shares, for c. € 0.8 billion, through a placement to qualified investors only by way of accelerated bookbuilding offering. Alongside this, the Group transferred c. € 230 million of Worldline shares to Atos' Pension Fund and issued € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%.

December

On **December 18,** Atos announced an agreement to acquire Maven Wave, a US-based business and technology consulting firm specialized in delivering digital transformation solutions for large enterprises. The company is a leading Google Cloud Premier Partner with eight Cloud Partner Specializations and recognized as the Google Cloud North America Services Partner of the year in both 2018 and 2019.

February 2020

On **February 4**, Atos announced that it had completed the sale of ca. 23.9 million Worldline shares, for ca. € 1.5 billion, representing ca. 13.1% of the Worldline share capital through a private placement by way of accelerated bookbuilt offering. In case of exchange in full of the outstanding € 500 million zero per cent.

Atos bonds exchangeable into Worldline shares due 2024, Atos will no longer hold any Worldline shares.

On **February 4**, Atos announced the completion of the acquisition of Maven Wave, a US-based cloud and technology consulting firm specialized in delivering digital transformation solutions for large enterprises. With this acquisition, Atos reinforced its global leadership in cloud-solutions for applications, data analytics and machine learning in hybrid and multi-cloud platforms.

On **February 19**, Atos announced its Full Year 2019 results. **Revenue** was **€ 11,588 million**, **+1.4% organically** particularly led by the Cloud performance and Big Data & Cybersecurity. **Operating margin** was **€ 1,190 million**, representing **10.3% of revenue**, compared to 9.8% in 2018 at constant scope and exchange rates. The commercial dynamism of the Group was particularly high in 2019 with **order entry** reaching **€ 12.2 billion**, representing a **book to bill** ratio of **106%** compared to 111% in 2018 at constant rate. During the fourth quarter, the book to bill reached **121%. Net income from continuing operations** was **€ 414 million**, and **Normalized net income from continuing operations** reached **€ 834 million**. Therefore, **basic and diluted EPS** both reached **€ 3.84** and **Normalized basic and diluted EPS** both reached **€ 7.74**. **Free cash flow** reached **€ 605 million** in 2019 excluding the positive amount of 37 million of one-off items related to the Optional Exchangeable Bonds. **Net debt** was **€-1.7 billion** at the end of 2019 reflecting the free cash flow generated during the year, the sale of Worldline shares in November 2019, the acquisition of IDnomic during the year, the dividends paid in cash and the share buy-back to deliver performance shares.

As of 2020, the Group initiates a transformation, called "SPRING", aiming at reshaping its portfolio of offerings, reinforcing its go-to-market approach, and setting-up an Industry led organization.

In this context, six Industries are created:

- Manufacturing;
- Financial Services & Insurance;
- Public Sector & Defense;
- Telecom, Media & Technology;
- Resources & Services (includes former *Retail, Transportation & Logistics and Energy & Utilities*);
- Healthcare & Life Sciences.

At the same time, the Company gathers Global Business Units into 5 Regional Business Units (RBU), each of them under a single leadership:

- North America;
- Central Europe: former Germany, and Central & Eastern Europe excluding Italy;
- Northern Europe: former United Kingdom & Ireland, and Benelux & The Nordics;
- Southern Europe: former France, Iberia, and Italy;
- Growing Markets: former Asia-Pacific, South America, and Middle East & Africa.

Starting Q1 2020, revenue will be reported by Industry and by Regional Business Unit. Starting H1 2020, operating margin will be also reported by Industry and by Regional Business Unit. In order to facilitate the transition period, the Group will also report by Division the revenue in Q1 2020 and in Q2 2020.

G.4.8.6 Purchase or sale by the Group of its own shares

The Group purchased or sold its own shares in 2019 as described within the section ***G.4.7.6 Treasury stock and liquidity contract***. At December 31, 2019, the Group held 582,204 shares as treasury stock.

