

## Risks & opportunities

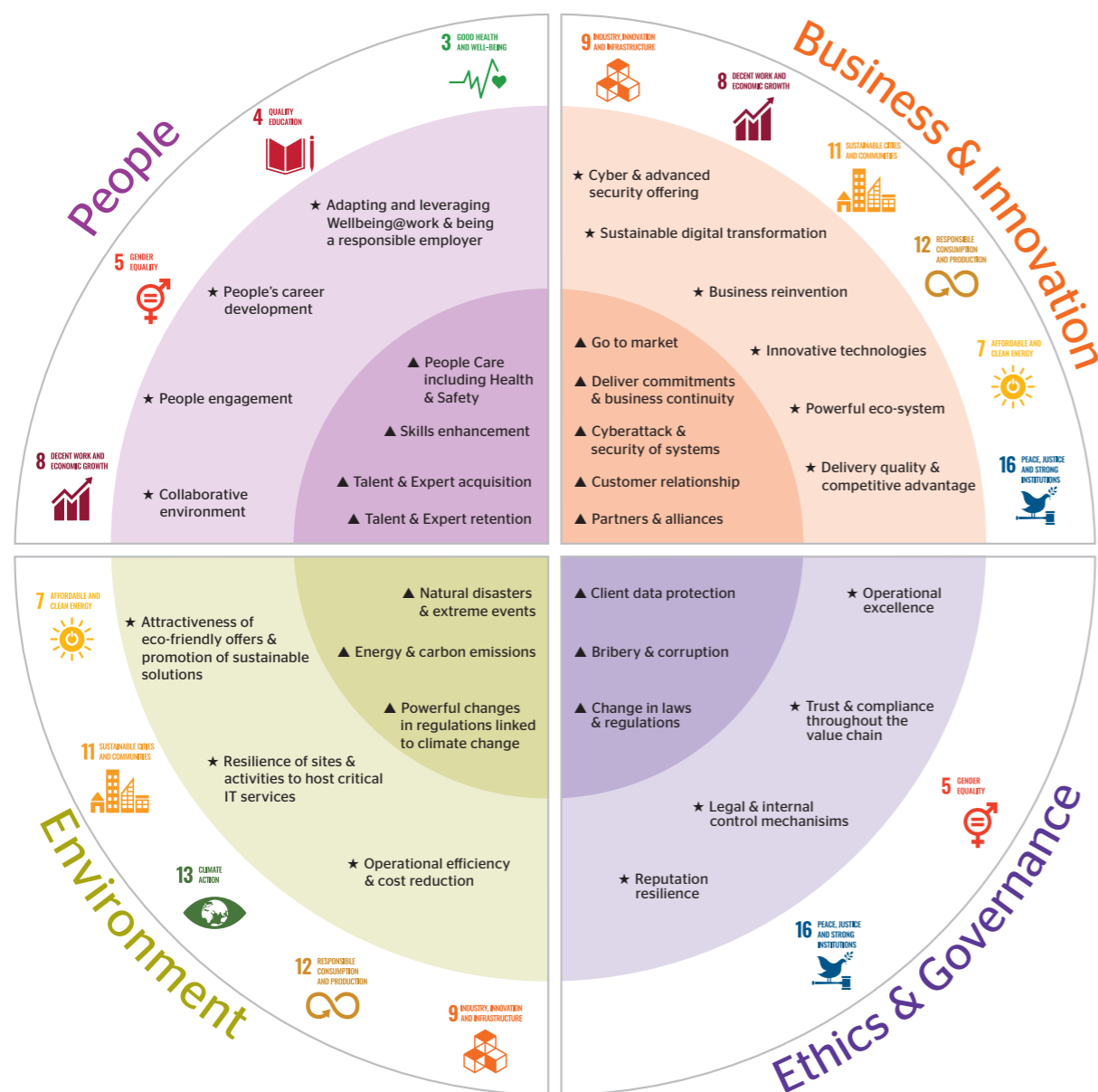
# Managing risks, seizing opportunities

Atos operates in a fast-changing world in which it needs to assess and manage a series of financial and extra-financial risks, that may impact its business, finances, reputation and growth prospects.