H Appendix

H.1 Definitions

Financial terms and Key Performance Indicators	Business Key Performance Indicators
Operational Capital Employed	External Revenue
Current and non-current assets or liabilities	TCV (Total Contract Value)
DSO	Order entry/bookings
Organic growth	Book-to-bill
CAGR	Backlog/Order cover:
Operating margin	Pipeline
Other operating income and expenses	Legal staff
Gross margin and indirect costs	FTE (Full-time equivalent staff)
EBITDA	Subcontractors
OMDA	Interims
Gearing	Direct Staff
Interest cover ratio	Indirect staff
Leverage ratio	Permanent staff
Operating income	Temporary staff
Cash flow from operations	Staff turnover and attrition rate (for legal staff)
Net debt	Utilization rate and non-utilization rate
Change in net debt (cash):	
Free cash flow	
Earnings per share (EPS)	
Normalized net income	
Normalized earnings per share (normalized EPS)	

Business terms	Market terms
BPO	Consensus
CRM	Dilutive instruments
ERP	Dividends
WAN	Enterprise Value (EV)
	Free float
	Market capitalization
	PER (Price Earnings Ratio)
	Volatility

H.1.1 Financial terms

Operational capital employed: Operational capital employed comprises net fixed assets and net working capital but excludes goodwill and net assets held for sale.

Current and non-current assets or liabilities: A current and non-current distinction is made between assets and liabilities on the consolidated statement of financial position. Atos has classified as current assets and liabilities those that Atos expects to realize, use or settle during its normal cycle of operations, which can extend beyond 12 months following the period-end. Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

DSO: (Days' Sales Outstanding). DSO is the amount of trade accounts receivables (including contract assets) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

Organic growth: Organic growth represents the percent growth of a unit based on a constant scope and exchange rates basis.

CAGR: The Compound Annual Growth Rate reflects the mean annual growth rate over a specified period of time longer than one year. It is calculating by dividing the value at the end of the period in question by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result. As an example:

2019-2021 revenue CAGR = (Revenue 2021e/Revenue 2018)$^{(1/3)}$ -1

Operating margin: Operating margin equals to External Revenues less personnel and operating expenses. It is calculated before Other Operating Income and Expenses as defined below.

Other operating income and expenses: Other operating income and expenses include:

- the amortization and impairment of intangible assets recognized as part of business combinations such as customer relationships, technologies and Goodwill;
- when accounting for business combinations, the Group may record provisions in the opening statement of financial position for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the income statement under "Other operating income and expenses";
- the cost of acquiring and integrating newly controlled and consolidated entities, including earn out expenses;
- the net gain or losses on disposals of consolidated companies or businesses;
- the fair value of shares granted to employees including social contributions;
- the restructuring and rationalization expenses relating to business combinations or qualified as unusual, infrequent and abnormal. When a restructuring plan qualifies for Other Operating Income and Expenses, the related real estate rationalization & associated costs regarding premises are presented on the same line;
- the curtailment effects on restructuring costs and the effects of plan amendments on Defined Benefit Obligation resulting from triggering events that are not under control of Atos management;
- the net gain or loss on tangible and intangible assets that are not part of Atos core-business such as Real Estate;
- other unusual, abnormal and infrequent income or expenses such as major disputes or litigation.

Gross margin and indirect costs: Gross margin is composed of revenue less the direct costs of goods sold. Direct costs relate to the generation of products and/or services delivered to customers, while indirect costs include all costs related to indirect staff (defined hereafter), which are not directly linked to the realization of the revenue. The operating margin comprises gross margin less indirect costs.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): For Atos, EBITDA is based on Operating margin less non-cash items and is referred to as OMDA (Operating Margin before Depreciation and Amortization).

OMDA (Operating Margin before Depreciation and Amortization) is calculated as follows:

Operating margin:

- less - Depreciation of fixed assets (as disclosed in the "Financial Report");
- less – depreciation of right of use (as disclosed in the "Financial Report");
- less - Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the "Financial Report");
- less - Net charge of provisions for pensions (as disclosed in the "Financial Report");

Gearing: The proportion, expressed as a percentage of net debt to total shareholders' equity (Group share and minority interests).

Interest cover ratio: Operating margin divided by the net cost of financial debt, expressed as a multiple.

Leverage ratio: Net debt divided by OMDA.

Operating income: Operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

Cash flow from operations: Cash flow coming from the operations and calculated as a difference between the OMDA (Operating Margin DA), the net capital expenditures and the change in working capital.

Net debt: The net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest, less cash and cash equivalents. Lease liabilities and derivative liabilities are excluded from the net debt.

Change in net debt (cash): Change in net debt or net cash.

Free cash flow: The Free Cash Flow represents the change in net cash or net debt, excluding equity changes, share buyback, dividends paid to shareholders and non-controlling interests, net acquisition or disposal of companies or businesses.

Earnings per share (EPS): Basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect).

Normalized net income: The normalized net income is the net income (Group Share – excluding net result attributable to Non-Controlling Interests) before Other Operating Income and Expenses, changes in derivative liabilities, net of taxes.

Normalized earnings per share (normalized EPS): Normalized earnings per share are calculated by dividing the normalized net income (Group share) by the weighted-average number of common shares outstanding during the period, excluding treasury shares.

H.1.2 Business KPI's (Key Performance Indicators)

H.1.2.1 Revenue

External Revenue: External Revenue related to Atos' sales to third parties (excluding VAT and pass-through sales with low margin).

TCV (Total Contract Value): The Total Value of a Contract at signature (prevision or estimation) over its duration represents the firm order and contractual part of the contract excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

Order entry/bookings: The TCV, orders or amendments signed during a defined period. When an offer is won (contract signed), the total contract value is added to the backlog and the order entry is recognized.

Book-to-bill: The Book-to-Bill is the ratio expressed in percentage of the order entry in a period divided by revenue of the same period.

Backlog/Order cover: The value of signed contracts, orders and amendments that remain to be recognized over their contract lives.

Pipeline: The value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

H.1.2.2 Human Resources

Legal staff: The total number of employees under Atos employment contracts at the end of the period. Legal staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

FTE (Full-time equivalent staff): The total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance – unpaid vacation. For subcontractors and interim staff, potential workable hours are based on the number of hours billed by the supplier to Atos.

Subcontractors: External subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

Interims: Staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

Direct Staff: Direct staff includes permanent staff and subcontractors, whose work is billable to a third party.

Indirect staff: Indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is not directly involved in the generation of products and/or services delivered to clients.

Permanent staff: Permanent staff members have a contract for an unspecified period of time.

Temporary staff: Temporary staff has a contract for a fixed or limited period of time.

Staff turnover and attrition rate (for legal staff): Turnover and attrition rates indicate the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period:

- turnover measures the percentage of legal staff that has left the business in a defined period;
- attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.

Utilization rate and non-utilization rate: Utilization rate + non-utilization rate = 100% of workable time for direct FTE, which excludes legal vacations, long-term sickness, long-term sabbaticals and parental leave. Workable time is composed of billed time, inactivity that is billable but not billed (exceptional holidays, sickness, on the bench which is between two assignments, other inactivity as delegation), and non-billable time (pre-sales, training, management meetings, research and development and travel). Utilization rate measures the proportion of workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is billed to customer. The ratio is expressed in percentage terms based on billed hours divided by workable hours excluding vacations. Non-utilization rate measures the workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is not billed or is non-billable to clients.

H.1.3 Business terms

BPO (Business Process Outsourcing): Outsourcing of a business function or process. e.g. administrative functions such as accounting, HR management, call centers, etc.

CRM (Customer Relationship Management): Managing customer relationships (after-sales service, purchasing advice, utilization advice, customer loyalty) has become a strategic component of a company's successful operation. Not only does CRM facilitate efficiency, it also leads to higher sales by building customer loyalty.

ERP (Enterprise Resource Planning): An ERP system is an integrated management software system built in modules, which is capable of integrating sales, manufacturing, purchasing, accounting and human resources systems into an enterprise-wide management information system.

WAN (Wide Area Network): A long-distance network that generally comprises several local networks and covers a large geographical area.