Each year we review the enterprise risks including extra-financial risks, faced by our company. Those are then continuously followed and monitored. These extra-financial risks are in the four priority areas identified by our corporate social responsibility program: People, Business & Innovation, Ethics & Governance and Environment. We carry out a mapping exercise which enables us to select and rank the most material risks. The magnitude of these risks varies in terms of impact on Atos business or results and/or likelihood of occurrence.

2020 started in a highly challenging and uncertain context with the Covid-19 pandemic situation. The risk profile should be adapted, emphasizing employees' health and well-being as well as economic disruption.

The following chart illustrates the extra-financial risks we identified in 2019, updated due to Covid-19 impacts that could adversely affect the achievement of our goals to create value as well as the potential opportunities for Atos and our clients to balance those risks. It also maps the link between these risks and opportunities and the UN Sustainable Development Goals that Atos supports through its actions and solutions.



▲ Main risks relating to Atos's four CSR challenges  
★ Risks balanced by opportunities

# Our four priority challenges

## People risks

### ▲ People care including Health, Safety and Physical Security

In the current pandemic context, the vigilance in the care of Atos employees and their families is the highest priority. Atos must always protect their health and safety and should now adapt its well-being initiatives to take into account changing working practices. In addition, Atos needs to continue to meet employees' and potential employees' expectations on personal development and workplace culture.

### ▲ Talent and expert acquisition

Our success depends on our ability to attract key qualified people who can apply their digital skills for the benefit of clients in today's highly competitive labor market.

### ▲ Talent and expert retention

Our ability to retain key qualified staff and to use their skills to create value for our clients is a key driver for our company, therefore a primary focus is required considering the dynamic labor market.

### ▲ Skills enhancement

We need to continuously up/reskill our employees in order to meet customer demand and to transform their new acquired skills into experience.

## Mitigation

- ★ Adapting and leveraging Wellbeing@work and being a responsible employer
- ★ People engagement
- ★ People career development
- ★ Collaborative environment

A Global Crisis Management Team (CMT) has been set up which aims to constantly monitor, define and coordinate the mitigation actions related to (but not limited to) People Care. We adhere strictly to the World Health Organization's instructions and closely follow the evolution of the infection. Measures to avoid contamination at the office, ensure home office readiness, and promote wellbeing initiatives, such as avoiding people in isolation and ensuring balance with family duties, are undertaken. The decisions taken as well as the information given during the Global CMT meetings are then cascaded to the local CMTs. Constant interactions are in place to ensure consistency.

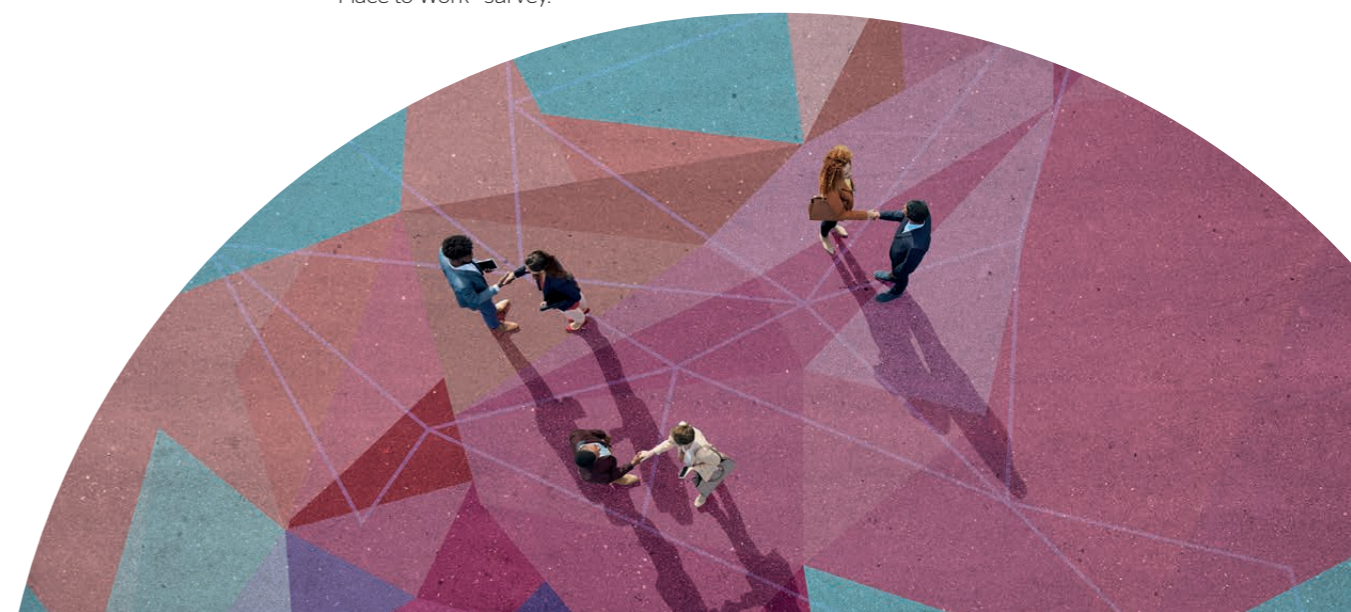
Atos is focused on providing attractive career opportunities, on digital competence building and on developing internal mobility using its Internal First people program. We are continuously improving our recruitment processes and career management programs. Our investment in social media platforms, career mobility and individual development is increasing retention and helping us attract new talents. We have launched a three-year digital certification program and global learning programs for leaders at all levels. The We Are Atos program is supporting Atos in creating a collaborative, diverse and inclusive environment which is successfully engaging the workforce, as shown by our improved score on the Great Place to Work® survey.