H.1.4 Market terms

Consensus: Opinion that emerges from the financial community, in which financial analysts play a prominent role. Consensus can relate to earnings outlook (individual stock consensus) or to a group of companies in the same sector (market consensus).

Dilutive instruments: Financial instruments such as bonds, warrants, stock options, performance shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

Dividends: Cash or stock payments from a company's profits that are distributed to stockholders.

Enterprise Value (EV): Market capitalization + debt.

Free float: Free float is the proportion of a company's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- shares held by Group companies: Shares of the listed company held by companies that it controls within the meaning of article L. 233-3 of the French Commercial Code;
- shares held by founders: shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.);
- shares held by the State: Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State;
- shares within the scope of a shareholders' agreement: Shares subject to a shareholders' agreement within the meaning of articles L. 233-10 and L. 233-11 of the French Commercial Code, and other than those held by founders or the State;
- controlling interest: Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article L. 233-3 of the French Commercial Code;
- interests considered stable: Interests exceeding 5%, which have not declined by one percentage point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

Market capitalization: The share price of a company multiplied by the number of its shares in issue.

PER (Price Earnings Ratio): Market capitalization divided by net income for a trailing (or forward) 12-month period.

Volatility: The variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

H.2 AMF cross-reference table

H.2.1 Universal Registration Document cross reference table

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on March 3, 2020, in accordance with article 212–13 of the AMF General Regulations. After filing, this document, as a Universal Registration Document, could be used to support a financial operation if accompanied by a securities note duly approved by the AMF.

The cross-reference table below identifies the information required by appendices 1 and 2 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 in accordance with the structure of the Universal Registration Document.

N°	Appendices 1 and 2 of the commission delegated regulation (EU) 2019/980 of March 14, 2019	Sections in the 2019 Universal Registration Document
1.	**Persons responsible, third party information, experts' reports and competent authority approval**	
1.1.	**Indication of persons responsible**	**A.4.1**
1.2.	**Declaration by persons responsible**	**A.4.2**
1.3.	**Name, address, qualification and material interest in the issuer of experts**	**N/A**
1.4.	**Confirmation of the accuracy of the source from a third party**	**N/A**
1.5.	**Statement from the designated authority with no prior approval**	**N/A**
2.	**Statutory auditors**	
2.1.	**Names and addresses of the auditors**	**A.4.3**
2.2.	**Indication of the removal or resignation of auditors** **Information regarding changes of statutory auditors during the period**	**N/A**
3.	**Risk Factors**	**F.2**
4.	**Information about the issuer**	
4.1.	**The legal and commercial name of the issuer**	**G.1.2**
4.2.	**The place and the number of registration**	**G.1.2**
4.3.	**The date of incorporation and the length of life of the issuer**	**G.1.2**
4.4.	**The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office**	**G.1.2; I.1.1**
5.	**Business overview**	
5.1.	**Principal Activities**	
5.1.1.	Nature of the issuer's operations and its principal activities	A.1; A.2; B.1; C
5.1.2.	New products or services developed	C
5.2.	**Principal market**	**A.1; A.2; B.3**
5.3.	**Importants business events**	**A.5.2; A.6.1; G.4.8.5**
5.4.	**Strategy and objectives**	**B.4; E.2**
5.5.	**Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes**	**F.2.4.2; F.3.4.2**
5.6.	**Basis for statements made by the issuer regarding its competitive position**	**B.3**
5.7.	**Investments**	
5.7.1.	Main investments	B.1.2; E.4.7.5 – Note 1
5.7.2.	Material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments and the method of financing	N/A
5.7.3.	Main joint ventures and undertakings in which the issuer holds a proportion of the capital	N/A
5.7.4.	Environmental issues	D.5
6.	**Organizational Structure**	
6.1.	**Brief description of the Group**	**A.1; A.2; A.6.2**
6.2.	**List of significant subsidiaries**	**E.4.7.5 – Note 17**