## Key contributions to the UN Sustainable Development Goals

Through the We are Atos engagement program as well as the on-going plans to fight against the pandemic, Atos provides direct support towards achieving SDG 3 (Good health and well-being). The objective is to adapt and leverage on the successful Wellbeing@work initiative putting specific emphasis on Health, Care, social value, diversity and inclusion while creating a collaborative environment underpinned by individual development and career mobility plans such as Internal First (which also has a direct impact on SDG 4).

There is a direct link between SDG 5 (Gender diversity) and the Atos Group's gender diversity policy. Our objective is to double the percentage of women in top management by 2021 while decreasing the gender compensation gap by 3% per year.

Our skills development program contributes to our efforts towards SDG 4 (Quality education). The development and certification of digital skills and competencies in technology, while maintaining industry knowledge relevant to our personnel, remains a priority. Skills enhancement and performance is managed through our on-going investment in certifications, adaptive and multi-channel learning and the development of the Atos University.



## Risks & opportunities

### Business & innovation risks

#### ▲ Cyberattack and security of systems

It is of the utmost importance for Atos to maintain the security of our internal and clients' systems as security is the essence of our business. An information breach, unauthorized access and/or a loss of sensitive or confidential information could have a long and significant impact on our business operations and/or our reputation.

#### ▲ Deliver commitments and business continuity

Delays, deficiencies and unsatisfactory levels of services may adversely affect our customers, impact the customer relationship and result in penalties and litigations. In the current pandemic context, it is of the utmost importance that continuity of the business is maintained, to secure our clients' activities. Atos also faces the risk of poor performance resulting from third parties supporting us in the delivery of goods and/or services for our customers. Delivery quality is therefore essential; proactive and close monitoring is the foundation for reducing the risk.

#### ▲ Customer relationship

The digital services and solutions we provide to clients are a critical element for the performance of their commercial activities and business development. Client relationships are extremely important for Atos in terms of impact and are therefore proactively and closely monitored.

#### ▲ Go to market

Atos's activity depends on demand in our clients' markets. In the context of the current Covid-19 pandemic, volatile and uncertain economic conditions could adversely affect client demand for our services and solutions. Therefore, we must be reactive and fully understand our clients' needs to support them during this difficult period. In addition, at a time of rapid technological development and accelerated digital shockwaves, there is a risk that Atos will fail to identify technological shifts or neglect business model disruptions. Our continued success depends on our ability to explore new ideas and concepts, to support innovation and the digital transformation of our clients.

#### ▲ Partners & Alliances

Ever-increasing client expectations can lead to broader and more complex contracts which cannot be delivered by a single contractor. As a result, Atos builds partnerships and strong alliances to complement its expertise, increase client satisfaction and sustainable growth. However, a growing network of partnerships and alliances represents a risk if the relationship is not well managed.

#### Mitigation

- ★ Cyber and advanced security offering
- ★ Delivery quality & competitive advantage
- ★ Business reinvention
- ★ Sustainable digital transformation
- ★ Innovative technologies
- ★ Powerful ecosystem

For Cyber and Security purposes, we have deployed an information security management system which is certified to the ISO 27001 standard. We have also established a Cyber Emergency Policy and implemented a Computer Security Incident Response Team to manage all security events and security incidents worldwide, employing a 24x7 follow-the-sun methodology.

In response to the Covid-19 pandemic, we have set up a Global/Local Crisis Management Team which constantly monitors, defines and coordinates mitigation actions to ensure business continuity, including establishing a pandemic plan, activating Business Continuity Plans, coordinating suppliers and clients, undertaking legal reviews, introducing a remote on-boarding process for new joiners, and reinforcing security rules.

Regarding client satisfaction, in the event of a deterioration in a customer's Net Promoter Score, we diagnose the case to understand the causes and address them specifically.

Atos regularly reviews its markets to plan and adapt its activities. To better adapt to customer demand, our solutions are defined on an industry basis.

In the current pandemic context, the "Atos Always Ready" program has been launched with three essential objectives: to serve our communities, help our clients' transition, and bring our technology to the fight against the virus. As part of this plan, we are deploying immediately available Atos solutions and technologies that are tailored to support our clients during and after the Covid-19 crisis.

Based on the work of the Scientific Community and our network of experts, under the supervision of the Chief Technology Officer, we have deployed a proactive strategy to look ahead for future trends. We address the risks related to the safeguarding of innovation through a dedicated Intellectual Property Factory managing all types of IP assets.

The Atos Rainbow™ bidding process enables our teams to detect potential risks in deals and helps ensure that the solutions requested by clients are ready to be delivered. Atos minimizes the risks related to delivery quality using rigorous review processes right from the offer stage. The Atos Rainbow Delivery process allows us to take mitigating actions where appropriate and to follow up on outstanding actions. In order to further strengthen our operational excellence, a Group contract management program is deployed on major accounts. Taskforces are set up in the event of delivery issues, aimed at responding quickly and adequately to failures.

#### Key contributions to the UN Sustainable Development Goals

Through our strategic growth plan, as well as our ongoing plans to fight against the Covid-19 pandemic, Atos directly and indirectly impacts SDG 8 (Decent work and economic growth). The plan focuses on clients' needs and aspirations by promoting innovative technology (such as IoT, edge computing, Big Data & cybersecurity), the creation of long-term sustainable value and higher levels of productivity for sustained economic growth. The direct impacts come through the internal focus of the RACE program (a productivity, excellence and efficiency program) as well as encouraging entrepreneurship to explore new ways of collaboration and to further leverage our ecosystem of startups and consultants.

Atos brings direct and indirect impacts towards achieving SDG 9 (Industry, innovation and infrastructure), SDG 12 (Responsible consumption and production) and SDG 16 (Peace, justice and strong institutions). Technological progress is part of the Atos business model: we invest in scientific research, identification of future trends and innovation. Our solutions also address governmental challenges such as dealing with crimes and engaging better with citizens, as well as economic and environmental challenges such as promoting energy efficiency (green datacenters).

Atos is indirectly supporting SDG 7 (Affordable and clean energy) and SDG 11 (Sustainable cities and communities) through its offsetting program and sustainable solutions.

### Ethics & governance risks

#### ▲ Client data protection

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's General Data Protection Regulation. Data Protection is the essence of our business and deficiencies in this area would significantly affect our capacity to maintain and generate further business.

#### ▲ Change in laws and regulations

Atos faces regulation and conformity risks as a result of the proliferation and increasing complexity of local and global changes in laws and regulations in multiple areas.

#### ▲ Bribery & corruption

Atos does business across the globe, where the legal, political and economic environment varies. The risk of corruption therefore exists and the company could be materially adversely affected if it fails to maintain business integrity and ethical behavior.