N°	Appendices 1 and 2 of the commission delegated regulation (EU) 2019/980 of March 14, 2019	Sections in the 2019 Universal Registration Document
7.	**Operating and financial review**	
7.1.	**Financial condition**	
7.1.1.	Balanced and comprehensive analysis of development and performance or position including both financial and, where appropriate, non-financial Key Performance Indicators	E.1; E3; E.4
7.1.2.	Likely future development in the field of research and development	C.5
7.2.	**Operating Results**	**E.1; E3; E.4**
7.2.1.	Unusual or unfrequent events or new developments materially affecting the issuer's income	B; C; E.1; G.4.8.5
7.2.2.	Narrative discussion about material changes in net sales or revenues	B; C; E.1
8.	**Capital resources**	
8.1.	**Issuer's capital resources**	**E.4; G.4**
8.2.	**Sources and amounts of the issuer's cash flows**	**E.4.5**
8.3.	**Information on the borrowing requirements and funding structure**	**E.3.3.1**
8.4.	**Restrictions on the use of capital resources**	**N/A**
8.5.	**Anticipated sources of funds to fulfill commitments**	**N/A**
9	**Regulatory environment**	
9.1.	**Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations**	**D.1; D.4**
10.	**Trend information**	
10.1.	**The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year**	**B; C; E.1**
10.2.	**Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects**	**B; C; E.1**
11.	**Profit forecasts or estimates**	
11.1.	**Profit forceasts or estimates publication**	**E.2; E.3**
11.2.	**Statement setting out the principal assumputions upon which the issuer has based his forecast or estimate**	**E.2; E.3**
11.3.	**Statement pointing out the comparaison with historial financial information consistent with the issuer's accounting policies**	**E.4.7.2**
12.	**Administrative, management and supervisory body and senior management.**	
12.1	**Information regarding the members**	
	Name, business addresses and functions	**A.6.2; G.2.3**
	Detail of the nature of any family relationship	**G.2.3**
	Relevant management expertise and management experience	**G.2.3**
	Details of any convictions	**G.2.3**
12.2	**Conflicts of interest**	**G.2.3.10**
13.	**Remuneration and Benefits**	
13.1.	**Remuneration and benefits in kind**	**G.3**
13.2.	**Pension, retirement or similar benefits**	**G.3**
14.	**Board Practices**	
14.1.	**Current term office**	**G.2.3**
14.2.	**Contracts providing benefits upon termination of employment**	**G.2.3.8; G.2.3.9**
14.3.	**Information about audit and Remuneration Committee**	**G.2.4.3; G.2.4.4**
14.4.	**Statement related to corporate governance**	**G.2.1**
14.5.	**Potential material impacts on the corporate governance**	**G.2.2**
15.	**Employees**	
15.1.	**Number of employees**	**D.2; E.1.6**
15.2.	**Shareholdings and stock options**	**G.3**
15.3.	**Arrangements involving the employees in the capital of the issuer**	**D.2.4.2**