#### Mitigation

- ★ Operational excellence
- ★ Legal and internal control mechanisms
- ★ Trust and compliance throughout the value chain
- ★ Reputation resilience

In order to limit the risks of data breaches, we have implemented a strong and coordinated data protection organization at all levels to provide training, support and expertise. Atos has also rolled out a worldwide awareness training program, which is mandatory for all employees. A data protection policy is in place and controls have been reinforced to ensure compliance with the law.

To tackle compliance risks, Atos has a dedicated compliance program and has implemented robust preventative measures, including the Atos Code of Ethics, training and awareness programs and due diligence processes on third parties, especially business partners.

### Environmental risks

#### ▲ Powerful changes in regulations linked to climate change

Considering the predictable and massive consequences of global warming, key players such as political institutions, main financial and economic organizations, NGOs, clients and students' initiatives, often request companies to disclose climate-change-related information. Regulation is planned to evolve, and Atos must be able to respond to these new requests.

#### ▲ Natural disasters and extreme events

Climate change will result in more frequent and more extreme natural events. The consideration of natural disasters needs to address both the safety of employees and the resilience of activities, including upstream preparation, resistance capacity during an event and the recovery capacity after an event.

#### ▲ Energy and carbon emissions

Energy and carbon emissions are among the priority challenges considered by Atos. The continuous effort is on the one hand to reduce energy consumption, improve efficiency, limit travel impact and reduce carbon emissions to progressively improve the Atos Group's ability to operate in a low-carbon economy. On the other hand, to provide the adequate solutions/products to our clients to support their energy and carbon emissions challenges.

#### Mitigation

- ★ Operational efficiency and cost reduction
- ★ Resilience of sites and activities to host critical IT services
- ★ Attractiveness of eco-friendly offerings and promotion of sustainable solutions

The actions and targets of the Atos Environmental Program help to reduce our environmental impact and prepare Atos to operate in a low-carbon economy. They address challenges such as carbon intensity, energy efficiency, low-carbon and renewable energy, travel impacts and sustainable solutions. Atos complies with all relevant environmental regulations and the ISO 14001 certification of all Atos major sites involves legal monitoring and constant information on potential changes.

We have also implemented dedicated processes aimed at assessing employees' safety and at ensuring business continuity in event of natural disasters. In 2019 our Safety and Emergency Response Tool was activated in the Asia Pacific following natural disasters, in North America following hurricanes, in Greece after an earthquake and in South America for geopolitical reasons. Our business continuity strategies, such as twin datacenters with full duplication capacity, enable us to provide services from different locations in the event of extreme natural events.

Our deep understanding of environmental risk helps us not only to minimize our exposure but also to create value and generate new business opportunities for Atos and our clients, with eco-friendly offerings (Green IT) and sustainable solutions (IT for Green).

#### Key contributions to the UN Sustainable Development Goals

Through our Ethics and Compliance Program, Atos directly contributes to the objectives of SDG 16 (Peace, justice and strong institutions). The program is built around five key regulatory areas: Anti-corruption, Trade Regulations and Export Control, Competition, Human Rights in the context of the duty of vigilance in the supply chain and Anti-Money Laundering. This program includes concrete actions such as due diligence on third parties, our compliance training program for employees, the Group Alert System, and a compliance risk mapping process.

#### Key contributions to the UN Sustainable Development Goals

Through our Environmental Program, Atos directly supports SDG 12 (Responsible consumption and production) and SDG 13 (Climate action). The program encompasses Atos's Environmental Policy, Environmental Management System and ISO 14001 certifications implemented worldwide, all of which drive significant progress at local and global levels. In addition, specific action plans throughout the Atos group are implemented to accelerate responsible consumption and production (for example by improving datacenters' average power usage effectiveness and rolling out energy-saving initiatives) as well as climate actions such as offsetting 100% of the Atos group's residual emissions. By supporting our clients to meet their own sustainability challenges, for example through our fully carbon-compensated sustainable solutions as well as new solutions and technologies to reduce energy consumption, Atos indirectly impacts these SDGs.