N°	Appendices 1 and 2 of the commission delegated regulation (EU) 2019/980 of March 14, 2019	Sections in the 2019 Universal Registration Document
16.	**Major shareholders**	
16.1.	**Identification of the main shareholders holding more than 5%**	**E.5.4 - Note 6; G.4.7.3**
16.2.	**Types of voting rights**	**G.4.7.4**
16.3.	**Ownership and control**	**G.4.1; G.4.2; G.4.7**
16.4.	**Arrangements which may result in a change in control of the issuer**	**G.1**
17.	**Related party transactions**	**E.4.7.5 - Note 16; E.5.4 - Note 18**
18.	**Financial Information concerning the issuer's assets and liabilities, financial position and profits and losses**	
18.1.	**Historical Financial Information**	
18.1.1.	Audited historical financial information covering the latest three years	E.4; H.2.2
18.1.2.	Change of accounting reference date	N/A
18.1.3.	Accounting standards	E.4.7.2
18.1.4.	Change of accounting framework	E.4.7.2
18.1.5.	Financial information according to French accounting standards	E.4
18.1.6.	Consolidated financial statements	E.4
18.1.7.	Age of latest financial information	E.4
18.2.	**Interim and other financial information**	
18.2.1.	Quarterly or half-yearly financial information	N/A
18.3.	**Auditing of historical annual financial information**	
18.3.1.	Independent audit of historical annual financial information	E.4.1
18.3.2.	Indication of other information in the registration document that has been audited by auditors	N/A
18.3.3.	Source of information and reason for information not to be audited	N/A
18.4.	**Pro forma financial information**	**E.1**
18.5.	**Dividend policy**	
18.5.1.	Description of the issuer's policy on dividends	G.4.3
18.5.2.	Amount of dividend per share	G.4.3
18.6.	**Legal and arbitration proceedings**	**F.4**
18.7.	**Significant changes in the issuer's financial position**	**E.4.7.5 – Note 18**
19.	**Additional information**	
19.1.	**Share Capital**	
19.1.1.	Amount of issued capital	G.4.7
19.1.2.	Shares not representing capital	N/A
19.1.3.	Shares held by or on behalf of the issuer itself	G.4.7
19.1.4.	Convertible securities, exchangeable securities or securities with warrants	G.4.7
19.1.5.	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A
19.1.6.	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	N/A
19.1.7.	History of share capital	G.4.7
19.2.	**Memorandum and Articles of Association**	
19.2.1.	Register and entry number of the issuer and brief description of the issuer's object and purposes	G.1.2
19.2.2.	Rights, preferences and restrictions attached to each share category	G.1.3.2
19.2.3.	Article of association, statutes, charter or bylaws delaying, deferring or preventing a change of control of the issuer	G.1
20.	**Material Contracts**	**E.1.5**
21.	**Documents on Display**	**G.1; G.4.4**

H.2.2 Cross-reference table for the Annual Financial Report

In order to facilitate the reading of this document, the cross-reference table hereafter, identifies within this Universal Registration Document the information which constitutes the Annual Financial Report requested to be published by listed companies in accordance with article L. 451-1-2 of the French Monetary and Financial Code and article 222–3 of the AMF General Regulations.

Information	Sections
Company financial statements	E.5
Consolidated financial statements	E.4
Management report	B.1; B.3; C.5; D; E.1; E.3; E.4.7.5 - Note 18; E.5.4 - Note 2; E.5.5; E.5.6; F; G.
Declaration of the person responsible for the Universal Registration Document containing the Annual Financial Report	A.4.2
Statutory auditors' report on the Company financial statements	E.5.1
Statutory auditors' report on the consolidated financial statements	E.4.1
Statutory auditors fees	E.4.7.5 - Note 19
Board of Directors' report on Corporate Governance	G.2.6
Statutory auditors' report, pursuant to the provisions of article L. 225-35 of the French Commercial Code, on the Board of Directors' report on Corporate Governance	E.5.1

In accordance with the requirements of article 19 of regulation (EU) 2017/1129 (Prospective Regulation) the following elements are incorporated by reference:

- the consolidated accounts for the year ended December 31, 2018 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document n° D. 19-0072 filed with the AMF on February 22, 2019;
- the consolidated accounts for the year ended December 31, 2017 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document n° D. 18-0074 filed with the AMF on February 26, 2018.

Other information included in these two Registration Documents has been replaced and/or updated, as applicable, by the information contained in the Universal Registration Document.

I

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I.2 Locations

[GRI 102-3]

Atos is present in main cities to support customers. The addresses and phone numbers of the Group main offices can be found on the Locations page on website atos.net. Details of current job opportunities can be found in Careers pages. An email address for general questions and comments about the Atos' Internet site can be found at the bottom of the page.

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Europe

Andorra
Austria
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Belgium
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Czech Republic
Denmark
Estonia
Finland
France
Germany
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Egypt
Gabon
India
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2019 Universal Registration Document

This document is a free English translation of the original French version. In case of discrepancies, the French version shall prevail.

The French version of this Universal Registration Document was filed on March 3, 2020 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document. All shall be approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document is available on the websites of the AMF (www.amf-france.org) and the issuer (www.atos.net).

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